



Executive
23 May 2011

**Report from the Director of
Regeneration and Major Projects**

Wards affected:
All

**Development of SEN Provision at Hay Lane and Grove Park
Sites –The Village School including award of Design and
Build contract**

Appendices 3, 4 and 7 are not for publication

1. Summary

- 1.1. This report summarises the procurement process undertaken by the Council to procure a Design & Build contractor for the temporary accommodation at The Village School and provides an update on the award of the contract for the appointment of a Design & Build contractor for that temporary accommodation.
- 1.2. This report also summarises the procurement process undertaken by the Council to procure a Design & Build contractor for the main works contract for The Village School and requests authority to award the contract for the appointment of a Design & Build contractor for this scheme.
- 1.3. Finally a general update and overview of the project is provided which shows that all pieces are now in place to hand over a new Village School in September 2013.

2. Recommendations

- 2.1. That the Executive awards the Design & Build Contract for the main works for The Village School to JB Leadbitter & Co Ltd, trading as Leadbitters, in the sum of £18,856,721.00.

3. Background

- 3.1. The Executive, at their meeting of 15th March 2010, agreed to proposals to reorganise the hitherto separate Hay Lane and Grove Park special schools as one school with effect from 1st September 2010, to be known as The Village School.
- 3.2. On 12 April 2010 the Executive approved the rebuilding of The Village School incorporating the existing recently completed 16+ Centre, a new Short Break Centre on site and the provision of the necessary temporary accommodation during the construction period on the site of adjacent Kingsbury High School. This decision was taken in part because of the poor condition of the former Hay Lane and Grove Park buildings and because rebuilding the schools as one school had been shown in the 26 May 2009 report to the Executive to be the most cost effective option for their improvement.
- 3.3. The Village School is an all age special school located in Grove Park off Stag Lane in Kingsbury. The school caters for a wide range of special educational needs including profound and multiple learning difficulties, severe learning difficulties, autism with associated learning and behavioural difficulties and physical disabilities.
- 3.4. The existing school buildings are facing major suitability and condition problems. Given the current state of the buildings it is becoming increasingly difficult for the Council to meet its statutory obligations towards these children.
- 3.5. Due to the condition of the existing buildings The Village School will be unable to remain open on this site after July 2011 without significant upgrading (with the exception of the recently built post 16 building).
- 3.6. On 12 April 2010 the Executive received a report from Children and Families requesting authority to procure a Design & Build contractor for two schemes:
 - 3.6.1. Constructing the new Village School on the site of Hay Lane and Grove Park including a new Short Break Centre on the site and enabling works to the existing 16+ block so it can remain occupied during the works (The Village School – Main Scheme).
 - 3.6.2. Constructing temporary accommodation for the Village School on the site of Kingsbury High School including a legacy for Kingsbury High School consisting of a new games area and a new classroom block (The Village School - Decant and Legacy Scheme).
- 3.7. The Executive accordingly gave approval to proceed with two separate procurement processes for a Design & Build contractor for the main works contract and a separate Design & Build contractor for

the temporary accommodation project. At the same time the Executive approved pre-tender issues including the nature of the contract and the tender process including the evaluation criteria. The form of contract selected for both procurements was the JCT Design and Build contract 2005 with further bespoke amendments.

4. Award of Design & Build Contract for Decant and Legacy Scheme

- 4.1 Following Executive approval of April 2010, a tender process was followed in accordance with the EU public procurement regime for works in order to let a contract for the Decant and Legacy Scheme. Following a pre-qualification phase in response to a contract notice in the European Journal, six contractors were invited to tender. Four tenders were submitted and evaluated. A summary of the evaluation results is set out in Appendix 1.
- 4.2 On 11 April 2011 the Executive authorised the recommendation that delegated powers be given to the Director of Regeneration and Major Projects to approve the award of the contract for the appointment of a Design & Build contractor for the temporary accommodation for The Village School on the Kingsbury High School site.
- 4.3 Accordingly the contract for the Design & Build contractor for temporary accommodation was awarded by delegated authority to Henry Brothers (Magherafelt) Ltd on 05th May 2011 for a contract sum of £4,618,670.10.
- 4.4 Henry Brothers were agreed by the panel to have provided one of best written submissions; they scored particularly highly under the section “design quality and its contribution to raising standards of achievement”. The Contractor took a positive, creative but realistic position on ways to improve design quality; they had a clear understanding of SEN provision and the constraints of working to a tight timescale. The Contractor had a well designed programme with some built in tolerance and some good ideas for ways to condense the programme if required.

4 Tender Process for the Village School Main Scheme leading to recommendation for award of contract

5.1. Stage One - Pre – Qualifying Stage

- 5.1.1. On 30 July 2010 the contract notice was placed in the Official Journal of the European Union (OJEU) to seek initial expressions of interest. The notice specified the Council’s requirement to procure a Design & Build contractor and that the scope of works were to finalise the design and construct The Village School.

5.1.2. Organisations expressed an interest in response to the OJEU notice and they were issued with an information pack and prequalification questionnaire (PQQ) to complete. 21 PQQs were returned in accordance with the deadline.

5.1.3. The following assessment process was followed to decide prequalification:

Stage 1: All applicants were initially assessed against the PASS/ FAIL criteria to filter out non-compliant tenders. These were agreed at a joint workshop with procurement adviser present.

Stage 2: Individual scoring on the relevant sections of the PQQ was undertaken by the assessment team.

Stage 3: This involved a group review of the collated scores. The final score for each prospective bidder was achieved by consensus with procurement adviser present.

Stage 4: A recommendation on the short listed prospective bidders was prepared and submitted to Children and Families for approval.

5.1.4. The six organisations that had scored the highest were then invited to tender.

5.2. Stage Two – Invitation to Tender – Works contract

5.2.1. Prior to issue of the Invitation to Tender (ITT) pack, a combined meeting for both the temporary accommodation and main scheme was held with the invited organisations. The session on 22 November 2010 was led by a procurement officer with representatives from Beeden Consultancy and the Council's officers from Children and Families. The purpose was to give tenderers an opportunity to understand the vision for the project.

5.2.2. An ITT pack was issued to the six organisations to invite them to tender. The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous tender to the Council and that in evaluating the tenders the Council would use the evaluation criteria set out in the Evaluation Matrix at Appendix 2 of this report. Overall 40% of the marks were awarded for price, divided into Fixed Lump Sum Offer and Cost Profile and 60% for quality.

5.2.3. All tenders had to be returned by 5pm on 12 April 2011.

5.2.4. A mid-tender information session was held on 17 March 2011.

5.2.5. Tenders from five organisations (Appendix 3) were submitted on time, and these were opened and logged in accordance with the Council's Contract Standing Order 100.

5.3. Evaluation Process – Works Contract

- 5.3.1. Evaluation of all parts of the tender submission and presentation was carried out by a panel of officers and consultants; technical advice was provided by the Council's Health and Safety Officers and an officer from Planning to give advice on Sustainability, also Frankhams provided technical support as design advisors and CDM consultants. In addition, redacted information of relevant sections was provided to the existing design team for comment as to whether the tenderers met the design requirements.
- 5.3.2. Panel members met on 4 May 2011 to score the quality section of the evaluation.
- 5.3.3. The financial evaluation, which carries a maximum percentage of 40% of the available score was carried out by the Council's Cost Consultant from EC Harris, with officers from Finance and Corporate Resources.
- 5.3.4. The detailed evaluation results are set out in Appendix 4 (price – not for publication) and Appendix 5 (quality).
- 5.3.5. Accordingly it is recommended to Executive that the contract for the Design & Build contractor for the main works contract is awarded to Tenderer D namely Leadbitter for a contract sum of £18,856,721.00.
- 5.3.6. Leadbitter were agreed by the panel to have provided one of the best written submissions; they showed a good understanding of the aims and ambitions of the scheme and put forward a very good team who clearly had the appropriate skills and resources to deliver the project successfully. The Contractor scored particularly well on their proposals for stakeholder engagement and working with the project team to ensure that all sections of the development are delivered to programme.

6. Project Update

- 6.1. The Village School project has been progressing steadily since the last full report to Executive on 12 April 2010. As part of the One Council restructure the project was transferred to Major Projects and Regeneration from Children and Families in December 2011. The following provides a brief update on other relevant aspects of the project.

Appointments and fees:

- 6.2. EC Harris were appointed in November 2010 as Project Manager / Quantity Surveyor/ Contract Administrator/ Employers Agent and technical adviser services (M&E/ Structures/ Architectural) for the Main Scheme, following a mini-competition exercise using the OGC Buying Solutions Multi-disciplinary services framework. This did not require Executive approval because the value was less than £500,000.
- 6.3. A subsequent variation to this agreement was made to include Project Manager / Quantity Surveyor/ Contract Administrator/ Employers Agent for the temporary accommodation. As this variation was less than 20% of the agreed fee then delegated authority under part 4 of the Constitution to authorise this was exercised by the Assistant Director of Property and Assets.
- 6.4. The contract with Frankham Consultancy (Architects with Landscape Architects as subconsultants) will be novated to the successful Contractor for the Main Scheme. Frankham Consultancy will remain consultants to Brent Council as technical/ design advisors on the Decant and Legacy Scheme.
- 6.5. Planning Approval was given for both projects at Planning Committee on 2 February 2011.
- 6.6. Major Projects and Regeneration have been actively engaging residents and stakeholders around the two construction sites and in particular representatives from Stubb Close Alms Houses and Holy Innocents Hall on Bacon Lane, Roe Green Resident Association and Bacon Lane Residents Association. The project team is working with all stakeholders to ensure that disruption caused by the project is kept to a minimum.

Third Party Agreements:

- 6.7. A Licence has been agreed between the Governing Body of Kingsbury High School and Brent Council as to temporary use of land at Kingsbury High School (Bacon Lane Site) to erect and provide a temporary school for The Village School together with access from Bacon Lane and Stag lane. This Licence has been written and agreed by both parties and is in the process of being signed.
- 6.8. A Licence is being negotiated between Stadium HA and Brent Council as to temporary access over the land on Stag Lane adjacent to Roberts Court. This licence will date from June 2011 to June 2012 with a break clause dating from October/ November 2011 after which Stadium HA can give one months notice for vacant possession. This licence will enable the Contractors to provide a completely separate

access to the sixth form block for The Village School for the majority of the academic year 2011/2012. This Licence being drafted by the Stadium HA solicitors.

Programme

- 6.9. The recommended Contractor has confirmed that they are able to complete the Short Break Centre by June 2012, well within programme, and that the main building can be completed well before the beginning of term in September 2013 allowing valuable time for the staff and students to get to know the new building.

7. Financial Implications

- 7.1. Appointment of the contractor as per the recommendation to this report for the main contract and the previous appointment for the Decant and Legacy Works under delegated powers will result in a forecast total project cost of £29.255m, as detailed in Appendix 7 (not for publication) to the report. This is within the original budget envelope of £29,395m for the project as approved by the Executive on 12 April 2010 and makes appropriate provision for contingency items.
- 7.2. There has been movement between the tendered amounts and the Pre-Tender Estimates for the Decant and Legacy contract and that for the Main Contract, but subsequent review has considered the tendered sums appropriate.
- 7.3. Funding sources identified in the April 2010 report for this project include Targeted Capital Fund, Devolved Capital Grant, Maintenance Capital, Aiming High Grant and the capital receipt from the sale of Clement Close. Officers are to review the continuing viability of these funding sources to ensure these remain the most appropriate sources for this scheme and will report to a later meeting of the Executive any recommended changes that may arise from this review. Any changes to the recommended funding sources will be within existing budgetary provision
- 7.4. As per the April 2010 report the difference of £19.739m between available funding sources and the total approved funding envelope will be addressed through the provision of additional unsupported borrowing with associated debt charges being met from savings in both the General Fund and Dedicated Schools Budget. Since the submission of the April 2010 report there has been a 1% increase in the Public Works Loan Board rate for borrowing to Local Authorities which will increase the level of associated debt charges arising to be met from savings. The impact of this change and the affordability within identified savings will be considered within the overall review of the scheme funding sources as per 7.3 above.

- 7.5. The new school will have an increase in places from 210 to 235 pupils; increasing capacity will lead to significant savings in out-Borough placement and transport budgets. These have been taken into account in the financial analysis submitted to the Executive 12 April 2010, as referred to in 7.4 above.
- 7.6. As the contract for works exceeds £1m the Council's Contract Standing Orders requires the award of contract to be referred to the Executive for approval. Authority to approve the award of the Design and Build Contract for the temporary accommodation was delegated by Executive on 11 April 2011.
- 7.7. The costs of the design & build contract were included within the estimates of the total project cost in the report to Executive dated 12 April 2010.
- 7.8. The price and technical scores for all tenderers are set out in Appendices 4 and 5.

8. Legal Implications

- 8.1. The Design and Build Contractor for the main scheme has been procured using the Restricted Procedure in accordance with the relevant EU directive, the Public Contracts Regulations 2006 ("the Regulations") and the Council's Contract Standing Orders. This is because the estimated value of the design and build contract is above the threshold in the Regulations for the application of the European public procurement regime.
- 8.2. The estimated value of the works contract over its lifetime is in excess of £1m and the award of the contract is consequently subject to the Council's Contracts Standing Orders in respect of High Value contracts and Financial Regulations.
- 8.3. In considering the recommendation, the Executive needs to be satisfied on the basis of the information set out in the report that the appointment of the recommended contractor will represent best value for the Council and will mean that the tenderer appointed has offered the most economically advantageous tender. In order to decide on the most economically advantageous tender, tenders have been evaluated in accordance with the evaluation criteria notified to tenderers.
- 8.4. Following the approval of the recommendations of this report, the Council must observe the Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period before the appointment can be made.
- 8.5. Therefore once it is determined which tenderer should be awarded the contract, all those who tendered will be issued with written notification of the award decision. A minimum 10 calendar day

standstill period will then be observed before the appointment is concluded, and additional debrief information will be provided to those requesting this in accordance with the Regulations. As soon as possible after the standstill period ends, the successful tenderer will be issued with an award letter setting out the main contract terms to allow the contract to commence.

- 8.6. Following contract award, a contract award notice will need to be placed in the Official Journal of the European Union.

9. Diversity Implications

- 9.1. An equality impact assessment was completed 5 May 2009. The reports to the Executive summarised the position as follows:
- 9.2. 26 May 2009: This project will put this particularly vulnerable group of young people on an equal footing in respect of educational provision as their peers in mainstream schools. Without it they will be left behind.
- 9.3. 12 April 2010: The scheme will further improve the educational and teaching facilities for children with special needs, their families and carers.
- 9.4. Refer to Appendix 6 for the INRA.

10. Staffing / Accommodation issues

- 10.1. There are no implications for Council staff arising from tendering the contract.

11. Background Papers

- 11.1. The Village School office Files (excluding tenderer submissions) and April 2010 Executive Report

Appendix 1 - Evaluation results for Decant and Legacy Scheme

Appendix 2 - Evaluation Criteria for the main scheme

Appendix 3 - List of Tenderers (not for publication)

Appendix 4 - Price Evaluation results for main works contract (not for publication)

Appendix 5 - Quality Evaluation for main works contract

Appendix 6 – Impact Needs/ Requirement Assessment Completion Form (INRA)

Appendix 7 – Overall Project Summary – Reconciliation with Budget (not for publication)

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