

 Brent	Officer Key Decision
	Report to the Strategic Director of Regeneration & Environment
Authority to award a contract for mechanical and electrical works at Mora Primary School	

Wards Affected:	Mapesbury
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt - Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
No. of Appendices:	2 Appendix 1 – Tender List Appendix 2 – Tender Evaluation
Background Papers:	n/a
Contact Officer(s): (Name, Title, Contact Details)	Neil Martin, Senior Capital Programme Officer, 020 8937 4203 neil.martin@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report concerns the mechanical and electrical items replacement works at Mora Primary School. This project is part of the 2018 – 2023 School Asset Management Programme. This report requests approval to award a contract in respect of a contract for the heating and hot water plant replacement at Mora Primary School as per Contract Standing Order 88.

2.0 Recommendation(s)

That the Strategic Director of Regeneration & Environment:

- 2.1 Approves the award of a contract for the heating and hot water plant replacement at Mora Primary School to Re-Gen (UK) Construction Limited for £529,051.49.

3.0 Detail

- 3.1 Brent Council (the Council) is the responsible body for 44 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. Funding is provided to responsible bodies to carry out these works by the Education and Skills Funding Agency (ESFA) via the School Condition Funding (SCF). This funding is provided each year based on an assessment by the ESFA of high level building condition need and is provided to meet the responsible body's own local condition priorities across their schools. The Council places SCF monies in a specific capital budget, the School Asset Management Programme (AMP) budget to meet its statutory requirement.
- 3.2 A five-year programme was agreed by Capital Investment Panel (CIP) in October 2017 to address condition improvement priorities across the schools. These projects are considered the most vital and cover boiler replacement, fire safety, electrical distribution upgrades and roof 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.
- 3.3 The Council appointed consultants to confirm the scope of works at each project identified in Phase 1. The proposed project at Mora Primary School involves replacing the heating and hot water plant and electrical distribution boards in the Infant and Junior Blocks of the school. The construction works are programmed to commence in July 2019 and run for 6 weeks (during the school summer holidays). The contractor will be expected to work during the school summer holiday period in order to complete the project before the school returns from holidays. This has been agreed with the school.
- 3.4 The estimated cost of the works, based on quantity surveyor analysis was £480,000 and therefore was classified as a medium value works contract (£250,000 - £5,000,000) as per CSO 82.
- 3.5 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations were set out and approved by the Operational Director of Property & Assets on 12 April 2019 and the tender process followed these approved considerations. An advertisement was placed on Contracts Finder and was issued as an Open Tender on 12 April 2019 on the London Tenders Portal and was managed by officers in Procurement.

- 3.6 This tender was a single stage tender as per Contract Standing Order 96(b). 28 expressions of interest were elicited and 6 contractors completed and submitted tender bids by the due date of 3 May 2019.
- 3.7 All suppliers were given an opportunity to visit the school to assist them in submitting a bid. Site visits were undertaken when the school was closed.

Tender Evaluation

- 3.8 The instructions to tenderers document stated the contract would be awarded on the basis of the most economically advantageous offer to the Council based on the following evaluation criteria:
- Price: 60%
 - Quality: 40%
 - Project Methodology & Programme
 - Project Resources & Delivery
 - Working in the live school environment
 - Project Communication Plan
 - Previous Experience/References
 - Social Value
- 3.9 The Council's appointed technical consultants, Kier Business Services, undertook a detailed evaluation of pricing submissions. This review process included checking for any formulaic or mathematical errors and issuing queries to each contractor to clarify any qualifications or exclusions in order to ensure compliant bids were received.
- 3.10 The quality component tender evaluation was carried out by a panel of officers from the Council's Capital Programme Team (Property & Assets, Regeneration & Environment) and was moderated by the Council's Procurement Team. Table 1 below shows the summary ITT evaluation scores of the bidders and Appendix 2 provides a more detailed breakdown of the full tender evaluation outcome.

Bidder	Price Score % (max. 60%)	Quality Score % (max. 40%)	Total Score % (max. 100%)	Ranking
Bidder 1	55.71	22.40	78.11	2
Bidder 2	53.95	24.00	77.95	3
Bidder 3	59.45	12.40	71.85	5
Bidder 4	44.12	17.20	61.32	6
Bidder 5	48.62	24.00	72.62	4
Bidder 6	60.00	19.20	79.20	1

Table 1 - Tender Evaluation Outcome

- 3.11 Bidder 6 was the highest scoring bidder, scoring 79.20% overall. Their quality score was 19.20% and their pricing submission was £529,051.49 which scored 60.00%. The price is within the budget assigned to the project. The Council's appointed technical consultants confirmed the bid was compliant.

- 3.12 The highest scoring bidder has submitted a compliant programme at tender stage and has programmed completion of the project by 2 September 2019. This is before the school returns from the summer holidays.
- 3.13. The highest scoring bidder has provided for an apprenticeship and 1-2 work experience placements to local schools and colleges, as well as a local community engagement function and meeting to talk about the project.

4.0 Financial Implications

- 4.1 The project budget for the heating and hot water plant replacement project at Mora Primary School is £579,911 of which £50,859 has been spent or committed, leaving £529,052. This project budget has been approved as part of the wider AMP programme approved by CIP and monitored and managed by the Schools Capital Programme Board.
- 4.2 The highest scoring bidder's contract price is £529,051.49 which utilises the remaining budget from the project. The project budget has been changed as part of the governance process overseeing the delivery of the project and wider AMP Programme. There is enough capacity within the School AMP budget to cover the project spend and within the wider AMP budget to respond to any emergency works across the school portfolio if required.
- 4.3 A retention figure of 2.5 per cent will be used to ensure any snags/defects are dealt in an appropriate manner with during the 12 months defects liability period. This is included within the contract price above.
- 4.4 The supplier's financial strength has been checked and approved as sufficient for this project.
- 4.5 Insurance limits (as minimums) will be set as follows and the highest scoring bidder has confirmed these insurance levels are in place:
- Public Liability Insurance: £10,000,000
 - Employers Liability Insurance: £10,000,000
 - Professional Indemnity Insurance: £2,000,000
 - A Principals Clause is required

5.0 Legal Implications

- 5.1 The contract falls within the definition of a 'public works contract' under the Public Contracts Regulations 2015 ('EU Regulations') but as the value of the contract is below the EU procurement threshold for works (currently £4,551,413), the procurement is not subject to the requirements of the EU Regulations. However, contracting authorities are expected to comply with the principles of the Treaty of the Functioning of the European Union of transparency, non-discrimination, fairness and equal treatment when procuring,

by publishing the contract opportunity and undertaking a competitive procurement process before the contract is awarded.

- 5.2 Approval of the pre-tender considerations was given by The Operational Director of Property & Assets on 12 April 2019 and the contract was procured in line with these considerations and the relevant CSOs.
- 5.3 Under section 3(a) of the table at paragraph 9.5 of Part 3 of the Constitution, Chief Officers have delegated to them power to invite expressions of interest, agree shortlists, invite Tenders, negotiate, award, and terminate contracts provided that any works contract will not exceed £5m over the life of the contract. It is considered that you have delegated authority to approve the award of contract for this project as the value of the contract is below £5m.
- 5.3 The project will be administered using the 2016 JCT Intermediate Contract with the Council's amendments.

6.0 Equality Implications

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no equality implications.

7.0 Human Resources/Property Implications (if appropriate)

- 7.1 This contract will be provided by an external contractor and there are no implications for Council staff arising from it.

8.0 Public Services (Social Value) Act 2012

- 8.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. This duty does not strictly apply to the proposed contract as it is not a services contract. Nevertheless, Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.
- 8.2 Ten per cent of the evaluation criteria attributable to Quality (overall 4%) is assigned to evaluating the bidders' social value proposals. The highest scoring bidder included a number of initiatives in their bid including an apprenticeship and work placements proposed for local schools and colleges.

Report sign off:

Amar Dave

Strategic Director Regeneration &
Environment