

	<p align="center"><b>Officer Key Decision</b> 14 June 2024</p>
	<p align="center"><b>Report to the Corporate Director of Finance &amp; Resources</b></p>
	<p align="center"><b>Lead Cabinet Member for Finance, Resources and Reform</b></p>
<p align="center"><b>AUTHORITY TO AWARD CONTRACT FOR HEATING REPLACEMENT WORKS AT UXENDON MANOR PRIMARY SCHOOL</b></p>	
<p><b>Wards Affected:</b></p>	<p>Kenton</p>
<p><b>Key or Non-Key Decision:</b></p>	<p>Key Decision</p>
<p><b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small></p>	<p>Part Exempt Appendix 1: This part of this report is not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information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)"</p>
<p><b>List of Appendices:</b></p>	<p>2 Appendix 1 – List of Tenderers Appendix 2 – Evaluation Grid</p>
<p><b>Background Papers:</b></p>	<p><a href="#">Decision – Authority to invite tenders for heating replacement works at Uxendon Manor primary school</a></p>
<p><b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small></p>	<p>Name: Neil Martin Job Title: Head of Capital Delivery Email: <a href="mailto:neil.martin@brent.gov.uk">neil.martin@brent.gov.uk</a></p> <p>Name: Fareeda Ali Job Title: Capital Programme Officer Email: <a href="mailto:Fareeda.ali@brent.gov.uk">Fareeda.ali@brent.gov.uk</a></p>

## 1.0 Executive Summary

- 1.1. This report concerns heating replacement works at Uxendon Manor Primary School and forms part of the School Asset Management Programme. This report requests approval to award a contract for heating replacement works at Uxendon Manor Primary School, as required by Contract Standing Orders 88 and 89.

## **2.0 Recommendation(s)**

That the Corporate Director, Finance & Resources:

- 2.1 Approves the award of a contract for the heating replacement works at Uxendon Manor Primary School to Oakray Ltd for £595,909.52.

## **3.0 Detail**

### **3.1 Contribution to Borough Plan Priorities & Strategic Context**

- 3.1.1 The Council has a statutory duty to maintain schools it is the responsible body for. The proposed project relates to boiler replacement works at Uxendon Manor Primary School. Upgrading the school's heating system will provide the school with an effective and energy efficient heating system, which will contribute towards strategic priority 4 of the Borough Plan, providing young residents with the best start in life, as well as strategic priority 2, delivering a cleaner, greener future by reducing emissions from the school buildings.

### **3.2 Background**

#### **Reasons for decision**

- 3.2.1 Brent Council (the Council) is the responsible body for 39 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.
- 3.2.2 A three-year school asset management programme (AMP) for 2023-26 was agreed by Capital Programme Board in September 2022 to address condition improvement priorities across the schools. These projects are considered the most vital and cover boiler replacement, fire safety, electrical distribution upgrades, roof, floor 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.
- 3.2.3 The proposed project is part of the school asset management programme and involves replacement of the existing boilers in the school's old block with an air source heat pump, as well as replacement of the heating distribution pipework and radiators in this area.
- 3.2.4 The Council appointed consultants to confirm the scope of works at each project identified in Year 1 of the programme. The proposed project at Uxendon Manor Primary School involves replacement of the boiler, which is at the end of its life, with an air source heat pump, which will contribute towards achieving

improved energy efficiency outcomes set out in Brent's Climate Emergency Strategy 2021-2030.

- 3.2.5 The estimated cost of the works, based on quantity surveyor analysis was £340,000. The Council completed a procurement exercise in line with pre-tender considerations approved by the Director, Property & Assets.
- 3.2.6 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations were set out and approved by the Director, Property & Assets on 07 March 2024 and the tender process followed these approved considerations.
- 3.2.7 An advertisement was placed on Contracts Finder and was issued as an Open Tender on 02 April 2024 on the London Tenders Portal and was managed by officers in Procurement. Ten bids were received by 30 April 2024.

### **Tender Evaluation**

- 3.2.6 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: 45%
  - Quality: 55%
    - Project Methodology & Programme (10%)
    - Project Resources (10%)
    - Communication Plan (10%)
    - Demonstrating Logistical Solutions in the Live School Environment (10%)
    - Circular Economy (3%)
    - Sustainability (2%)
    - Social Value (10%)
- 3.2.7 The selection questionnaire and 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. Appendix 2 provides a detailed breakdown of the full tender evaluation outcome.
- 3.2.8 Following the quality and social value component evaluation, suppliers 1, 2, 4, 5, 6, 7 and 9 was excluded from further consideration due to not meeting the minimum requirements set out in the instructions to tender. This left suppliers 3, 8 and 10.
- 3.2.9 The Council's appointed technical consultants, McBains undertook a detailed evaluation of the 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.

- 3.2.10 Supplier 8 was the highest scoring supplier, scoring 83.40% overall. Their quality score was 38.40%, including their social value score which was 5.0% and their pricing submission is £595,909.52 which scored 45.00%. The Council's appointed technical consultants confirmed the bid was compliant.
- 3.2.11 The highest scoring supplier confirmed that their submission is priced in accordance with the tender documentation, they have advised that they can complete the works in the required timetable of 11 weeks.
- 3.2.12 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 Stakeholder and ward member consultation and engagement**

- 4.1 The Cabinet Member for Finance and Resources and the Cabinet Member for Employment, Innovation and Climate Action have been consulted as part of the drafting of this report.
- 4.2 The school has been kept up to date with progress on this project and will continue to be so during the construction phase subject to the contract being awarded.

#### **5.0 Financial Considerations**

- 5.1 The pre-procurement estimate for this project was £340,000, and all pricing submissions received were above this figure. Clarifications during the tender process led to changes that allowed provisional sums for asbestos investigation, noise assessment, and the acoustic enclosure for air source heat pumps, resulting in increased final prices.
- 5.2 There is currently a budget of £1,184,323.97 available in the Council's Carbon Offset Fund, specifically allocated for school decarbonisation projects. This fund allocation was agreed by Cabinet in October 2022, with 30% designated for Schools.
- 5.3 Members approved that the heating replacement works at Uxendon Manor Primary School will be fully funded by the Carbon Offset Fund. There are sufficient funds within the Schools AMP program to cover these projects without using the AMP contingency. A retention figure of 2.5% will be held to address any snags or defects during the 12-month defects liability period to ensure the contractor achieves specified standards and rectifies any issues post-completion.
- 5.4 The Corporate Director of Resident Services, in consultation with the Cabinet Member for Employment, Innovation, and Climate Action, has delegated authority for oversight and operation of the Carbon Offset Fund spending policy. Final spending approval is required from the Corporate Director, Resident

Services, in consultation with the Cabinet Member for Employment, Innovation, and Climate Action.

- 5.5 The financial aspects of the heating replacement project at Uxendon Manor Primary School adhere to the council's budget and governance framework to ensure prudent financial management.

## **6.0 Legal Considerations**

- 6.1 The contract falls within the definition of a 'works contract' under the Public Contracts Regulations 2015 ('PCR') and as the value is below the relevant threshold for a works contract, the award is subject to the PCR in part, and the procurement procedure set out above is consistent with the requirements of the PCR.

- 6.2 The award of the Contract is subject to the Council's own Standing Orders and Financial Regulations in respect of Medium Value Contracts given that the Contract is valued at £595,909.52. Under Part 3 of the Constitution, at paragraph 9.5 in section 3(a) of the table therein, relevant Corporate 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 service area which the Corporate Director, Finance & Resources is responsible for, it is considered that the Corporate Director, Finance & Resources has delegated authority to approve the award of the contract.

- 6.3 The contract will be administered using the 2016 JCT Intermediate Contract with Contractors Design with the Council's standard amendments.

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 7.1 None identified.

## **8.0 Climate Change and Environmental Considerations**

- 8.1 This project aims to replace the existing oil based boilers at Uxendon Manor primary school with an air source heat pump. Air source heat pumps have been demonstrated have an energy efficiency of around 300% depending on ambient conditions, as compared to the existing oil boiler, which is 88% efficient, and produce lower levels of greenhouse gas emissions. This directly contributes towards achieving the Council's objective of improving energy efficiency in homes and buildings, one of the key themes within Brent's Climate Emergency Strategy 2021-2030.

- 8.2 Projects funded by the Carbon Offset Fund should deliver tangible carbon savings that will contribute to Brent's ambition of becoming carbon neutral by 2030. The appointed contractor will be required to provide an estimate of the carbon cost effectiveness of the proposed measure, i.e. the capital cost per tonne of CO<sub>2</sub> saved over its lifetime (£capex/tCO<sub>2</sub> lifetime) at detailed design stage. Post-installation they will be required to provide an updated carbon cost

effectiveness figure based on total expenditure and tonnes of CO<sub>2e</sub> saved over the lifetime of the measure installed. This will need to be reported to Brent's Funding and Bid Writing Manager for Climate Action.

## **9.0 Human Resources/Property Considerations (if appropriate)**

9.1 None identified.

## **10.0 Communication Considerations**

10.1 The school have been involved in the early design phase of the project, they have been informed of the procurement and will be advised of the outcome. They will be involved in the prestart meeting and consulted with on an ongoing basis, during the course of the project, to ensure minimal disruption to the school.

**Report sign off:**

***Minesh Patel***

Corporate Director, Finance and Resources