

Croydon Council

For General Release	
REPORT TO:	CABINET - 20th October 2015
AGENDA ITEM:	13.2
SUBJECT:	Award of Contract – Main Construction Works Chestnut Park Primary School at Westways
LEAD OFFICER:	Jo Negrini, Executive Director for Place Paul Greenhalgh, Executive Director for People
CABINET MEMBER:	Councillor Simon Hall, Cabinet Member for Finance & Treasury And: Councillor Alisa Flemming, Cabinet Member for Children, Young People and Learning
WARDS:	Selhurst
CORPORATE PRIORITY/POLICY CONTEXT: The Capital Delivery Hub (CDH) Education Team has a remit to deliver the 2015/16 Primary Schools Expansion Programme to increase the school places capacity on behalf of the People Department. The programme will deliver new school facilities to satisfy the constantly growing permanent capacity requirements by providing new primary schools, new build expansions at existing schools and the refurbishment & improvements to existing schools. There will be a smaller element of temporary modular classrooms to deal with fixed term expansions within particular pupil cohorts through the primary school education system.	
AMBITIOUS FOR CROYDON & WHY WE ARE DOING THIS: The delivery of these projects is critical in ensuring the Authority is able to meet its statutory requirement to provide pupil places to meet increasing demand and will support the Authority in meeting the Policy Objectives of: <ul style="list-style-type: none"> • Achieving better outcomes for children and young people • Promoting economic growth and prosperity 	
FINANCIAL IMPACT SUMMARY: This report recommends commitment to a maximum Contract Award of £9,063,505 to Willmott Dixon Construction Ltd for the construction of the new Chestnut Park primary school from the total budget allocation of £15,777,306 part of the 2014/15 capital budget, revised in the July 2015 Financial Review (minute ref: A72/15).	
KEY DECISION REFERENCE NO.: 18/15/CAB This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 13.00 hours on 5 th working day after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.	

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The Leader of the Council has delegated to the Cabinet the power to make the decision set out in the recommendation below.

RECOMMENDATIONS

The Cabinet is asked to:

1.1 Approve the contract award for the main construction works to provide a new 3 Form of Entry (3FE) for Chestnut Park Primary School at the site of the former Westway Centre (“the Works”) to the value of £8,631,910 plus a 5% risk and contingency allowance held by the Council of £431,595 to Willmott Dixon Construction Ltd to give a maximum contract sum of £9,063,505.

2. EXECUTIVE SUMMARY

- 2.1 This report recommends award of an NEC3 Engineering and Construction contract for the main construction works (“the Works”) to provide a new 3 form entry (3FE) Chestnut Park Primary School at 49 St James Road, Croydon, CR0 2UR (the site) to Willmott Dixon Construction Ltd (the Contractor) to a maximum contract value of £9,063,505 inclusive of a 5% risk and contingency allowance to be held by the Council.
- 2.2 The Detail section of this report sets out the background to the project, the procurement strategy in the context of the wider Education Estates expansion programme for agreed by Cabinet on 17 June 2013 (Min.A63/13).
- 2.3 The Contractor was previously awarded the Pre-construction Services Agreement (PCSA) for the design work for the new 3FE Chestnut Park primary school at the site, by CCB on 12th February 2015 (ref CCB0983/14015) after the originally appointed contractor confirmed to the Council that they were unable to deliver within budget or to programme as a consequence of which their contract was terminated.
- 2.4 Approval and award of this contract for the Works will enable the timely continuation of the project and enable it to complete on time for the opening of the new Academy in September 2016 for the intake of 120 pupils and a then another 60 pupils per year thereafter.
- 2.5 The content of this report has been endorsed by the Contracts and Commissioning Board

CCB Approval Date	CCB ref. number
30 September 2015	CCB1049/15-16

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3. DETAIL

Background:

- 3.1 The 2015/16 Schools Expansion Programme has been developed to deliver new school facilities to satisfy the constantly growing permanent capacity requirements for primary school places by building new primary schools, expansions at existing schools and the refurbishment/ improvement to existing schools.
- 3.2 The Westways Centre site was purchased by the Council from South London and Maudsley NHS Trust (reference DLB 33/14) for the purpose of a new build 3FE primary school to meet education demand in the central and north wards of the borough. The site comprises of two buildings, Westways Centre and Crystal Centre. The new build school will be built on the site of the Westways Centre and the Crystal Centre site will form the school's external grounds and play space. The demolition of the Crystal Centre will be part of the main construction works for the new build school.
- 3.3 Following the review of the Contractor's proposals it is recommended to award the contract for the Works to the Contractor. The application for planning consent for the proposed new school, as part of which the Contractor's design proposals were submitted, was approved by the Planning Authority on 10th September 2015.

Procurement

- 3.4 In accordance with the approved procurement strategy, the Council procured the Contractor via the iESE Major Construction Framework. This framework is a multi-supplier framework which has been competitively tendered following an OJEU compliant procurement process. The framework has an agreed set of fixed rates for overheads, profits and preliminaries.
- 3.5 Following the termination of the contract Pre-construction Services Agreement with the originally appointed contractor and in accordance with the procurement strategy, officers then sought expressions of interest from the remaining iESE framework suppliers who had the capacity and capability to deliver the requirements of the design brief. Willmott Dixon Construction Ltd were the only supplier on the framework who could supply and deliver to programme with a system-build solution to ensure programme, design and cost efficiencies and were awarded the PCSA as detailed above.
- 3.6 As part of the Council's requirements, the Contractor has now completed an open book tender exercise for these works based on competitive quotes from their proposed sub-contractors. The costs have been reviewed by the Council's appointed cost consultants Keegans, who confirmed that they are below the budget estimate and represent value for money and has allowed the Council to meet the demanding timescales set due to the requirement to provide school places for a growing population.

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4. CONSULTATION

- 4.1 The Council's People Directorate and the Academy sponsors GLF Academy have consulted local stakeholder groups, families and service providers on the proposal to develop a new 3FE primary school on the site of the former Westways Centre. The nearest primary school to the proposed new Chestnut Park Primary is Elmwood Juniors and Infant school which is 300 meters away from the Westways site and is heavily oversubscribed. General feedback from education consultations has indicated broad support for the need of a primary educational facility in the locality.
- 4.2 The Council's project team, The GLF Academy and the Contractor's design team have worked extensively with local stakeholder groups to ensure the development of the design solution aligns with their reasonable expectations.
- 4.3 Ongoing community engagement will be conducted throughout the construction works period, as part of the Contractors responsibilities and the project's registration under the Considerate Constructors Scheme

5. FINANCIAL AND RISK ASSESSEMENT CONSIDERATIONS

5.1.1. Revenue and Capital Consequences of Report Recommendations

The financial implications of this proposed award are identified below:

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Capital Budget available	5319	7028	253	
Expenditure	498			
Effect of decision from report	3452	5611		
Expenditure				
Remaining budget	1369	1417	253	

5.1.2. Effect of the Decision:

The award of contract for the Works will commit to spending a maximum of £9,063,505 from the budget allocated for the 2014/15 education expansion programme of £15,777,306. This cost is made up of the Contractors Works costs of £8,631,910 plus a 5% risk and contingency allowance of £431,595

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held by the Council. The figures reflected within the table in 5.1.1 do not include prior year's expenditure on the project of £2.95m during 2013/2014/2015, which includes expenditure on the site acquisition, feasibility, & pre-construction services.

5.1.3. Risks:

Should the Contract for the Works not be awarded and the works not commence, the delivery of the project for opening of the School for September 2016 will not be possible. This delay will also mean the Council will be liable for extensive abortive costs and incur costs for the sourcing and preparation of alternative educational accommodation for 420 primary pupils for September 2016.

5.1.4. Future Savings / Efficiencies:

The Contractor has tendered the subcontract packages on an open book basis to determine the proposed contract value for the construction contract of the Works. This approach has enable the Council's professional advisers to market test the Contractor's tendered price and to ensure market best value is being delivered for the project.

Approved by: Dianne Ellender, Head of Finance & Deputy S151 Officer

6. COMMENTS OF THE BOROUGH SOLICITOR

- 6.1. The Borough Solicitor comments that the procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and the statutory duty to demonstrate best value under the Local Government Act 1999.

Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 This report does not directly raise considerations of staffing levels, restructuring/regarding, TUPE implications, recruitment, employee relations, the Council's personnel policies or other Human Resources matter and therefore has not sought approval from Human Resources.

Approved by: Deborah Calliste, HR Business Partner on behalf of the Director of Human Resources

8. EQUALITIES ANALYSIS

- 8.1 An Equalities Impact Assessment has been undertaken for the development of the Strategy Report for the Education Programme submitted along with the January 2015 Cabinet paper. The initial findings are that generally the

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development of the new school provision will have a positive impact on the school pupils/staff and the wider community. Regardless of familial, cultural, disability status, economic situation and social background, every child will have equal entitlement to a high qualitative education to be provided by the scheme.

- 8.2 A further update of the equality analysis was planned for the July 2015 cabinet, but was not completed due to delegated decisions taken in July. The analysis will be updated further at appropriate stages in the development of the design proposals. The new build school has been designed to comply with all access and equalities requirements and regulations for every child to have an inclusive educational entitlement.

9 ENVIRONMENTAL IMPACT

- 9.1 There will be a Site Waste Management Plan for the proposed school construction site to ensure that a minimum of waste is sent to landfill and opportunities for recycling and reusing materials are maximised.

- 9.2 The Contractor will comply with the Considerate Constructors scheme as follows:

- Identifying, managing and promoting environmental issues.
- Seeking sustainable solutions, and minimising waste, the carbon footprint and resources.
- Minimising the impact of vibration, air, light and noise pollution.
- Protecting the ecology, the landscape, wildlife, vegetation and water courses.

The design proposals for the new buildings will be expected to achieve a BREEAM rating of “Excellent” where it provides a “value for money” solution. The facility will also incorporate provisions of the 40% renewables target within London Plan. This will in part be met by a renewable energy strategy anticipated to be in the form of photovoltaic panels (solar PV) which will provide at least 25% of the estimated energy consumption of the building. As a condition of contract the Contractor and its subcontractors will be required to dispose of waste off site in line with current Government legislation.

- 9.3 The Council will work with the school to monitor the post occupancy energy performance of the new buildings. This is to ensure that the low energy designs perform as expected and to capture any lessons learned for future projects.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There will be a range of out of school hour’s community programmes delivered from the new school which will have a positive impact on local community engagement and cohesion. There will be increased numbers of people using

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and passing through the area as a result of the new school which will in turn increase the level of passive supervision in the area.

10.2 The new school has a number of external CCTVs in place that provide a visual deterrent for criminal activity around the site.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The Contractor's tender submission for the Works was evaluated by the Council's project officers, Employers Agents and Quantity Surveyor (QS) to ensure compliance with the specification. The pricing documents were checked against industry benchmarks and for arithmetical errors. The QS has confirmed the costs tendered by the Contractor for the Works represent value for money as benchmarked against similar projects on the market and within the education programme.

11.2 The recommendation contained within this report is to award the contract for the Works to Willmott Dixon Construction Ltd whose compliant tender submission was considered to offer the best value for money and can be delivered within the programme with no risk of further delays.

12. ANY OPTIONS CONSIDERED AND REJECTED

12.1 The alternative options to procure via a mini competition using an alternative framework were considered and rejected due to the timescales involved in re-tendering which would have rendered the whole project un-deliverable for September 2016 opening.

CONTACT OFFICER:

Name:	Saheed ullah
Post title:	Programme Manager - Education
Telephone number:	020 8726 6000 Ext 88016
Background Papers	N/A