

LONDON BOROUGH OF BRENT

EXECUTIVE - 26 April 2004

FROM THE DIRECTOR OF EDUCATION, ARTS & LIBRARIES

NAME OF WARD(S)
BARNHILL

REPORT TITLE: AUTHORITY TO INVITE TENDERS FOR THE NEW-BUILD SPORT AND PERFORMANCE ARTS HALL AT CHALKHILL PRIMARY SCHOOL

Above **Below**
Confidential Line Except Appendix 2

F.P. Ref: EAL-03/04-0043

1.0 SUMMARY

This report requests approval to invite tenders in respect of the above named works contract as required by Council Contract Standing Orders 89 and 90 and to evaluate tenders.

1.0 RECOMMENDATIONS

Subject to the New Opportunities Fund (NOF) granting project scheme approval, the Executive is requested to:

- 2.1 Approve to the pre-tender considerations and the criteria to be used to evaluate tenders as set out in paragraph 6.9 of this report.
- 2.2 Approve that officers invite tenders and evaluate them in accordance with the approved evaluation criteria, as referred to in paragraph 6.9 of the report

2.0 FINANCIAL IMPLICATIONS

- 3.1 The Council's Contract Standing Orders state that works contracts exceeding £1million (High Value Contracts) shall be referred to the Executive for approval to invite tenders.
- 3.2 The estimated value of this works contract is set out in the below the line Appendix 2 This includes development costs and is derived from the quantitative and financial assessment that has been undertaken by Education, Arts and Libraries (EAL) appointed consultant, Jacobs Gibb Limited.
- 3.3 The cost of this works contract is to be funded from the New Opportunities Fund (NOF). Brent LEA's fund award is a total of £2.965m , awarded in 2002/03 and contained in Education, Arts and Libraries' (EAL) 2003/04

Capital Budget. The resources can only be spent following approval from the NOF Board. Stage 1 approvals took place in 2002/03. Stage 2 submissions were made by the deadline of 29 March 2004 thereby allowing the corresponding expenditure to occur only in 2004/05. It is anticipated that of the £2.965m, £289,000 has been spent in 2003/04, leaving an anticipated balance of £2,676,000 carried forward to 2004/05 from 2003/04; there has been no loss of grant to the Council. The estimated forecast total work and development costs from the original project cost feasibilities are set out in Appendix 2 (below the line). The original (2002/03) estimates have now been revised. It is now estimated that these costs are likely to be higher and the revised total cost estimate is also set out in the below the line Appendix 2. Paragraph 6.4 gives reasons as to why estimated costs have exceeded original forecast. The proposed new sports hall at Chalkhill Primary School will be presented at NOF's Board on 19 April 2004 when a formal decision to grant approval to build is anticipated. As is the usual process, an external NOF Assessor has been in consultation with Council officers to assist an outcome of recommendation for the Chalkhill sport hall, prior to the NOF Board meeting on 19 April. The external assessor has, with officers, reviewed issues including appropriate levels of inflation on build costs, aspects of the school business plan and construction and technical details. In the event, that a decision of the Board is received by the meeting of the Executive on 26 April 2004 an update will be provided to the Executive.

- 3.4 Brent LEA's NOF award, granted in October 2002, is £2.965m to support a portfolio from which a range of sporting development and enhanced facility schemes are to be built. This award is fixed and is the total sum available to cover capital scheme and development fee costs. In the unlikely event that the Chalkhill Primary Sport and Performance Hall is not approved, professional and statutory fees incurred in connection with this project shall be contained within the NOF allocation of £2.965m and at no additional cost to Brent Council.
- 3.5 The immediate impact that the increase in works costs will have on the Brent NOF portfolio has been considered. It means that from the list of priorities in this portfolio, the last listed scheme, to build a Multi Use Games Area (MUGA) may not proceed if grant funds are insufficient. The NOF grant fund allocation for this particular MUGA is £51,000, which was the original grant request and which is considered insufficient for the purpose; it is the last prioritised, but serves to maximise available NOF funds and to accommodate an occurrence of higher estimated costs of higher prioritised projects. Any shortfall in funding this scheme will be met from forecast under-spend on other NOF funded schemes. From Brent LEA's NOF portfolio, Chalkhill Primary School is listed as fifth in the allotted list of 13 priority projects, (as shown in Appendix 1) from which the £2.965m NOF grant award is to fund, subject to Brent LEA obtaining NOF project scheme approval.

3.0 STAFFING IMPLICATIONS

- 4.1 There are no staffing implications for Council staff nor for Chalkhill Primary School staff arising from the invitation to tender this works contract, nor for the

evaluation process enabling subsequent recommendation for the award of works contract.

4.0 LEGAL IMPLICATIONS

- 5.1 The estimated value of this contract is below the threshold of the European Procurement Regulations for Works contracts. The proposed Works contract is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations.
- 5.2 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 5.3 The grant funding to the Council from NOF will be subject to grant conditions that specify the manner in which procurement must be undertaken. The procurement process detailed in this report will be in compliance with these conditions.
- 5.4 The form of contract for this project will be one of the Joint Contracts Tribunal (JCT) family of contracts and will incorporate Brent's standard amendments.

5.0 DETAIL

- 6.1 The New Opportunities Fund (NOF) is a National Lottery Distributor and distributes National Lottery money to various projects across the UK and works with national, regional and local partners from the public, private and voluntary sectors to fund initiatives, with particular focus on the needs of those who are most disadvantaged in society. NOF is a non-departmental public body and reports to DCMS (Department for Cultural and Media Studies) and to whom Sport England offers guidance on scheme design and technical matters as and when required. In October 2002 Brent LEA was awarded a NOF grant fund of £2.965m, with the LEA being able to spend against staged approvals (the next being on 14 April 2004) to deliver a portfolio of 13 schemes, designed to build new sport provision and enhance sport facilities within allocated schools, school grounds, outdoor activity centres and park services. These schemes are shown in Appendix 1. During the following months a programme was agreed with NOF for the submission of those project schemes, over a period covering October 2003 to March 2004. Of those schemes within Brent's NOF portfolio, Chalkhill Primary School Sports Hall is the only project where costs are to exceed £1million.
- 6.2 NOF required LEAs to submit projects in two stages to ensure that LEA schemes approved by NOF were affordable. The LEA submitted 75% (by value), of its proposed schemes, in order of a ranked priority list, agreed with NOF, between October 2003 and March 2004 when Stage 2 was completed (Stage 1 being the collation, submission to NOF and its approval of the overall 13 scheme Brent LEA portfolio). The principle behind this requirement is to ensure that project costs can be contained and to ascertain that those priority projects could be met, on a financial basis, within the grant fund allocation prior to commitments on remaining schemes being made and

expenditure incurred. On this basis and within this allowance, the last listed scheme is to remain a low priority in the portfolio and will only be implemented if resources become available. Both the school concerned and NOF have been consulted.

6.3 Chalkhill Primary School is listed as fifth on Brent LEA's list of priorities and, as such, was included in the initial 75% of the portfolio Stage 2 project scheme submission and was submitted to NOF for Stage 2 funding approval in October 2003. NOF Board will hold a committee meeting on 19 April when it is expected that the Chalkhill sports hall project will be decided. As estimated works costs are expected to exceed the threshold of £1m (see Appendix 2 for the estimated value of this contract) the Executive is required to give approval to the pre-tender considerations detailed below at paragraph 6.9, the criteria to be used to evaluate tenders and to give approval to officers to invite tenders for the build of the subject hall.

6.4 Brent EAL Asset Management Services appointed Jacobs Limited, a term contractor, to design and provide the technical input and cost analysis for the design and development of the sports hall at Chalkhill Primary School. In line with the remit of Sport England and other appropriate authorities and advisory bodies and, in consultation with Brent Officers and the School representatives, the end result is a proposed sport and performing arts hall designed to meet the identified needs and particular requirements of the local community. The addition to overall scheme cost is attributable to the following factors:

- Provision of a relatively high level of contingency at 10% (when compared to the norm of 5% contingency that is built into capital works) and is a built in cost feature required by NOF;
- a further NOF requirement of provision of 3.5% to allow for additional costs arising from inflation on build costs in years 2003/04 and 2004/05;
- the School's specific design requirement ensures separate entrances for each sex from the main foyer to the changing rooms which affords discretion and privacy, as far as possible, to include girls and women of the Muslim community;
- the design incorporates provision to include wheelchair bound and ambulant disabled persons, as set out in the Sport England guidelines;
- the design layout reflects the best compromise addressing all inclusion issues raised during the consultation process with the School, school governors, user groups, the community, Sport England and the LEA Steering group;
- the provision of a covered, connecting walkway between the existing school and the new sports hall.

Jacobs has, however, stated that cost savings may be made during the tender process, when the building design would be tested by the market. Further cost savings may be made, if plans to re-build the main element of the existing School building were to materialise in the period between NOF approval and the anticipated contract start date, in that a proposed and currently designed connecting walkway would be no longer required.

6.5 The Borough Solicitor has verified that ownership of the site upon which the proposed Sports and Performance Hall at Chalkhill Primary School is to be built is vested in the Mayor and Burgesses of the London Borough of Brent.

Provided all relevant statutory regulations, Member and funding body approvals have been obtained, the contract to proceed with works may commence.

6.6 Subject to all necessary approvals being obtained, including NOF, who are expected to consider the Chalkhill Sports Hall project in April 2004 and, in line with the Council's Standing Orders, advertisements are to be placed in the trade press and a local paper as soon as possible to seek initial expressions of interest. Those organisations that respond to the advert will be sent the Council's Pre Qualification Questionnaire which addresses issues such as Business Probity & Economic & Financial Standing and Health & Safety considerations. Organisations which meet the required standard for the issues in the Pre Qualification Questionnaire will be invited to tender for this contract. The tendering instructions will advise tenderers that their tenders will be evaluated in accordance with the evaluation criteria set out in this report, shall state that the recommendation to award the contract will be made on the basis of the most economically advantageous offer to the Council. The proposed evaluation criteria are:

- Price/Cost
- Quality
- Approach to Service Delivery and Timescales
- Track record in similar type of work
- References
- Current workload
- Labour force – locality

6.7 The tender evaluation process, supported by Jacobs as outlined in paragraph 6.6, will be followed by a detailed tender report to be initiated by Jacobs, following approved criteria and shall enable Brent Officers to make a recommendation to the Executive to whom to award the works contract.

6.8 Subject to all necessary approvals being obtained, the Executive is requested to authorise Officers to place advertisements in the journals as described in this report and to authorise Officers to evaluate tenders and to make a subsequent recommendation to Executive as to whom to award the proposed works contract for the build of the new sports hall at Chalkhill Primary School.

6.9 In accordance with Contract Standing Orders 89 and 90, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response
(i)	The nature of the service.	Building work to produce a multi purpose hall (for sports, dance and drama) together with changing rooms, showers, toilets and ancillary space.

(ii)	The estimated value.	See Appendix 2 for the estimated value of this contract.	
(iii)	The contract term.	Twenty-six weeks, with an anticipated start date in September 2004.	
(iv)	The tender procedure to be adopted.	A two stage restricted procedure	
(v)	The procurement timetable.	Indicative dates are:	
		Adverts placed	07 May 2004
		Expressions of interest returned	28 May 2004
		Shortlist drawn up in accordance with the Council's approved criteria	04 June 2004
		Invite to tender	11 June 2004
		Deadline for tender submissions	09 July 2004
		Panel evaluation and shortlist for interview	23 July 2004
		Interviews and contract decision	30 July 2004
		Report recommending Contract award circulated internally for comment	20 August 2004
		Executive approval	Late August 2004
		Contract start date	September 2004
		Completion date	March 2005

(vi)	The evaluation criteria and process.	Shortlists are to be drawn up in accordance with the Council's Procurement and Contract Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. The panel will evaluate the tenders against the criteria set out in paragraph 6.6 above.
(vii)	Any business risks associated with entering the contract.	[No specific risks other than has been outlined in this report] Financial Services and Legal Services have been consulted concerning this contract.
(viii)	The Council's Best Value duties.	The competitive tendering process will assist the Council in achieving Best Value qualities.
(ix)	Any staffing implications, including TUPE and pensions.	See section paragraph 4.0 above
(x)	The relevant financial, legal and other considerations.	See paragraph 3.0 and 5.0 above

7.0 DIVERSITY ISSUES

- 7.1 The school has no indoor facilities suitable for PE, limiting the PE curriculum. The school is located on the Chalkhill estate in Barnhill ward, a recognised area of deprivation undergoing significant regeneration. There are limited facilities accessible to the local community; the hall will play a key role in community development.
- 7.3 The proposed Sports and Performance Arts Hall will provide increased opportunities for women and girls to be involved in sport and physical activity. A high percentage of users of the proposed facility will be from ethnic minorities, due to the high level of cultural diversity within Brent and an initial Equality Impact Assessment suggests that differing racial groups will benefit from the provision of the new sports hall. The hall is compliant with the Disability Discrimination Act 1995 requirements.
- 7.4 The proposed Hall at Chalkhill School is able to demonstrate evidence to meet Level 1 of the Equality Standard for Local Government.

8.0 BACKGROUND INFORMATION

8.1 EAL Asset Management Services NOF files

Any person wishing to inspect the above papers should contact:

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APPENDIX 1

Priority	School Name	Postcode	Description	Dimensions
1	Newfield Primary School	NW10 3UD	Multi-use games area, floodlighting, fencing, rebound wall	18m x 40m
2	St Mary's CofE Primary School	NW10 9JA	Multi-use games area, floodlighting, fencing, rebound wall	18m x 40m
3	Gladstone Park incorporating various schools	HA0 2HB	New build changing pavilion and grass pitch development of 3 pitches	Six team changing and light refreshment area
4	St Mary's RC Primary School	NW6 5ST	Multi-use games area, floodlighting, fencing, rebound wall	18m x 40m
5	Chalkhill Primary School	HA9 9YP	Sports/Performance Hall for PE/Dance/Drama, changing facilities, lobby	2 court sports hall
6	Preston Manor High School	HA9 8NA	Pitch Drainage	3 pitches
7	St Gregory's RC High School	HA3 0NB	Changing room modernisation, new disabled provision, small group teaching space	Boys 73m ² Girls 73m ²
8	Queens Park Community School	NW6 7AD	Modifications to existing sports hall mezzanine to fitness suite, new disabled lift, specialist equipment; pitch drainage if budget allows	Fitness suite approx 60m ²
9	Kingsbury High School	NW9 9JR	Pitch drainage and levelling	4 pitches
10	Claremont High School	HA3 0UH	Pitch drainage and levelling	1 pitch
11	Welsh Harp Environmental Centre	NW9 8RY	New w.c..block, refurb works, enhance external activity area - orienteering and trim-trails	
12	The Gordon Brown Education Centre	RG27 9AT	Refurb works to accommodation, provision of outdoor equipment	
13	Avigdor Hirsch Torah Temimah Primary School	NW2 6RJ	Multi-use games area, floodlighting, fencing, rebound wall	18m x 40m