

Record of decision taken under delegated powers by a council officer



Title:	APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF SCHOOLS BASIC NEEDS PLACES AT BURHILL COMMUNITY SCHOOL
Divisions Affected:	Hersham
Key Decision:	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

The Cabinet at its meeting of 25 September 2012 agreed that the Strategic Director for Change and Efficiency, having ensured formal agreement in writing with the Leader and Cabinet Member for Change and Efficiency, the Cabinet Member for Assets and Regeneration Programmes and the Cabinet Member for Children 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.

In response to an increasing demand for school places across Surrey the Council has established, in its Medium Term Financial Plan 2012-2017, a Capital Programme to fund the provision of additional places in a number of schools. Phased implementation of the Construction works for five primary schools projects is in progress. In this instance the Strategic Director is requested to consider awarding contracts to the recommended tenderers for the Burhill Community School project in Hersham.

Additional school places are needed by September 2014 to meet an increase in pupil numbers at Burhill. The award of contract will enable construction to commence on programme to enable the completion date to be met.

This record formally confirms that a meeting was held under the above delegated Authority at which the award of the contract for the provision of schools basic needs places at Burhill Community School was approved as recommended in the submitted contract award report.

Decision made

Decision made:

It was AGREED that, following a mini-competition tendering exercise and extensive pre-construction preparation, a contract be awarded for the 2012/13 schools capital construction project at Burhill to the contractor identified in paragraph 7 of the Contract Award report.

Reasons for Decision:

To enable the award of a construction project at Burhill Community School resulting in increased basic needs provision for children in accordance with the council's statutory obligations.

Decision taken by:	Julie Fisher, Strategic Director for Change and Efficiency
Decision taken on:	7 December 2012
To be implemented on:	17 December 2012

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

The Burhill construction contracts are funded from within the Council's Medium Term Financial Plan (MTFP) 2012-17. The financial implications resulting from the procurement process for this school project is as detailed in the Contract Award report.

The recommended tender price for the main construction Works is £5,809,264.

The MTFP approved funding level for this scheme was £4,798,978. The 2012/17 approved capital programme assumed average savings of around 40% for primary schools. This level of savings was not possible on this particular scheme because it was already well underway before Property Services could review the design and build content.

For this particular project, a savings target of 15% was established within the overall delivery strategy for the schools building programme. The baseline for the 15% target savings was established in the supporting papers to the 2012-17 MTFP, in November 2011. The estimated total scheme cost, as at November 2011 was

£7,989,000.

The current estimated total scheme cost at tender stage is **£7,020,445**. Comprising the following elements:-

Tender price for main works	£5,809,264
Design and contract management fees	£683,000
Furniture/ fittings	£387,000
Contractors Pre-Construction Services	£116,990
Early Enabling Works	<u>£24,191</u>
Total Scheme Cost	<u>£7,020,445</u>

The saving against November 2011 baseline estimate is therefore **£968,555 (12%)** against the 15% target. Property Services and Procurement will continue to pursue value engineering and supply chain economies with the contractors in order to drive out further savings throughout the contract period.

For future schemes, in order to mitigate against the risk of not achieving the very challenging target of 40% overall savings assumptions in the MTFP, Property Services in conjunction with the Service, Procurement and the Joint Programme Office are reviewing alternative build approaches. This includes greater use and adaptation of existing accommodation, new modular solutions and bringing the current specifications into line with the newly published Dfe guidelines on schools accommodation standards.

Declarations of conflicts of interest

None.

Consultation/Process Followed

The Strategic Director for Change and Efficiency has consulted with the Leader and Cabinet Member for Change and Efficiency, the Cabinet Member for Assets and Regeneration Programmes and the Cabinet Member for Children 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 Assets and Regeneration Programmes
Tony Samuels4/12/12

Cabinet Member for Children and Learning
Linda Kemeny4/12/12

Leader of the Council and Chairman of the Cabinet David Hodge	4/12/12
Section 151 Officer Sheila Little	3/12/12

Background Documents	Exempt:
Contract Award Report	Yes
Tender Evaluation Report	Yes