



Officer Key Decision

Report to the Strategic Director, Regeneration & Environment

Authority to Award the contract for boiler replacement projects at Northview Primary School and Salusbury Primary School

Wards Affected:	Dudden Hill and Queens Park
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paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt Appendix 1: This part of this report is not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information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:	Two Appendix 1 – List of Bidders (exempt) Appendix 2 – Evaluation Outcome
Background Papers:	Authority to tender report
Contact Officer(s): (Name, Title, Contact Details)	Neil Martin, Head of Capital Programmes – Schools, 020 8937 4203 neil.martin@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report concerns the boiler replacement works at Northview Primary School and Salusbury Primary School and forms part of the 2018 – 2023 School Asset Management Programme. This report requests approval to award a contract for the boiler replacement projects at Northview Primary School and Salusbury Primary School as per Contract Standing Order 88.

2.0 Recommendation(s)

That the Strategic Director, Regeneration & Environment:

2.1 Approves the award of a contract for the boiler replacement projects at Northview Primary School and Salusbury Primary School to GS James Mechanical Services Ltd for £433,528.80.

3.0 Detail

3.1 Brent Council (the Council) is the responsible body for 40 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 2. The proposed project at both schools involves replacing the boilers, existing pumps, draining, and flushing the existing pipework. The current boiler system at Northview Primary is a 15-year-old gas system and the Salusbury Primary system is oil. Replacing the two boiler systems will lower utilities consumption and CO₂ emissions through more efficient systems. The Council looked at installing greener technologies such as heat pumps but their performance on buildings the size of schools is currently unknown and significant investment in other energy efficient improvements such as insulation would be required in order to make them viable options, which is beyond the scope of the AMP Programme at this time.

3.4 The estimated cost of the works, based on quantity surveyor analysis is £504,000 and therefore is classified as a medium value works contract 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 22 February 2021 and the tender process followed these approved considerations.

- 3.6 An advertisement was placed on Contracts Finder and was issued as an Open Tender on 9 April 2021 on the London Tenders Portal and was managed by officers in Procurement. Nine bids were received by the tender submission deadline of 5 May 2021.

Tender Evaluation

- 3.7 The pre-procurement considerations stated that 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: 30%
 - Project Methodology & Programme
 - Project Resources
 - Communications Plan
 - Social Value: 10%
- 3.8 The quality component tender evaluation was carried out by a panel of officers from the Council's Capital Programme Team (Property & Assets) and was moderated by the Council's Procurement Team. Table 1 below shows the summary ITT evaluation scores of the suppliers and Appendix 2 provides a more detailed breakdown of the full tender evaluation outcome:

Bidder	Quality Score % (max. 30%)	Social Value % (max. 10%)	Price Score % (max. 60%)	Total Score % (max. 100%)	Ranking
Bidder 1	4.5	0	n/a	excluded	
Bidder 2	20.7	2.0	48.13	70.83	3
Bidder 3	12.0	3.0	n/a	excluded	
Bidder 4	12.0	5.0	n/a	excluded	
Bidder 5	18.0	5.6	57.89	81.49	1
Bidder 6	7.8	5.2	n/a	excluded	
Bidder 7	16.2	3.6	60	79.80	2
Bidder 8	4.5	0	n/a	excluded	
Bidder 9	4.2	4.2	n/a	excluded	

Table 1 - Tender Evaluation Outcome

- 3.9 Following the quality component evaluation, bidders 1, 3, 4, 6, 8 and 9 were excluded from further consideration due to not meeting the minimum requirements set out in the instructions to tender. This left bidders 2, 5 and 7.
- 3.10 The Council's appointed technical consultants, McBains, undertook a detailed evaluation of pricing submissions of the remaining bidders. 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.

- 3.11 Bidder 5 was the highest scoring supplier, scoring 81.49% overall. Their quality score was 18%, their social value score was 5.6% and their pricing submission is £433,528.80, which scored 57.89% and is within the budget assigned to the project.
- 3.12 The highest scoring bidder confirmed that their submission is priced in accordance with the quotation documentation and they can complete the works in the required timetable of 6 weeks.
- 3.13 Subject to approval to award, the next stage is to issue the letter of acceptance, the contracts and purchase order to enable the contractor to assign labour and order materials in time for this period.

4.0 Financial Implications

- 4.1 The project budget for the works at the two schools is £510,000. This project is part of the wider AMP Programme budget, which CIP endorsed, and Cabinet approved through the annual budget setting process.
- 4.2 The highest scoring supplier's contract price is £433,528.80, which is within the budget and below the pre-tender estimate as per paragraph 3.4. There is enough capacity within the School AMP budget to cover the contract and still enables the Council the ability 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.

5.0 Legal Implications

- 5.1 The contract falls within the definition of a 'public works contract' under the Public Contracts Regulations 2015 ('Regulations') but as the value is below the threshold for works, the award is not subject to the requirements of the Regulations. However as it is deemed a Medium Value Contract under the Council's Contract Standing Orders (CSO) and Financial Regulations based on the Contract Value, Officers invited tenders as detailed in paragraph 5 above in accordance with CSO 96.
- 5.2 Under Part 3 of the Constitution, at paragraph 9.5 in section 3(a) of the table therein, relevant Strategic Directors have delegated to them authority to award Medium Value Contracts, so far as the contract relates to the service area which they are responsible for. As this contract relates to works which the Strategic Director, Regeneration & Environment is responsible for, it is considered that the Strategic Director, Regeneration & Environment has delegated authority to approve the award of the contract.

5.3 The contract will be administered using the 2016 JCT Intermediate Contract with the Council's amendments.

6.0 Equality Implications

6.1 None identified

7.0 Human Resources/Property Implications (if appropriate)

7.1 None identified

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. Ten per cent of the evaluation criteria is assigned to evaluating the suppliers' social value proposals and is in line with the Council's Social Value and Ethical Policy approved by Cabinet in April 2020.

8.2 The highest scoring supplier included a number of initiatives in their bid. These include community events at the schools, age-specific construction related sessions, school club food provision, works to the school and provision of art and sports equipment for the schools.

Report sign off:

Nick Ljustina

Operational Director, Property &
Assets