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|  | Officer Key Decision |
| | Report to the Corporate Director of Finance & Resources |
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Authority to tender for the heating system replacement works at Uxendon Manor Primary School

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| Wards Affected: | Kenton |
| Key or Non-Key Decision: | Key |
| Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open |
| List of Appendices: | None |
| Background Papers: | n/a |
| Contact Officer(s): <small>(Name, Title, Contact Details)</small> | Neil Martin, Head of Capital Delivery 020 8937 Email: neil.martin@brent.gov.uk Fareeda Ali, Capital Programme Officer 020 8937 6416 Email: Fareeda.ali@brent.gov.uk |

1.0 Executive Summary

- 1.1. This report concerns the procurement of a contractor to undertake heating system replacement works at Uxendon Manor Primary School. This project is to be delivered as part of the 2023-26 School Asset Management Programme. This report requests approval to issue an Open Tender in respect of a contract for installation of an air source heat pump and associated heating work as required by Contract Standing Orders 88 and 89.

2.0 Recommendation(s)

That the Corporate Director, Finance & Resources:

- 2.1 Approves issuing an Open Tender for the heating system replacement works at Uxendon Manor Primary School on the basis of the pre-tender considerations set out in paragraph 3.2.6 of this report.
- 2.2 Approves Officers evaluating the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 3.2.6 of this report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities and Strategic Context

The Council has a statutory duty to maintain schools it is the responsible body for. The proposed project relates to boiler replacement works at Uxendon Manor Primary School. Upgrading the school's heating system will provide the school with an effective and energy efficient heating system, which will contribute towards strategic priority 4 of the Borough Plan, providing young residents with the best start in life, as well as strategic priority 2, delivering a cleaner, greener future by reducing emissions from the school buildings.

3.2 Background

Reasons for decision

- 3.2.1 Brent Council (the Council) is the responsible body for 39 community and foundation schools and has a duty to undertake major projects at these schools to ensure the buildings are weather tight and provide a safe environment for education.
- 3.2.2 A three-year school asset management programme (AMP) for 2023-26 was agreed by Capital Programme Board in September 2022 to address condition improvement priorities across the schools. These projects are considered the most vital and cover boiler replacement, fire safety, electrical distribution upgrades, roof, floor and window improvements. This programme is in line with the Council's responsibilities for schools in terms of major replacement or renewal projects. Making improvements to school buildings will enhance the teaching and learning environment that will enable the schools and the Council to deliver a superior learning experience for Brent school aged children.
- 3.2.3 The proposed project is part of the school asset management programme and involves replacement of the existing boilers in the school's old block with an air source heat pump, as well as replacement of the heating distribution pipework and radiators in this area. It has been determined that the most appropriate means of providing a contractor to deliver these works is through an open tender.

Alternative Options Considered

- 3.2.4 Officers have considered a range of options including the use of a frameworks, but have concluded that an open tender is the most appropriate means of procuring a contractor, and will promote competition rather than providing a limited pool of suppliers.
- 3.2.5 The Council appointed consultants to confirm the scope of works at each project within the schools AMP programme. The proposed project at Uxendon Manor Primary School involved replacement of oil based boilers at the school with an air source heat pump, and associated pipework and radiators.

3.2.6 In accordance with Contract Standing Orders 88 and 89 respectively, pre-tender considerations for the Contract have been set out below for approval by the Corporate Director, Finance & Resources:

| Ref. | Requirement | Response | |
|-------|--|---|-----------------------|
| (i) | The nature of the services / supplies / works. | Replacement of boiler and heating distribution system with air source heat pump, heating pipework and radiators | |
| (ii) | The estimated value. | £340,000 | |
| (iii) | The contract term. | 12 weeks with a 12 months defects liability period after completion of the works | |
| (iv) | The tender procedure to be adopted. | Single stage open tender procedure as per CSO 96(b) | |
| v) | The procurement timetable. | Indicative dates are: | |
| | | Invite to tender | 18 March 2024 |
| | | Deadline for tender submissions | 16 April 2024 |
| | | Panel evaluation | 17 – 29 April 2024 |
| | | Contract decision | 30 April 2024 |
| | | Report recommending Contract award circulated internally for comment | 02 May 2024 |
| | | Corporate Director approval | 16 May 2024 |
| | | Call-in period of 5 days | 24 May 2024 |
| | | Contract Mobilisation | 27 May – 23 July 2024 |
| | | Contract start date | 24 July 2024 |
| (vi) | The evaluation criteria and process. | The panel will evaluate tenders based on the Most Economically Advantageous Offer, based on the following criteria: | |

| Ref. | Requirement | Response |
|--------|---|---|
| | | <p>Price: Weighting 45%</p> <p>Quality: Weighting 40%</p> <ol style="list-style-type: none"> 1. Project methodology and programme 10% 2. Project Resources 10% 3. Project communications 10% 4. Demonstrating Logistical Solutions in a live school environment 10% <p>Social Value: Weighting 10%</p> <p>Circular Economy: Weighting 3%</p> <p>Sustainability: Weighting 2%</p> |
| (vii) | Any business risks associated with entering the contract. | None identified |
| (viii) | The Council's Best Value duties. | The Council has a duty under Best Value to secure cost-effective and efficient services that meet the needs of the Borough's customers. This will be achieved through inviting bids from the open market and awarding the contract based on Most Economic Advantageous Tender. |
| (ix) | Consideration of Public Services (Social Value) Act 2012 | 10% of the evaluation criteria is assigned to evaluating the bidders social value proposals. |
| (x) | Any staffing implications, including TUPE and pensions. | See section 9 below. |
| (xi) | The relevant financial, legal and other considerations. | See sections 5 and 6 below. |
| (xii) | Sustainability | Appropriate Sustainability Key Performance Indicators / Outcomes will be included in the contract. |
| (xiii) | Key Performance Indicators / Outcomes | Appropriate Key Performance Indicators / Outcomes will be included in the contract. |
| (xiv) | London Living Wage | The Contract will require the payment of the London Living Wage |
| (xv) | Contract Management | The contract will be managed by officers within the Capital Programme Team. |

| Ref. | Requirement | Response |
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| | | Segmentation has been calculated, and is operational. |

3.2.7 The construction works are expected to commence in July 2024 and last 12 weeks. The contractor will be expected to work during school term time and holiday periods in order to complete the project. This has been agreed with the school.

3.2.8 The estimated cost of the works, based on quantity surveyor analysis is £340,000 and therefore is classed as a medium value works contract as per CSO 82.

4.0 Stakeholder and ward member consultation and engagement

4.1 The school have been informed of the proposed air source heat pump and distribution system replacement works.

4.2 The Lead Member for Finance, Resources & Reform has been consulted in the drafting of this report.

5.0 Financial Considerations

5.1 The pre-procurement estimate for the project is £340,000.

5.2 The AMP budget for FY24/25 is going through the cabinet approval process currently. The AMP proposed budget expenditure for the financial year is £2,318k and is funded by the AMP grant the Council receives, this is yearly envelope budget for all schools in the borough.

6.0 Legal Considerations

6.1 The estimated value of the contract is below the threshold for Works under the Public Procurement Regulations 2015 (the "PCR 2015"), the procurement is therefore governed in part only by the PCR 2015.

6.2 The procurement is subject to the Council's own Standing Orders and Financial Regulations in respect of Medium Value Contracts given the procurement is valued at £340,000. For Medium Value Contracts, the Director must approve the pre-tender considerations set out in paragraph 5.2 above (Standing Order 89) and the inviting of tenders (Standing Order 88).

6.3 Once the tendering process is undertaken, Officers will report back to the Director in accordance with the Contract Standing Orders, explaining the process undertaken in tendering the Contract and recommending award.

6.4 As the procurement is governed in part only by the PCR 2015, it has been determined that a voluntary standstill period is the most appropriate measure to be observed during the award stage.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 The Schools AMP Programme detailed in this report has been subject to screening and officers believe that there are no equality implications.

8.0 Climate Change and Environmental Considerations

8.1 This project aims to replace the existing oil based boilers at Uxendon Manor primary school with an air source heat pump. Air source heat pumps have been demonstrated have an energy efficiency of around 300% depending on ambient conditions, as compared to the existing oil boiler, which is 88% efficient, and produce lower levels of greenhouse gas emissions. This directly contributes towards achieving the Council's objective of improving energy efficiency in homes and buildings, one of the key themes within Brent's Climate Emergency Strategy 2021-2030.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 None identified

10.0 Communication Considerations

10.1 The school will be informed of the outcome in the procurement, involved in the prestart meeting and consulted with on an ongoing regular basis during the course of the project to ensure minimal disruption to the school.

Report sign off:

Tanveer Ghani
Director, Property & Assets