

Report of the Chief Officer: Asset Management and Regeneration

Report to Director of Children and Families

Date: 23rd April 2018

Subject: Tender Acceptance Report – Learning Places Expansion of Hawksworth Wood Primary School (Phase 2)



Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Kirkstall	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

In September 2016 Executive Board approved the principal of a project to expand Hawksworth Wood Primary from a 1 Form Entry with 210 places to a 2 Form Entry with 420 places from September 2017, along with a funding envelope of £4.0m assigned to carry out the works required to accommodate the additional places.

The project is to be delivered by colleagues in City Development on behalf of Children and Families in conjunction with Interserve Construction Limited who have been selected as the Construction Partner via a competitive process ran through YorTender. Norfolk Property Services (NPS) have provided technical advisor and design team services for the scheme to RIBA stage 4.

On 7th February 2018, the Council issued its Invitation to Tender via YorTender to six contractors on the YorBuild 2 framework for works of this nature. A total of five responses were received on Wednesday 14th March.

NPS Leeds and colleagues from City Development have undertaken a joint review and confirm that the tender received from Interserve Construction Limited is correct and unqualified. Interserve Construction Limited has submitted a proposal that meets the requirements set out in the Invitation to Tender documents published by Leeds City Council and developed in partnership with NPS. .

As previously approved by the Head of Service, Learning Systems, Children and Families, the criteria used to evaluate returned bids was based on a price only evaluation and Interserve Construction Limited scored 100% with their price of £1,492,658. The Council intends to award the contract on Monday 23rd April after the expiry of the standstill period which ends on Friday 20th April 2018, subject to not receiving any challenge to this decision. All unsuccessful organisations were informed of the decision via YorTender on Tuesday 3rd April 2018.

At Hawksworth Wood Primary School, due to the complexity of the phasing required to deliver the scheme, the works have been split into two main phases.

The first Design and Cost Report (DCR) raised under reference number D44520 requesting authority to spend £2m was approved in July 2017. The works covered under the first DCR was completed December 2017. It is estimated that the cost of phase 1 works will be £1,070K but this is subject to receiving final accounts from the contractor; these are due shortly.

The second DCR raised under reference number D47440 requesting authority to spend £2,930K was approved in April 2017. This amount also included the transfer of £930K of funds from phase 1 into phase 2.

In order to remain on programme and ensure that there are sufficient places for the increase in the number of pupils joining the school in September 2018, the Council and Interserve Construction Limited entered into an Early Works Agreement (EWA) on Monday 16th April 2018. The value of the EWA is £246.3K and approval was granted by the Head of Service, Learning Systems, Children and Families on Thursday 12th April 2017 under reference number D47471.

The scheme remains within the overall scheme envelope of £4.0m approved by Executive Board members at their meeting in September 2016.

The purpose of this report is to request authority to accept the tender from Interserve Construction Limited for the sum of £1,492,658. This will facilitate the delivery of phase 2 works which comprises of 4 new build classrooms, refurbishment of a number of areas in the children centre to enable it to be suitable for primary school use, provision of a disabled toilet, a fenced games court, and an extension to the car park as well as a junior football pitch. This report also requests approval to enter into the contract with Interserve Construction Limited totalling £1,492,658.

Recommendations

The Director of Children and Families is requested to:

- Approve the request to award the contract for the sum of £1,492,658 to Interserve Construction Limited to construct four new classrooms, carry out internal refurbishment works both in the School and the Children's Centre as well as improvement works to the external environment.
- Authorise the signature of all contractual documentation with Interserve Construction Limited in relation to the tender acceptance.
- Note that the contract award figure includes the value of the early works already signed on Monday 16th April 2018.
- Note the programme dates identified in section 4.0 of this report, in relation to the implementation of this decision.
- Note that the whole scheme will be completed by October 2018; however sufficient accommodation to support the expansion will be available from September 2018

1 Purpose of this report

1.1 The purpose of this report is to request authority

- To accept the tender from Interserve Construction Limited for the sum of £1,492,658. This budget will be used to complete the works required to expand Hawksworth Wood Primary School from a 1 FE to a 2 FE school as part of Children and Families Learning Places Programme.
- To enter into the contract with Interserve Construction Limited totalling £1,492,658.

2 Background information

- 2.1 Leeds has an extremely dynamic and growing economy which makes the city a very attractive proposition for families and businesses to move to. As a result, the city's population is growing rapidly, at a faster rate than many of our neighbours and this is reflected in the increasing demand for school places.
- 2.2 The scale of the response cannot be met through the existing estate; therefore the expansion of existing schools or the creation of new schools has been required. Under the Education and Inspections Act 2006, these changes constitute prescribed alterations, and each requires a statutory process to confirm the change and make it permanent.
- 2.3 The Council's response to the demographic growth pressures on school provision in the city are managed via Children and Families Learning Places Programme. Since 2009 the programme has created over 1778 places in reception in order that the Council fulfils its statutory duty to ensure sufficiency of school places. The schemes in the programme are working with a range of partners, including schools of varying governance models, to ensure enough places are created to meet demand.
- 2.4 Analysis of available demographic data has identified that additional school places are required in the densely populated Hawksworth Wood and surrounding areas to meet demand from families living locally. This is due to a number of factors including: the increase in 0-5 year old children residing in these areas of Leeds and in year pressure for places in some year groups; the extensive programme of house building, both planned and already underway in Kirkstall and surrounding areas. Without adding any additional places in this area, it is likely that in future years some children may not be allocated a place.
- 2.5 The proposal for the extension to the school forms part of the on-going work to address capacity and sufficiency across all of Children and Families, which includes provision for primary and secondary school places, early years, as well as specialist provision. These proposals form part of the Council's Learning Places Programme that embeds the 'one council' approach that has achieved shared ownership of proposed solutions.

- 2.6 The expansion of places at Hawksworth Wood Primary School was approved by members of the Executive Board at their meeting in September 2016. This proposal is for an increase in school places to serve and does not replace any existing schools or places within the community.
- 2.7 Phase 1 works are now complete with the exception of some snagging issues. The first Design and Cost Report (DCR) raised under reference number D44520 requesting authority to spend £2m was approved in May 2017. The works covered under the first DCR was completed in December 2017. It is estimated that the cost of Phase 1 works will be £1,070K but this is subject to receiving final accounts from the contractor; these are due shortly.
- 2.8 The reason for the lower than anticipated final account is because the DCR approved in May 2017 included significant works to the children centre as well as in the school. However due to the critical need to deliver phase 1 works, a decision was made to include some elements of the work in phase 2. As a consequence, a request to reassign funds from phase 1 to phase 2 was made in the phase 2 DCR report.
- 2.9 Phase 1 works are now complete with the exception of some snagging issues. The current estimate for phase 1 works inclusive of all design and construction fees is £1,070k. The reason for the scheme coming in below the original estimate of £2m is due to the uncertainty around scope of works, costs and programming of works because the design process had not been completed. It previously also included significant works to the children centre as well as in the school, these will now be done in phase 2.
- 2.10 The current estimate for phase 2 works are estimated to be £2,930k which also includes works that were originally in scope of phase 1. As a result the cost of phase 2 is now above the original estimate of £2m.
- 2.11 The overall scheme budget of £4.0m was approved at Executive Board in December 2016.

3 Main issues

3.1 Design Proposals and Full Scheme Description

3.2 The proposed works for phase 2 of the Hawksworth Wood Primary School consists of the following components;

- A new one storey extension will be built to provide four key stage 2 classrooms with a link to the existing building;
- An expansion of the current car park to create 15 additional places;
- Provision of a Multi-Use Games Area (MUGA);
- Removal of a driveway allowing for marking out of an appropriately sized football pitch;
- Remedial damp work to the boys and girls toilets situated in the school;
- Redesign of some of the children centre's accommodation to facilitate its use by the school. This is due for completion by end of October 2018;

- Provision of a disabled toilet in the children's centre as the existing one will be used solely by the school;

3.3 To support the scheme NPS have been commissioned to provide full design team services, technical advice, cost management and whilst in construction will act as the NEC Project Manager and NEC Site Supervisor.

4 Programme

4.4 Formal acceptance of the tender is required at the earliest opportunity to ensure that the main phase 2 works commence as planned but more importantly that the critical accommodation required for September 2018 is delivered.

Milestone	Date
DCR approved (Phase 2)	Friday 20 th April 2018
Tender acceptance report approved (Phase 2)	Monday 23 rd April 2018
Contract Award (main works)	Friday 27 th April 2018
Work begins on site (Phase 2)	Monday 23 rd April 2018
Final completion*	Friday 19 th October 2018

*Critical accommodation required for academic year 2017/18 will be available for September 2018.

4.5 An early works agreement was entered into by the Council with Interserve Construction Limited to enable the contractor to commence critical essential works in advance of awarding the main contract.

5 Corporate Consultation

5.1 Consultation and Engagement

5.1.1 The proposal to expand the school was subject to a statutory process issued September 2016 and included public consultation. The expansion of the school was subsequently approved by the Executive Board in December 2016.

5.1.2 The proposed permanent expansion scheme has been subject to consultation with key stakeholders including officers from Children and Families, ward members and the Executive member for Children and Families. Consultation has also involved school staff and governors, the local residents and other colleagues within the Council.

5.1.3 Throughout the design process the school and governing body has and will continue to be consulted on the design to ensure that the final product meets expectations and that any changes proposed do not materially affect the operation and success of the school. The school governing body formally gave their support for the scheme on 17th March 2017.

5.1.4 Public consultation at the school, as part of the planning process for phase 2 works, was held on 14th June 2017 where representatives from Planning,

Highways, City Development and NPS were in attendance to discuss the proposals for phase 2.

5.1.5 Planning approval for phase 2 works was granted in February 2018.

5.1.6 The Project Manager will continue to brief elected members at key stages throughout the project development life cycle.

5.2 Equality and Diversity / Cohesion and Integration

5.2.1 The recommendations within this report do not have any direct nor specific impact on any of the groups falling under equality legislation and the need to eliminate discrimination and promote equality. A screening document has been prepared for this scheme (attached at Appendix A) and the outcome of the screening is that an independent impact assessment is not required for the proposals as set out in this report.

5.3 Council policies and Best Council Plan

5.3.1 This scheme is due to be delivered under the City Council's Learning Places Programme and is required to fulfil the Local Authority's statutory responsibility to provide sufficient school places. In providing places close to where the children live the proposals will improve the accessibility of local and desirable school places and thus reduce the risk of non-attendance.

5.3.2 Contract Procurement Rules (CPRs) apply to this process and this report confirms that the relevant CPRs have been adhered to.

5.3.3 The project contributes to the 2017/18 Best Council Plan outcomes for everyone in Leeds to 'Do well at all levels of learning and have the skills they need for life'; 'Be safe and feel safe' and 'Enjoy happy, healthy, active lives'. It also supports the priority set out in the plan of being a child friendly city by 'keeping children safe, supporting families, raising aspirations and educational attainment'.

5.3.4 It also supports the vision in the supporting 'Children and Young People's Plan 2015 – 19 to build a child friendly city with a focus on ensuring all children and young people are safe from harm; do well at all levels of learning and have the skills for life; enjoying healthy lifestyles; have fun growing up; are active citizens who feel they have a voice and influence. The programme seeks to deliver a supply of good quality places which can contribute to these outcomes.

5.4 Resources and value for money

5.4.1 The project is being delivered through the YORbuild2 framework with a contractor being appointed by a competitive process. The YORbuild2 framework is an approved framework and the proposed procurement process is in line with CPR 3.1.5 (CPRs 3.1.4 and 3.1.6 does not apply as there is no ISP, or existing provider to undertake this work).

- 5.4.2 Tenders received have been evaluated on a price only basis with the lowest compliant tender being selected. Works drawing contained in the tender documents have been fully designed by NPS; all tenderers have priced the same information therefore a price only evaluation allows direct comparison.
- 5.4.3 NPS have been commissioned to provide lead designer and technical advisor services. The scope of service is for NPS to provide City Development with design services and technical advice through the feasibility, design & procurement process. The scope of the service is also to provide the necessary technical advisory services to assure that the construction works carried out by Interserve Construction Limited offers value for money, is aligned with the requirements of the brief, meets the standards set in the LCC Generic Output Specification and is deliverable within the parameters of the programme.
- 5.4.4 Colleagues in NPS have carried out an evaluation of the tender received and confirmed that the tendered figure from Interserve Construction Limited is arithmetically correct. Having examined the tender received from Interserve Construction Limited, it is NPS' view that the tendered cost is low, however the pricing is consistent throughout their submission with no serious anomalies or detectable adverse characteristics. NPS acknowledged in their report that Interserve Construction Limited has completed several contracts for Leeds City Council adequately
- 5.4.5 The pre tender estimate developed by NPS was £1,975,857 and the average tender return was £1,621,668 with the successful tender bid submitted by Interserve Construction Limited being £1,492,658. As a consequence the overall scheme budget will be reduced to reflect the lower cost.

5.5 Legal Implications, Access to Information and Call In

- 5.5.1 The Project has been detailed on the future list of 'Key Decisions' and has not been subject to any 'call-in' requests.
- 5.5.2 The approval of this report constitutes a 'Significant Operational Decision' and as such will not be subject to 'Call-In'
- 5.5.3 The tender has been procured in accordance with the City Council's contract procedure rules.

5.6 Prior Approvals

- 5.6.1 The Design and Cost Report covering phase 2 works at Hawksworth Wood Primary School was approved by the Director of Children and Families on Friday 13th April 2018, call in ended on Friday 20th April 2018.
- 5.6.2 The Early Works agreement was signed by the Head of Service, Learning Systems, Children and Families under reference number D47471 on Thursday 12th April 2018.

5.6.3 The Design and Cost report covering phase 1 works at Hawksworth Wood Primary School was approved by the Director of Children and Families in July 2017.

5.7 Risk Management

5.7.1 Risk has been managed through application of 'best practice' project management tools and techniques via the City Council's 'PM Lite' risk methodology. Project management resource from City Development is tasked with ensuring the project remains within the predetermined risk tolerances.

5.7.2 A priced risk log has been developed for the scheme by Leeds City Council and the contractor to ensure all the risks for the project have been identified together with the relevant owner of the risk. The priced risk register has been used to inform the client contingency for the project. The council's project risk log will be maintained and updated throughout the project and escalation of any risks that sit outside of the agreed tolerances will be managed via the Head of Projects and Programme, City Development.

5.7.3 The key risk to this project is the construction period to ensure that the new classrooms are available for the school to use from September 2018. A contingency plan of utilising other accommodation within the site is being developed and will be agreed with the school. There is provision in the main contract to apply liquidated damages in the event that the accommodation is not ready for September 2018.

5.7.4 A client held contingency commensurate with the value of the project has been included within the approval figure to address any risks that might occur during construction.

6 Conclusions

6.1 The tender price submitted by Interserve Construction Limited is lower than the pre-tender estimate developed by NPS and ensures that the project remains within the funding envelope approved by Executive Board.

6.2 Evaluation carried out by colleagues in City Development supported by NPS who also carried out their own review identified Interserve Construction Limited as the preferred bidder.

6.3 All unsuccessful tenderers were informed of the Council's decision on Tuesday 3rd April. .

7 Recommendations

7.1 The Director of Children and Families is requested to:

- Approve the request to award the contract for the sum of £1,492,658 to Interserve Construction Limited to construct four new classrooms, carry out

internal refurbishment works both in the School and the Children's Centre as well as improvement works to the external environment.

- Authorise the signature of all contractual documentation with Interserve Construction Limited in relation to the tender acceptance.
- Note that the contract award figure includes the value of the early works already signed on Monday 16th April 2018.
- Note the programme dates identified in section 4.0 of this report, in relation to the implementation of this decision.
- Note that the whole scheme will be completed by October 2018; however sufficient accommodation to support the expansion will be available from September 2018

8 Background documents¹

8.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.