

Record of decision taken under delegated powers by a council officer



Title:	APPROVAL TO AWARD CONTRACTS FOR MAIN CONSTRUCTION WORKS FOR THE PROVISION OF SCHOOLS BASIC NEEDS PLACES AT EARLSWOOD JUNIOR SCHOOL AND PORTESBERY SPECIAL SCHOOL
Divisions Affected:	Reigate East and Camberley East.
Key Decision:	Earlswood contract – No, Portesbery contract- Yes
Reason Key:	Over £500,000
Decision taken under delegation by virtue of:	Delegation agreed by Cabinet on 25 September 2012 – Minute Ref: 132/12 (2)

Summary

Cabinet at its meeting of 25 September 2012 agreed that the Strategic Director for Change and Efficiency (now Strategic Director for Business Services), having ensured formal agreement in writing with the Leader and Cabinet Member for Change and Efficiency (now Business Services), the Cabinet Member for Assets and Regeneration Programmes and the Cabinet Member for Children and Learning (now Schools and Learning) and the S151 officer, authorise the award of future schools capital construction contracts, above £500k in value, where a mini-competition procedure has been followed under a Framework Agreement previously approved by Cabinet. It was agreed that this authorisation would be formally minuted and the S151 Officer would retain the paperwork.

For Earlswood Junior School, there is an approved funding allocation in the Medium Term Financial Plan 2013-2018, to fund the provision of additional places. This particular project is in the second Tranche of the Education Basic Needs Programme. This report recommends approval to award a contract for the implementation of the main construction works. The additional school places are needed by September 2014 to meet an increase in pupil numbers. The award of this contract will enable the works to be completed on time.

At Portesbery Special School a project specific allowance is made in the 2013 – 2018 Medium Term Financial Plan of £16,000,000. This report recommends approval to award a contract for the implementation of the main construction works. This is a purpose built new school to replace the existing school which is below required accommodation standards and to meet an increase in pupil numbers. The award of this contract will enable the works to be completed by September 2015.

This record formally confirms that a meeting was held under the above delegated Authorities on 3rd March 2014, at which the award of the contracts for main

construction works at Earlswood Junior School and at Portesbery Special School was approved as recommended in the submitted confidential contract award report.

Decision made

Decision made:

It was AGREED that following a mini-competition tendering exercise and extensive pre-construction preparation, contracts be awarded for main construction works at Earlswood Junior School and Portesbery Special School to the contractors identified in paragraphs 3 and 4 of the Contract Award report.

Reasons for Decisions:

To enable works to be carried out for the construction projects at Earlswood Junior School, which will result in increased basic needs provision for children in accordance with the Council's statutory obligations, and to provide a new purpose built school for Portesbery Special School.

Decision taken by:	Julie Fisher, Strategic Director for Business Services
Decision taken on:	3 March 2014 (confirmed 21 March 2014)
To be implemented on:	Earlswood contract from 21 March 2014 Portesbery contract from 2 April 2014

Alternative options considered

The tenders for these contracts have been conducted in accordance with EU Procurement rules under Frameworks previously approved by Cabinet pursuant to the Council's Procurement Standing Orders. No alternative options are available for consideration by the Strategic Director.

Summary of any financial implications

Main Construction Works for Earlswood Junior School

From the overall contract funding for the scheme £1,803,971.00 has been allocated for the works to be carried out under this Main Contract Works Package, as follows:-

MTFP 2013/18 approved funding	2,144,265
LESS Fees (including surveys, etc.)	- 179,837
LESS FF&E	-60,000
Estimated Construction Costs £	<u>1,904,428</u>
LESS Pre-Construction Agreement	<u>-100,457</u>
Main Contract Works Estimated Costs £	<u>1,803,971</u>

Tender result: The Earlswood scheme has an approved MTFP 2013/18 funding allocation of £2,144,265. The tender sum for the construction works is £1,700,528 therefore after fees, furniture and equipment costs are factored in there is the potential for a saving of around £100,000 against the school basic need allocated funding.

Main Construction Works at Portesbery Special School

Viability studies for the new school indicated that the total works would cost in the order of £16,000,000.00. An allowance of £16,000,000.00 was therefore included in the 2013-18 MTFP.

An initial savings target of 10% (£1,600,000.) was set against this baseline. This target was used to set the business case estimate, approved by Cabinet on the 5th February 2013.

From the overall estimates an allowance of £11,265,466 has been allocated to the works to be carried out under this Main Contract Works Package, as follows:-

MTFP 2013/18	16,000,000
LESS Business case contingency allowance (10%)	<u>-1,600,000</u>
Estimate adjusted for savings target £	14,400,000
LESS Fees (including surveys, etc.)	- 2,105,567
LESS FF&E	-443,943
Estimated Construction Costs £	<u>11,850,438</u>
LESS Pre-Construction Agreement	-46,513
LESS Direct Orders for Statutory Works	-176,584
LESS Enabling Works provision	<u>-361,874</u>
Main Contract Works Estimated Costs £	<u>11,265,466</u>

Tender result: The Portesbery scheme has an approved MTFP 2013/18 funding allocation of £16m and after the 10% savings target is deducted the estimated funding is £14.4m. The tender sum for construction works is £10,732,000 therefore after fees, furniture and equipment are factored in there is the potential for a saving of £533,390 against allocated funding. The original 10% target saving has also been achieved, leaving the 10% contingency allowance in the approved business case unspent.

Declarations of conflicts of interest

None.

Consultation/Process Followed

The Strategic Director for Business Services has consulted with the Leader, the Cabinet Member for Business Services, the Cabinet Member for Asset Regeneration and Programmes and the Cabinet Member for Schools and Learning and the S151 Officer. Formal agreement to the proposed decision was given in writing by each on the following dates:

Cabinet Member for Asset and Regeneration Programmes Tony Samuels	21/3/2014
Cabinet Member for Business Services Denise Le Gal	20/3/2014
Cabinet Member for Schools and Learning Linda Kemeny	20/3/2014
Leader of the Council and Chairman of the Cabinet David Hodge	11/3/2014
Section 151 Officer Sheila Little	3/3/2014

Background Documents

Exempt:

Contract Award Report	Yes
Tender Evaluation Report.	Yes