



**Cabinet**  
14 March 2016

**Report from the Strategic Director of  
Regeneration & Environment**

For Action

Wards affected:  
ALL

**Authority to award contract for building works at Leopold  
Primary School, (Brentfield Road site, Stonebridge) NW10  
8HE**

**Appendix A is Not For Publication**

**1.0 Summary**

- 1.1 The January 2015 Cabinet approved the recommendation to include Leopold Primary School within Phase 3 Primary School expansion programme and approved the commencement of the procurement process for the building contract works, based on pre-tender considerations set out in that report. In November 2015 Cabinet approved the permanent expansion of Leopold Primary School.
- 1.2 In accordance with the Contract Standing Orders 88 and 89, a high value works contract procurement process was undertaken. Tenders have now been received and evaluated. This report requests authority to award the building works contract as required by Contract Standing Order 88. This report summarises the process undertaken in tendering this contract and recommends the contractor to whom the contract should be awarded.

**2.0 Recommendations**

- 2.1 That Cabinet approve the award the works contract for the construction works at Leopold Primary School (Brentfield Road), to GMS Building Services Ltd. at a contract sum of £1,389,897.15.

**3.0 Detail**

Background

- 3.1 In January 2015 Cabinet approved the proposal to temporarily expand Leopold Primary School to become a 4FE split site primary school using the former Gwenneth Rickus Building, resulting in both Hawkshead and Brentfield Road school sites each accommodating 2FE/420 pupils. This enabled a statutory consultation process to be undertaken. In November 2015, Cabinet reviewed the outcome of that consultation and approved the permanent expansion. A project business case, based on a commissioned feasibility study and including a fully costed proposal was approved by the Strategic Director of Regeneration and Growth and Chief Finance Officer in consultation with the Lead Member for Regeneration and Housing in June 2015 as per the authority delegated by Cabinet in January 2015. This business case concluded that permanent accommodation befitting a 2FE primary school could be contained within the budget of £1.9m and constructed to an agreed programme. To cause minimum disruption to daily school management and operations, this involved phasing works into 'Summer and Enabling' works and 'Main Building' works. The Summer works were approved via delegated authority and completed in the 2015 school summer holidays and the enabling works will be completed in the February half-term holiday in 2016. The Main Building works were procured as a high value works contract, in line with the procurement strategy as detailed in the January 2015 Cabinet.
- 3.2 The proposed award of contract for Main Building Works will convert the temporary split site provision at Brentfield Road into permanent accommodation. Works include some internal re-arrangement, urgent DDA, Building Regulations and Health and Safety installations/upgrades, major refurbishment of Annexe 4 to provide a school kitchen, dining and multi-sports hall, ancillary teaching space and a covered canopy linking the disparate buildings. To assist in alleviating traffic concerns expressed by the school and local residents, the project budget contains a sum that will also support the installation of vehicle and pedestrian road safety measures around the immediate vicinity of the school. The proposed Main Building Works will enable Leopold Primary School to sustain its full capacity of 420 pupil numbers at the Brentfield Road site. Key stakeholders, including the School Governing Body, the school Deputy Head and other staff members have had considerable input into the proposed scheme design and have fully co-operated in accommodating the Summer and Enabling works. Both the Summer and the Enabling Works have been successfully completed by GMS Building Services Ltd, who were awarded the works contract for this package via delegated authority in July 2015 following a low value procurement process.
- 3.3 The proposed Main Building Works achieved Planning Consent on 6 October 2015 and is subject to additional transport related measures. As such, Planning Conditions, concerning electric car-charging points and dedicated car-parking, are currently in the process of being discharged. Full plan application for Building Regulations has been approved, subject to the fire brigade input, which is currently awaited. The proposed design refurbishment and alteration proposals will support the education delivery, facilities and amenities for pupils and so enhance pupils' educational and life-skills experience once works are completed. There are no plans for any new-build

works; all proposed Main Building Works are to be carried out at existing buildings.

- 3.4 The Main Building contract works are expected to complete by 20 January 2017, although the main elements of project delivery will be completed by early December 2016. Subject to Cabinet approval, contractor mobilisation is to start on 21 March with works starting on site on 4 April 2016. This is within the expected programme for this project.

## Procurement Process

### Procurement process and evaluation of tenders

- 3.5 The procurement process followed is set out in the January 2015 Cabinet report: Update on Schools Capital Portfolio, which approved the pre-tender considerations. That report noted that Leopold Primary was expected to be a high value works contract and was not expected to exceed the EU works procurement threshold. Given that the bulk of proposed works entail refurbishment and/or remodelling of existing buildings, this means a lesser extent of design work being required. The project team and consultants Sampson Associates Architects (SAA), recommended that a single stage Design & Build procurement would be more appropriate for this project than the two stage route described in the January 15 Cabinet report. The other approved pre-tender considerations remained the same except that during discussions it was considered that along with the approved evaluation criteria, it would be helpful to have an interview stage and to score interviews. Adverts were subsequently placed on the e-tender portal on 7 October 2015 with expressions of interest (Pre-Qualification Questionnaires) to be returned by 5 November 2015. Twenty three submissions were received and subsequently evaluated by Brent Officers, with input from SAA to identify organisations meeting the Council's financial standing requirements, technical capacity and technical expertise. This resulted in 5 contractors being shortlisted in accordance with pre-tender consideration requirements and invited to tender. Tender documents and Invitations to Tender were issued on the 20 November 2015 with a tender submission date set, initially for 21 December and subsequently extended to 8 January 2016. Of the five contractors invited to tender, four tenders were returned via the e-tender portal on 8 January. There were no late responses.
- 3.6 Tenders were evaluated to identify the most economically advantageous bidder using evaluation criteria consisting of Quality criteria (with a combined weighting of 50%) and Price criteria (with a combined weighting of 50%). Quality criteria included logistical approach and preliminaries, procurement and supply chain strategy, programme and programme efficiencies and cost criteria included the contract sum, benchmarks and the quality of the pricing submission.
- 3.7 Of the four tenders received, two contained arithmetical errors and on seeking clarification both contractors agreed to stand by the price submitted. In addition, only one tenderer, GMS Building Services Ltd, allowed for the renewal of the floor structure to Annexe 4 as a result of asbestos removal works. At the time of inviting tenders it was not known that this work would be

required and for this reason the prices of the other 3 contractors (that are not currently working on the site and aware of this new requirement) did not include this element. In order to ensure all bids were evaluated on a like for like basis therefore, the element of GMS Building Services Ltd's bid attributable to the renewal of the floor structure was deducted from its bid price. Similarly, all four tenders were evaluated by Brent Officers, in accordance with the Quality evaluation criteria and scored in accordance with the scoring protocol and matrix included in the tender documents and reflecting the criteria approved by January 2015 Cabinet with the addition of a scored interview. SAA's analysis of all four tenders included checking for errors, omissions and qualifications that tenderers may have applied to each tender have been incorporated in the evaluation process.

- 3.8 Following the initial evaluation of bids, all four tenderers were invited to interview by Officers, the School Deputy Head, the School Site Supervisor and SAA on 15 January 2016, at the school. As indicated at paragraph 3.5, interviews were seen by Officers and advisors as helpful in the evaluation. This was to gauge tenderers engagement and understanding of the bespoke project essentials, liaison with the school stakeholders and clarification, as necessary, arising from the tenders. Interviews were held, scored and formed a part of the evaluation process. .
- 3.9 Officers, with support from SAA, completed the evaluation of tenders on 19 January 2016. The result is that Contractor A, GMS Building Services Ltd is the highest scoring tenderer. This tender contained no arithmetic errors and demonstrated a good understanding of the project and programme sensitivities. It scored highest in both quality and price criteria. All four contractors' names are detailed in **Appendix A**; overall final scores are shown in **Appendix B**. GMS Building Services Ltd's tender programme meets with the Council's requirements, the pricing is considered to be very competitive and their tender reflects good understanding and a genuine enthusiasm for the project. GMS Building Services Ltd. is located in Brent and many of its sub contractors are likewise, locally based.
- 3.10 If the tendered bid by GMS Building Services Ltd at a contract sum of £1,389,897.15 (including a sum for the renewal of the floor structure to Annexe 4 as a result of asbestos removal works) is accepted, the project can be delivered within the total project budget of £1.9m.
- 3.11 Subject to Cabinet's approval to the award of the works contract, the form of build contract will be JCT Standard Form of Building Contract (SBC/XQ) 2011 un-amended, save for the provision that the contractor's insurances include an "Indemnity to Principle Clause" and are to include Brent Council's Special Conditions.

### Project Cost

- 3.12 As stated in paragraph 3.1 above, the total project budget to complete delivery of the proposed scheme is £1.9m. Summer and Enabling Works, described in paragraph 3.2 have totalled approximately £291k, including construction costs, development and statutory fees. This leaves approximately £1.609m to deliver the Main Building Works; Officers believe this is achievable.

- 3.13 The contract sum tendered by GMS Building Services Ltd is to deliver each component of the scheme, as outlined in paragraph 3.2.

#### **4.0 Financial Implications**

- 4.1 In the report to Cabinet on 26 January 2015 the anticipated cost to deliver a permanent school for Leopold Primary at the former Gwenneth Rickus Building was below the average cost estimate for a new build 2FE primary school or a 2FE expansion of an existing school. This remains the case. There is an allocated Basic Needs capital funding available to award this contract.
- 4.2 The contract sum tendered by GMS Building Services Ltd at £1,389,897.15, excluding an optional performance bond, is expected to deliver the remaining elements of the scheme, as outlined in paragraph 3.2 and is considered to be competitively priced. The inclusion of a performance bond would not make any difference to the outcome of the tenderers' scoring; GMS Building Services Ltd.'s tender would still remain the highest scoring. The tender delivers all the required works within budget.
- 4.3 Officers note that the appointed Cost Consultant considers the financial status, as identified in the accounts of GMS Building Services Ltd, as satisfactory for undertaking the subject works package. Having carried out an independent review of GMS Building Services Ltd's' financial standing, Officers consider and conclude that the company meets the financial capacity as detailed in the pre-tender considerations documentation, represents low risk and has sufficient financial stability to undertake the contract. The expectation is that the project will be delivered within budget and programme and to the desired quality and standard.
- 4.4 The Council's Contract Standing Order 88 states that works contracts exceeding £500k (High Value Contracts) shall be referred to the Cabinet for approval to procure and for its subsequent approval to award a contract. Accordingly, as the proposed contract sum exceeds £500k, Cabinet is requested to approve the works contract to GMS Building Services Ltd, thereby allowing contract mobilisation to start as soon as possible after the call-in period, on 21 March 2016 and complete all elements of work by 20 January 2017.

#### **5.0 Legal Implications**

- 5.1 Under sections 13 and 14 of the Education Act 1996 as amended by the Education Acts 2006 and 2011, the local authority has a general statutory duty to ensure there are sufficient school places available to meet the needs of the population in its area. The local authority must promote high educational standards, ensure fair access to education opportunity and the fulfilment of every child's educational potential. To discharge this duty the local authority has to undertake a planning function to ensure that the supply of school places balances the demand for them.

- 5.2 The Cabinet is requested to approve the award of contract to GMS Building Services Ltd. The contract value is £1,389,897.15, excluding a performance bond and is therefore below the EU threshold for works contracts of £4,104,394. As such, award of the contract is not governed by the Public Contracts Regulations 2015. The works contract is however classed as a High Value Contract under the Council's constitution. As such, the Council's Cabinet must approve award of contract in accordance with Contract Standing Order 88.

## **6.0 Diversity Implications**

- 6.1 An Equality Impact Assessment is attached as Appendix 6 to the 16 November 2015 Cabinet report from the Strategic Director Children & Young People - Item No. 5: 'Determination to permanently expand Leopold Primary from January 2016' and is available to view on the Council's website.
- 6.2 The proposal for expansion at Leopold Primary School is one of a number of schools proposed for Phase 3 Expansion Programme that has an ethnically diverse pupil population and catchment of pupils who need school places. Expansion provision will help to improve choice and enhance diversity and enable the Council to provide additional new places required for Brent's growing pupil population.
- 6.3 The proposed refurbishment, alterations, remodeling and DDA installations and upgrades, will enable the school to be used safely and easily by children with a wider range of needs.

## **7.0 Staffing/Accommodation Implications**

- 7.2 There are no staffing implications for Council staff as a result of this decision however there are likely to be additional job and career opportunities for staff at Leopold Primary School as a result of the additional pupils.

## **8.0 Public Service (Social Value) Act 2012**

- 8.1 Whilst the Public Services (Social Value) Act 2012 (the "Social Value Act") does not apply to works contracts, Officers have had regard to considerations relevant to the Social Value Act in this procurement, namely how the contract might improve the economic, social and environmental well-being of its area and how, in conducting the procurement process, the Council might act with a view to securing that improvement and whether the Council should undertake consultation.
- 8.2 The contract being procured has a primary aim of improving the social wellbeing of the pupils, staff and key stakeholders in Brent. Pupils and parent have been consulted regarding the proposed expansion of pupil numbers at Leopold Primary School which will directly impact on the proposed works contract.

- 8.3 Whilst not relevant to the selection of the preferred contractor, it is to be noted that the preferred contractor, GMS Building Services Ltd, is a Brent registered contractor, based in the northern half of the borough and has a local supply of sub-contractors; this will serve to continue to support local employment opportunities.

### **Background Papers**

Business Case for Expansion at Manor School, dated June 2015.

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