

## LONDON BOROUGH OF CROYDON

To: Croydon Council website  
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### **STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR CHILDREN YOUNG PEOPLE AND LEARNING ON 23 JULY 2015**

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

The following apply to the decisions listed below:

**Reasons for these decisions:** are contained in the **attached** Part A report

**Other options considered and rejected:** are contained in the **attached** Part A report

**Details of conflicts of Interest declared by the Cabinet Member:** none

**Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Member:** none

The Leader of the Council has delegated to the Cabinet Member the power to make the executive decisions set out below:

#### **CABINET MEMBER'S EXECUTIVE DECISION REFERENCE NO. 51/15/CYPL Decision title: Pre-Construction Services Agreement for a new Primary School at Oasis Fiveways Academy**

Having carefully read and considered the Part A report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Children Young People and Learning in consultation with the Cabinet Member for Finance and Treasury and the Leader of the Council

#### **RESOLVED to**

1. Approve the recommendation to award the Pre-Contract Services Agreement (PCSA) to Willmott Dixon Construction Ltd in the maximum contract sum of £643,274 for the professional services and to undertake the design phase of the design and build works for the permanent expansion of Oasis Fiveways as part of the 2016 permanent expansion programme.
2. Approve the recommendation to include a 5% contingency sum to the PCSA as detailed within the table in section 3.1 of the attached report.

Date: 24 July 2015

**PART A - for General Release**

<b>REPORT TO:</b>	<b>Cllr Alisa Flemming, Cabinet Member for Children, Young People &amp; Learning</b>
<b>AGENDA ITEM:</b>	
<b>SUBJECT:</b>	<b>Pre-Construction Services Agreement for a new Primary School at Oasis Fiveways Academy</b>
<b>LEAD OFFICER:</b>	<b>Jo Negrini, Executive Director, Place Paul Greenhalgh, Executive Director, People</b>
<b>CABINET MEMBER:</b>	<b>Cllr Alisa Flemming, Cabinet Member for Children, Young People &amp; Learning</b>
<b>WARDS:</b>	<b>Waddon</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT</b> The Capital Delivery Hub (CDH), education team has been engaged to deliver the 2016 basic needs expansion programme, by increasing school place capacity on behalf of the Place Department. The programme will deliver additional primary places through a combination of new build expansions, refurbishment and improvements at existing school sites. The delivery of this project 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"><li>• Achieving better outcomes for children and young people</li><li>• Promoting economic growth and prosperity</li></ul>	
<b>AMBITIOUS FOR CROYDON &amp; WHY ARE WE DOING THIS:</b> The delivery of this project is critical in ensuring the Authority is able to meet its statutory obligations to provide sufficient school places to meet increasing demand and will support the Authority in meeting the Policy Objectives. <ul style="list-style-type: none"><li>• Achieving better outcomes for children and young people</li><li>• Promoting economic growth and prosperity</li></ul>	
<b>FINANCIAL IMPACT:</b> This report recommends commitment to a Contract Award of £643,274 inclusive of a 5% contingency from the £16.35m budget allocation for the Oasis Fiveways Academy.	
<b>KEY DECISION REFERENCE NO.:</b> N/A	

The Leader of the Council has delegated to the Cabinet Member for Children, Young People and Learning the power (**decision reference no. 50/15/LR**) to make the decisions set out in the recommendation below

## **1. RECOMMENDATIONS**

- 1.1 The Cabinet Member for Children, Young People & Learning in consultation with the Cabinet Member for Finance and Treasury and either the Leader or the Deputy Leader (Statutory), is recommended to:
- 1.2 Approve the recommendation to award the Pre-Contract Services Agreement (PCSA) to Willmott Dixon Construction Ltd in the maximum contract sum of £643,274 for the professional services and to undertake the design phase of the design and build works for the permanent expansion of Oasis Fiveways as part of the 2016 permanent expansion programme.
- 1.3 Approve the recommendation to include a 5% contingency sum to the PCSA as detailed within the table in section 3.1 of the report.

## **2. EXECUTIVE SUMMARY**

- 2.1 This report recommends the award of Pre Construction Services Agreements for Fiveways School as part of the 2015/16 permanent expansion programme.
- 2.2 The Detail Section of this report sets out the background to the project, the procurement approach and evaluation process to select the contractor.
- 2.3 The PCSA agreement is required to allow the professional design and specification works to be undertaken and to provide a design and tender price for the construction works.
- 2.4 The procurement strategy recommending the SCAPE Major Projects Framework for construction contracts was approved by CCB on 1<sup>st</sup> August 2014 (Ref: CCB0913/14-15) and notified to Cabinet on 17<sup>th</sup> November 2014 (Minute Ref: 105/14).
- 2.5 The 2016 Permanent Expansion Programme, of which Fiveways is one project, all have challenging delivery programmes. The scape Sunesis framework has been selected as the most appropriate procurement route to facilitate and achieve the challenging programme. Willmott Dixon, the appointed contractor under this framework, will undertake all design development from RIBA stage 0 to ensure that design solutions are fully reflective of the education needs within the construction budgets and to avoid duplication of design stages.

<b>CCB Approval Date</b>	<b>CCB ref. number</b>
30/04/15 & 01/06/15	CCB 1009/15-16

## **3. DETAIL**

- 3.1 In order to progress the new permanent provision of a 4FE Primary School at

Oasis Fiveways Academy (replacement for the Segas House project), a Pre-Construction Service Agreements (PCSA) is required. PCSA's are the first stage of the Two-Stage Design & Build process and includes the professional design services and surveys required to progress the schemes through the planning process and to procure open book sub-contractor packages of works. The PCSA cost is summarised below:-

School	PCSA Value(£)	Contingency (5%)	Total
Oasis Fiveways	£612,642	£30,632	£643,274

- 3.2 The total contract value includes a 5% contingency sum to cover unforeseen additional work.

### **Contractor Procurement**

- 3.3 The value of these professional services contracts is above the EU threshold for goods and services, therefore a fully EU compliant procurement is required; either an OJEU Tender or call-off from an existing compliant framework.
- 3.4 The SCAPE Sunesis Framework for construction contracts was approved by CCB on 1<sup>st</sup> August 2014 (Ref: CCB0913/14-15) and notified to Cabinet on 17<sup>th</sup> November 2014 (Minute Ref: 105/14) as the procurement strategy for the design and construction of all five of the 2016 1FE batch school expansions and also for the new 4FE Oasis Fiveways Academy.
- 3.5 The single contractor for SCAPE Sunesis Framework for construction contracts over £2m is Willmott Dixon Construction Ltd. The Framework utilises a 2-Stage Design and Build format with the framework operator engaged via a PCSA to provide detailed design, achieve planning permission for the scheme and formulate a Main Contract Sum. Subject to this being acceptable and having determined value for money, the contracting organisation would then award the 2<sup>nd</sup> Stage Main Works NEC3 contract for the build-phase of the scheme. There is no commitment to enter into the 2<sup>nd</sup> Stage Main Contract.
- 3.6 Willmott Dixon Construction Ltd has provided a PCSA price via the London Tenders Portal in accordance with the SCAPE framework rates which are comparable with PCSA's agreed for previous awards

### **REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

#### **Tender Evaluation Process**

- 3.7 Although a single-supplier framework, LBC still require Willmott Dixon to submit a bid for the requirements comprising feasibility studies and fees. This is then evaluated by officers to ensure the Authority is receiving Value for Money and the preliminary schemes are both viable and of a suitable quality.
- 3.8 The Evaluation Panel was formed by representatives from the following:-
- Procurement Officer (Moderator for the evaluation process)
  - Project Manager – Croydon Council
  - Project Manager – Croydon Council
  - Cost Manager – Croydon Council

- 3.9 The bid submission from WDC was reviewed and validated by the evaluation panel to ensure compliance and additionally, the pricing documents were checked for arithmetical errors.

It is recommended that the contract for the PCSA is awarded to Willmott Dixon Construction.

#### **4. CONSULTATION**

- 4.1 Consultation is not required for this award specifically, however statutory consultations required prior to any decision that the permanent expansions should proceed will follow for each school.
- 4.2 In line with DfE guidance and associated regulations the Council is required to run a four stage statutory consultation, engaging key stakeholders including parents/carers and local residents in relation to the proposed expansion.
- 4.3 Due to the short delivery timescale needed to provide for the potential additional pupil places, there is a need to progress with these services ahead of knowing the consultation outcomes. The award of this contract is not intended to and does not in any manner pre-determine the outcome of the consultation process. Any requirement deliverable under this Award could be affected by the outcomes of these consultations such that there is a possibility that some abortive costs could be incurred. This potential is considered to be an unavoidable consequence of the timescales for delivery and the exercise of a valid consultation process.
- 4.4 When the design of the scheme has been developed in sufficient detail, a public consultation event will be held ahead of the formal planning application process.
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#### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 There is a capital budget of £16.35m for the Fiveways project. These works will be funded from this budget.

## Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
<b>Capital Budget available</b>	2466	10783	10400	2400
Expenditure				
<b>Effect of decision from report</b>	0	176	67	37
Expenditure				
<b>Remaining budget</b>	2466	10,607	10,333	2363

- 1. The effect of the decision:** The award of the contract for the PCSA will ensure that the design process can commence by the Design and Build contractor. This report is recommending award to Willmott Dixon Construction in the total of £643,274 inclusive of 5% contingency sum (see table in section 3.1).
- 2. Risks:** Due to the fact that the recommended Contractor is from the existing SCAPE framework the financial risks to the Council from not completing the contract is low. However, if this Award is not approved, there is a risk that the project will be delayed and as a result the TBN funding for the Oasis Fiveways Academy could be lost or have to be repaid; and a risk that pupil places will be delayed.

Other site risks include the unknown nature of the site; No surveys have yet been undertaken on the site and detailed site conditions are unknown. There is a risk that once surveys have been undertaken these may require further more detailed surveys to be carried out and subsequently additional unforeseen works may be required on the site increasing costs and programme. Contingency sums have been included to deal with this eventuality.

There are some concerns and risks about the ability to create a 4FE Primary school on the site due to potential over development, together with concerns over highways and traffic issues. These are being explored and managed by the project teams.

Should this award not be approved the programme would need to progress without professional service detailed above. Delaying the completion of the scheme designs in line with the client's requirements, compromising the delivery of pupil places.

Should the outcome of any statutory consultations lead to any school project not proceeding there is a possibility that abortive costs are incurred. This potential is considered to be an unavoidable consequence of the timescales for delivery and the exercise of a valid consultation process.

**3. Options:** The recommendation to appoint this contractor follows the use of an existing, pre tendered, and EU compliant tender process. Tendering via a full EU procurement tender would delay the project substantially and could leave the Council open to challenge.

**4. Future Savings / Efficiencies:** None associated with this contract, however the scheme design will consider efficient construction methods and low life-cycle costs.

**Approved by: Dianne Ellender, Head of Finance and Deputy Section 151 Officer**

## **6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

6.1 The Council Solicitor comments that the overall procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and its statutory duty to secure 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 There is no human resources consideration arising from this report which is for the award of professional services.

**Approved by: Deborah Calliste on behalf of the Director of Human Resources & Organisational Development**

## **8. EQUALITIES IMPACT**

8.1 An Equality Analysis was conducted for the 2015-18 Education Estates Strategy, before the delivery programme (which included Oasis Fairfield on the new site) was presented to Cabinet on 19 January 2015. This analysis demonstrated that the strategy was designed to maintain and improve equal access to educational opportunities for protected groups.

## **9. ENVIRONMENTAL IMPACT**

9.1 The environmental impact of the strategy has positive elements and potential risks which must be managed. All buildings within the programme must meet the BRE AAM excellent standard which ensures high quality sustainable buildings and which promotes other environmental agendas such as green travel. The potential environmental impact of having additional school places on transport and traffic is non-trivial and is managed through the traffic impact assessment of every individual projects. Sustainable transport plans are pursued on each scheme.

**10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 There is no immediate crime and disorder impact arising from this report.

**11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

11.1 The bidder's submissions were reviewed by LBC project managers to certify compatibility with the tender documentation and the prices submitted check for arithmetical errors.

11.2 The recommendation detailed in this report is to award the Pre-Contract Services Agreement to Willmott Dixon for Oasis Fiveways Academy permanent expansion.

**12. OPTIONS CONSIDERED AND REJECTED**

12.1 The recommendation to appoint this contractor follows the use of an existing, pre tendered, and EU compliant tender process. Tendering via; a full EU procurement tender would delay the project substantially and could leave the Council open to challenge.

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**CONTACT OFFICER:**

<b>Name:</b>	Daniel Bates
<b>Post title:</b>	Project Manager – Capital Delivery Hub Education
<b>Telephone number:</b>	63389

Note: There is no separate Part B report, all details are contained within this Part A.

**Background documents:** none