

TO: EXECUTIVE
DATE: 29 March 2011

**EDUCATION CAPITAL PROGRAMME
AWARDS OF CONTRACT
Director of Children, Young People and Learning**

1 PURPOSE OF DECISION

- 1.1 The purpose of the report is to seek approval to the award of contracts for the second wave of construction under the Primary Capital Strategy for Change (PCSfC), and the redevelopment of Kennel Lane School. The Executive has previously approved the PCSfC and the redevelopment of Kennel Lane School.

2 RECOMMENDATIONS

- 2.1 **That the Executive approves the award of contract for the Phase 1 and 2 works at the Holly Spring Schools to the preferred supplier, subject to the final lump sum not exceeding the amount set out in the confidential Appendix.**
- 2.2 **That the Executive agrees to delegate approval of the awards of construction contracts for the Crown Wood Phases 2 and 3, Sandy Lane Phase 3, Owlsmoor and Kennel Lane Schools to the Director of Children and Young People and Learning, subject to the final lump sum not exceeding the amounts set out in the confidential Appendix.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The value of these contracts constitutes a Key Decision and under the Council's Contract Regulations Executive approval is required.
- 3.2 Delegated approval to award the contracts at recommendation 2.1. is being sought because the programmes for these projects require them to be completed for the start of the new school term in September 2011 and therefore contractually committed during the period when the Executive is not meeting during the local elections in May 2011.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Masterplans and options appraisals have been undertaken for all the schools which have been subject of consultation and agreement with the Headteachers and Governing Bodies.
- 4.2 Doing nothing is not an option because the Council has a statutory duty to provide sufficient pupil places.

5 SUPPORTING INFORMATION

Background

- 5.1 In July 2008 the Executive approved the Primary Capital Strategy for Change (PCSfC) for Bracknell Forest, which secured £8.378m of Primary Capital Programme grant.

- 5.2 The PCSfC originally included an ambitious programme of school transformation works over a 15 year period, however following cancellation of further PCP grant by the coalition government this programme has been reviewed by EC Harris and the Council and re-focussed down to address only the essential works required to meet the Council's statutory duty to provide sufficient pupil places for September 2011.
- 5.3 The works deemed essential include basic teaching classrooms, accommodation for pupil support, library facilities, ICT suites and specialist subjects some of which is being provided in dual use multi-purpose spaces to reduce the overall floor area requirement and cost. Additional toilets, staff facilities and parking are also being provided where necessary to support the creation of the additional capacity in schools.
- 5.4 The Executive has previously approved the use of nearly £4m of funding for the redevelopment of Kennel Lane School, mainly from DfE grants, most notably the Targeted Capital Fund. This project will bring the schools accommodation into line with its admission numbers and address high priority condition, suitability and access works in the school.

Holly Spring Schools

- 5.5 Holly Spring Infant and Junior schools are being expanded under the PCSfC by one form of entry from 2FE (420 places) up to 3FE (630 places), to meet rising school rolls across North Bracknell.
- 5.6 This work is being implemented in phases over seven years to keep pace with pupil numbers in the schools as they move up from the intake (Reception) year through to Year 6.
- 5.7 Phase 1 and 2 are being implemented together and will provide three additional classrooms for the nursery, reception and year one. Providing accommodation for 60 new pupils, 30 in Reception and 30 in year one. Planning permission has been granted and the work is programmed for completion in September 2011.
- 5.8 In January 2010 a competition was run through the Improvement & Efficiency South East (IESE) framework to select the Design & Build contractor for the Phase 1 projects, with the potential to extend the procurement to subsequent phases 2 and 3. The Council received nine expressions of interest, following which written bids were submitted by three contractors. These submissions were subjected to a technical evaluation by the EC Harris technical team and the Council's Head of Building Surveyors. The three organisations were interviewed by EC Harris and a team of officers, including Corporate Procurement and Building Group. Bids were evaluated using the Council's established evaluation methodology. The full details of this award of contract were reported to the Executive in March 2010.
- 5.9 The preferred supplier received the highest overall score for the Value for Money criteria. Their solution offered value for money for the highest quality solution. They are a recognised framework contractor with a proven track record. Under the rules of the framework the contractor is operating an "open book" policy so all costs and component tenders are being reviewed in detail by EC Harris to evaluate their tender submission. The supplier is tendering all works packages and with EC Harris' tender evaluation best value can be obtained.
- 5.10 The re-tendered works packages will be reviewed by EC Harris against the supplier's historic cost info as a benchmark as well as cost data from several current sources across various sectors this is not limited to the last phase at Holly Spring.

- 5.11 Under the IESE framework the suppliers are tied to fixed rates for management and staff (Preliminaries) and overheads and profits (OHP). IESE monitor and ensure the rates are competitive against the other contractor's under the framework. In addition under the IESE framework there are Key Performance Indicators in place for the main contractors to prove their performance and feedback to continually improve.
- 5.12 The contract will be let under JCT Design and Build form of contract up to the maximum contract value set out in Table Two in the confidential Appendix.

Crown Wood, Sandy Lane and Owlsmoor Schools

- 5.13 The works at Crown Wood Primary School are to bring the school's accommodation into line with its admission numbers. This is a 2FE school with 420 places, but the buildings only had capacity for 381. The school is being remodelled and refurbished to create four new classrooms to provide for these 97 additional pupils. Phases 2 and 3 are being implemented together for completion by September 2011. The phasing of the works also provides for a bulge Reception classroom if required as a contingency against pressure on primary places arising from the Parks development.
- 5.14 The works at Sandy Lane Primary School are also to address the deficit of accommodation of 47 between the school's admission numbers 3FE (630 places) and the capacity of its buildings (583 places). Phase 3 is the final phase of this work and provides the library and ICT resource, a multi-purpose teaching space plus enlarged staff facilities and additional parking. This work is programmed for completion by September 2011.
- 5.15 Owlsmoor Primary School will receive additional toilets and an enlarged staffroom and remodelling of the KS2 building. The works will be run across the summer and autumn holidays for completion by the end of December 2011.
- 5.16 All of these works are being procured by competitive tender following advertisement on the South East Business Portal. They will be let under separate JCT Design and Build contracts up to the maximum contract values set out in Table Two in the confidential Appendix.

Kennel Lane School

- 5.17 Kennel Lane School will receive a new early years facility, sixth form block and internal remodelling to address essential condition, suitability and access works in the school.
- 5.18 The works are being procured by competitive tender following advertisement on the South East Business Portal. The contract will be let under JCT Design and Build form of contract up to the maximum contract value set out in Table Two in the confidential Appendix.

Awards of Contract

- 5.19 The contracts for Crown Wood, Sandy Lane and Owlsmoor fall below the threshold for Executive approval, however these have been included because they are being tendered together and there is a possibility of a single contractor winning all contracts in which case the aggregate value would exceed the threshold requiring Executive approval.
- 5.20 Contractors will be selected on the basis of best value for money through the Council's established tender evaluation process. The tender returns will be evaluated on 40% quality and 60% price.

- 5.21 Delegated approval to award these contracts is being sought because to achieve the programmed completion dates, for the start of the new school term in September 2011 the projects need to be contractually committed during the period when the Executive is not meeting due to the local elections in May 2011. The key milestones are outlined in Table One below.

Table One – Key Milestones

PROJECTS	Return of Tenders	Award of Contract	Contract Start	Contract Completes
Holly Spring Schools	Feb 10	Apr 11	Apr 11	Sept 11
Crown Wood School	Apr 11	Apr 11	May 11	Sept11
Sandy Lane School	Apr 11	Apr 11	May 11	Sept 11
Owlsmoor School	Apr 11	Apr 11	May 11	Dec 11
Kennel Lane School	Apr 11	May 11	May 11	Sept 11

- 5.22 All the contracts that are within this report are design and build contract awards. This route has been chosen so that the contractor is engaged early to develop the design and to assist with value engineering and cost saving to ensure the contracts achieve value for money.

Costs and Funding

- 5.23 All of the projects in this report have been previously agreed by the Executive, with the core element of funding being the DfE Primary Capital Programme (PCP) grant, which amounts to £8.378m through 2009/11. Other DfE funding supporting the programme includes the Basic Need Grant, Modernisation Grant, and the Targeted Capital Fund Grant. Further contributions have also been secured through the Council's own Capital Programme and Section 106 agreements. Discussions are also at an advanced stage with the governors of Kennel Lane Special School that are expected to result in confirmation that the school will contribute an additional £0.100m to the overall cost of the project.
- 5.24 PCP grant has been replaced in 2011/12 with DfE Basic Need Grant, and £3.161m was approved by the Executive in February 2011 as part of the CYPL 2011/12 Capital Programme.

Future Capacity Works

- 5.25 Current planning indicates that further works will be required in future years to meet the Council's statutory duty to provide sufficient pupil places.
- 5.26 The total cost of completing the capacity projects currently in hand at all schools is £20m, of which £14m has already been secured, leaving a shortfall of £6m required

between now and 2016/17. If the Council continues to receive DFE Basic Need grant funding at the level of the 2011/12 allocation, this will be sufficient to address the £6m funding shortfall with the current capacity projects. If DFE Basic Need grant funding from April 2012 is either withdrawn or significantly reduced, then unless the current trend of rising school rolls slows down, the Council will be liable for the cost of providing the required school places.

- 5.27 In the medium to long term however, the impact of future housing development under the SADPD will create further additional demand for school places with a requirement for up to 7 new schools in the Borough. The Council's plans for this will need to ensure that sufficient funding is made available to deliver this building programme, including Basic Need funding, S106 and the proposed new Community Infrastructure Levy.

6 CONSULTATION

- 6.1 The Headteachers and Governing Bodies at the individual schools mentioned in this report have all been consulted on and have agreed the proposed works, and separate consultations have also been run with neighbours and the wider school communities.

7. ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Treasurer

- 7.1 The Borough Treasurer is satisfied that based on the current cost estimates for the programme, sufficient funds exist to meet the award of contracts set out in the Appendix.

Borough Solicitor

- 7.2 None of the contracts proposed to be let are for values above the threshold set by the Public Contracts Regulations 2006 (as amended), so the requirements of those Regulations are not engaged.

Strategic Risk Management Issues

- 7.2 Each of the projects mentioned in this report has its own risk register and is subject to governance under a Project Board. The following is a summary of the identified risks:

- a) Contractor Capability Risk is assessed as LOW because the recommended suppliers would have been through a pre-qualifying approval process and in the instance of Holly Spring have a proven track record of provision of these services in Bracknell.
- b) Contractor Financial Risk is assessed as LOW as prior to the appointment of any contractor independent financial checks procured by the Council will be undertaken. Undertake regular financial health checks of main contractors once appointed and seek financial health assurances of their subcontractors and supply chain.
- d) Affordability Risk is assessed as LOW because these projects can all be funded from within existing approved budgets. The affordability risk for future phases of capacity work in schools is assessed as MEDIUM and this is set out in more detail in paragraphs 5.25-5.27 above.
- c) Planning Risk is assessed as MEDIUM because planning permission has not yet been obtained for, Sandy Lane and Kennel Lane Schools. The planning

applications have been submitted following a thorough pre-application process to identify issues prior to full submission reducing the risk of the application being rejected.

- d) The phase 2 primary masterplans are based on pupil place forecasts and projections. There is a MEDIUM risk that the actual numbers could be higher or lower than those projected impacting on future investment decisions.
- e) The funding envelope for the Kennel Lane project includes a £100k contribution from the school's Devolved Formula Capital budget. This has been agreed with the Headteacher and Chair of Governors in principle, and the risk of this not being formally agreed is assessed as LOW.

Equalities Impact Assessment

- 7.3 Equalities Impact Assessments are undertaken on a programme basis.
- 7.4 All new build construction at Holly Spring, Kennel Lane, Sandy Lane and Crown Wood Schools will be accessible to disabled people.

Background Papers

Confidential APPENDIX A

Masterplans of individual schools

Invitations to Tender, and tender report for Holly Spring project

Invitations to Tender for the remaining projects

Contacts for further information

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