

NORTH SOMERSET COUNCIL DECISION

DECISION OF: DIRECTOR OF PLACE

WITH ADVICE FROM: SECTION 151 OFFICER AND HEAD OF STRATEGIC PROCUREMENT



DECISION NO: 21/22 DP 255

SUBJECT: HOUSING INFRASTRUCTURE FUND (HIF) WINTERSTOKE HUNDRED ACADEMY EXPANSION – VARIATION TO PCSA CONTRACT

KEY DECISION: YES

REASON: The total contract variation is greater than £500,000

BACKGROUND

The Secretary of State for Housing, Communities and Local Government confirmed approval of North Somerset Council's Housing Infrastructure Fund (HIF) (Forward Fund) bid on the 26th November 2019. The objectives of this bid are to provide infrastructure and educational provision which can support the delivery of existing and potential housing allocations totalling 7,557 new dwellings. 4,482 of the homes are to be located at the existing Weston Villages development sites; the specific numbers and locations of the residual dwellings will be subject to the new Local Plan process.

The Capital Programme was increased by £97,067,550, the total HIF grant from Homes England, at the Full Council meeting on 16 June 2020.

The Council's core objectives of the HIF programme are:

- To deliver infrastructure that maximises, underpins and de-risks associated housing development in the shortest possible timeline;
- To deliver infrastructure that is affordable and provides good value for money;
- To deliver infrastructure that meets the needs of all stakeholders including developers and local communities;
- To minimise environmental impacts and maximise opportunities for sustainable travel and biodiversity; and
- To ensure the development provides the opportunity to make a positive contribution to the Council's ambition to be carbon neutral by 2030.

Kier Construction Ltd have been awarded the contract to design the WHAE under a Pre-Construction Services Agreement (PCSA) contract which commenced on the 15th January 2021 and this paper requests a variation in the form of the addition of fourteen packages of work to be undertaken as part of that contract.

DECISION

- To approve a further variation to the PCSA contract with Kier Construction Ltd, Tempsford Hall, Sandy, Bedfordshire, SG19 2BD (company registration number 2099533) to include the work packages outlined in Table 1. The new contract value is £1,394,536 an increase of £606,548.

REASONS

Contract Standing Orders

The council's Contract Standing Orders (CSOs) state that:

- Where a contract with a whole-life contract value of £50,000 and above is proposed to be increased by a value of 25% and above, an immediate report shall be made to the Section 151 Officer who shall decide what further action is necessary.
- Where any claim for payment exceeds the original contract sum by £50,000 or more, the matter must be referred to the Head of Strategic Procurement before any settlement is made.

In line with the above. This decision seeks approval from the council's Section 151 Officer and Head of Strategic Procurement as the variation exceeds 25% of the original contract value and is an increase of more than £50,000.

Background

The original PCSA contract value was £713,013 and the contract commenced on 15 January 2021. Shortly after the contract commenced, three additional work packages were agreed with a combined value of £74,975. This variation was approved on 25 January 2021 by the Senior Responsible Officer, in accordance with the delegated authority DE278. The revised contract value was £787,988.

Variation

Table 1 outlines the sixteen additional work packages that Kier are undertaking and are the subject of this request for variation:

Work Package	Value
Travel Plan	£3,350
Elemental Life Cycle Cost Report	£9,491
Landscape and Visual Impact Assessment (LVIA)	£6,468
Transport Statement	£4,695
Arboricultural Impact Assessment	£1,624
Shadow HRA	£1,689
FF&E and catering design consultancy	£24,382
Re-design work	£34,057
Planning application submission	£32,757
Additional LVIA	£5,353

Earthworks, Material Management etc	£32,549
Mechanical, Electrical and Plumbing design	£141,011
Topographical and GPR survey	£7,308
Site preparation design works	£6,864
RIBA Stage 5	£139,950
Order deposits	£155,000
Total	£606,548

These work packages have been essential to enable the design of the school to progress and maintain the programme on schedule for opening in September 2023.

Further information about each of the sixteen work packages is provided below:

Travel Plan

The Travel Plan is a requirement by the LPA for the WHAE planning application and will help identify how best to manage traffic to and from the school site and how various forms of transport will be able to access the site, with a focus on reducing the reliance on private cars. The Travel Plan will also need to be BREEAM compliant, helping to ensure WHAE achieves a high BREEAM rating.

At the time of appointing Kier to undertake the design work it was unclear as to whether we were going to undertake the writing of the Travel Plan internally within the NSC project team, use external consultants appointed directly or external consultants appointed via Kier. Due to expertise and time constraints it was deemed appropriate to use external consultants to write the Travel Plan. Due to procurement procedures it was deemed most efficient to appoint the consultants via Kier and a variation to the existing PCSA contract.

Elemental Life Cycle Cost Report

Undertaking a Life Cycle Assessment of a building of this scale is good practice, providing an understanding of the long-term financial and environmental impacts of the design and materials. Undertaking such an assessment and associated life cycle cost analysis is also a requirement of BREEAM and having the work undertaken to the required standard will enable the project to achieve four BREEAM credits in the 'materials' section of assessment process.

It was only once the Kier design team were onboard that we had the detailed discussions regarding the BREEAM credits available to the project. This identified the need to undertake a life cycle cost report to facilitate the securing of these credits.

Due to expertise and time constraints it was deemed appropriate to use external consultants to undertake the elemental life cycle cost assessment. Due to procurement procedures it was deemed most efficient to appoint the consultants via Kier and a variation to the existing PCSA contract.

Landscape and Visual Impact Assessment (LVIA)

The LPA have requested that, as part of the planning submission, the design team will need to set out a visual appraisal. A Landscape and Visual Impact Assessment (LVIA) will satisfy this requirement and will help to identify and assess the impacts of the changes created by a new development on the landscape of the surrounding area. A report will be produced and will form an important part of the planning process.

It was only identified late in the design process that a LVIA would be required. As such getting this completed in time for the planning submission was a priority so using Kier and their consultant team to undertake this work was deemed the most time and cost efficient process.

Travel Statement

The Travel Statement is a requirement by the LPA for the WHAE planning application to assess how traffic will affect the wider area surrounding the secondary school and will identify the measures to help manage the expected transport impact from the development. The Travel Statement will also consider BREEM requirements, helping to ensure WHAE achieves a high BREEM rating.

At the time of appointing Kier to undertake the design work it was unclear as to whether we were going to undertake the writing of the Travel Statement internally within the NSC project team, use external consultants appointed directly or external consultants appointed via Kier. Due to expertise and time constraints it was deemed appropriate to use external consultants to write the Travel Statement. Due to procurement procedures it was deemed most efficient to appoint the consultants via Kier and a variation to the existing PCSA contract.

Arboricultural Impact Assessment

As part of the planning process, the LPA have requested that an Arboricultural Assessment is undertaken. This will include an Arboricultural Impact assessment, a Tree Protection Plan and an Arboricultural Method Statement. The assessment is a type of tree survey that will examine the relationship between the development proposed and the associated trees, and how the relevant trees will be protected during development of the site.

It was not clear at the point of appointing Kier that the arboricultural reports would be required

Shadow Habitat Regulations Assessment

A Shadow Habitats Regulations Assessment (HRA) was requested by the planning authority to support the planning application. At the point of appointing Kier it was not clear that the HRA would be required.

FF&E and catering design consultancy

Kier had already been appointed and the school design quiet significantly progressed before the option to appoint specialist consultants to help design the optimum layout of the catering and dining was discussed. Due the need to optimise the use of space it was deemed a worthwhile appointment. In addition, specialist consultants were used to help create the optimum layout and scope for the furniture fixtures and fittings.

Re-design work

In March it became clear that it was going to be necessary to revisit the design of the school and hold four design workshops with CLF to address issues with the proposed design and redesign the school closer to their requirements. This is the fees associated with this work.

Planning application submission

The planning application was submitted by Kier on behalf of the NSC project team – this is the planning application fee. When considering the most efficient way to make the payment for the planning application rather than the NSC WHEA team making the payment to NSC Planning Department it was deemed much easier for Kier to submit the application on our behalf and make the payment with us reimbursing them.

Additional LVIA

Prior to the submission of the planning application some additional scope for the Landscape and Visual Impact Assessment was requested by the planning authority. One of the statutory consultees requested some additional LVIA images for considering which had to be commissioned after the original LVIA consultant appointment.

Earthworks, Material Management etc

Work required to assess the ground structure prior to the detailed design of the school and site preparation works. To include:

- Earthworks Specification
- Materials Management Plan
- Verification Report
- Material Testing

The design had to progress sufficiently to identify the nature and location of key elements of the construction (parking, buildings, MUGA etc) in order to devise an accurate scope of works for the ground investigation.

Mechanical, Electrical and Plumbing design

The appointment of Briggs & Forrester and the Mechanical, Electrical and Plumbing design and installation partners for the project.

The MEP design work was explicitly excluded from the scope of work covered by the PCSA due to its scale and the need to progress the design to an appropriate stage before the work required can be accurately costed.

Topographical and GPR survey

A survey of the area of site that was inaccessible at the time of the original surveys as well as a revisit of original survey area in order to capture any changes to the site that has occurred in the interim.

The design had to progress sufficiently to identify the nature and location of key elements of the construction (parking, buildings, MUGA etc) in order to devise an accurate scope of works for the topographical and GPR survey.

Site preparation design works

Fees to Hydrock (engineers) and AHR (architects) to provide technical support to Kier in the production of the scope of works for the site preparation and associated costs. Prior to the commencement of construction contract a significant amount of work is required on the site to prepare it. This work is being procured via the SCAPE framework. It was necessary to provide a detailed scope of works to support this appointment and this is the fees associated with this work.

RIBA Stage 5

The work typically undertaken during the Royal Institute for British Architects (RIBA) Stage 5 of the building design and realisation process usually commences with the start of construction. The construction of WHAE is to be undertaken via a JCT contract; outside of the PCSA. In order to maintain alignment with our programme it has been necessary during this project to bring forward a number of the early elements of the construction process to commence during the site enabling works. The early construction works are being delivered as part of the site enabling work package via the SCAPE framework (Decision No. CY33 (2021/22 Scheme)).

This RIBA Stage 5 package of works is to cover the cost of the associated consultancy to support the early construction works.

Order Deposits

In order to secure some of the services and materials required to maintain our programme it has become necessary to pay some deposits between October and December 2021, during the PCSA period and prior to the commencement of the JCT contract. This would not normally be the case however a national shortage exists of many materials and items we require and the lead times to secure these requires this action.

RISKS

It might be considered a risk to advance the payment of the RIBA 5 work and to place the orders for key items at this stage; prior to the agreement of the JCT construction contract. The reverse is the case. By bringing forward the RIBA 5 work we are maintaining our programme to open the school in September 2023 and placing order for items and services at this early stage will secure their availability when required during construction, again maintaining our programme.

The items being ordered are such that any contractor we enter into a JCT contract to build the school with will require them and these should not be considered additional costs, rather the bringing forward of costs which it has always been acknowledged we will incur.

OPTIONS CONSIDERED

In advance of each approval the rationale for the work and its scope was examined by the NSC Employer's Agent (EA). This was done to ensure that the work was genuinely required and to ensure the council got value for money. In addition, the EA checked the competency of each contractor Kier proposed the use of to ensure suitability for the work.

FINANCIAL IMPLICATIONS

Costs

The additional fees associated with this contract variation in total are £606,548.

It is important to note that £294,950 of this increase in the price has arisen as a cost late in the PCSA process and represents the cost of bringing forward costs from the construction phase. This has therefore subsequently reduced the construction cost by this sum.

Funding

The PCSA contract price increase has been funded from the HIF Forward Fund grant allocation of £97,067,550 which has been formally approved and incorporated in the council's capital programme.

LEGAL POWERS AND IMPLICATIONS

The design of WHAE by Kier is being delivered through a Pre-Construction Services Agreement.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Minimising the impact of both the construction of the school and its operation on climate change is a key consideration for the project team and Kier are committed to helping us achieve this. As such the climate and wider environmental implications have been considered throughout the design process and the school is being built to be net-zero carbon in operation.

CONSULTATION

Engagement with senior officers, employer's agent and NSC project team to review each contract variation, fee proposal and associated work.

EQUALITY IMPLICATIONS

A full equality impact assessment is currently being undertaken as part of the school design work.

CORPORATE IMPLICATIONS

The provision of key enabling infrastructure and educational facilities and the improvement of the transport network widely supports the Corporate Plan objectives in all areas of Prosperity and Opportunity, Health and Wellbeing and Quality Place.

The contract will be managed by the Senior Project Manager (HIF Secondary School) within Major Projects and Technical Services team.

Background Papers:

Procurement plan

<https://www.n-somerset.gov.uk/sites/default/files/2020-09/20-21%20DE123%20signed.pdf>

Commissioning plan

<http://apps.n-somerset.gov.uk/cairo/docs/doc29685.pdf>

Acceptance of HIF Forward Fund Grant Heads of Terms with Conditions

<https://apps.n-somerset.gov.uk/Meetings/document/report/NSCPM-38-570>

HIF Business Case Development and Submission approval

<http://apps.n-somerset.gov.uk/cairo/docs/doc28834.pdf>

Contract award report for the Design of the Winterstoke Hundred Academy Extension

<https://www.n-somerset.gov.uk/sites/default/files/2020-12/CY11%20signed.pdf>

WHAE JCT Contract Award Report

https://nsomerset-my.sharepoint.com/personal/jonathan_este-hoare_n-somerset_gov_uk/Documents/Desktop/WHAE%20Stage%20%20Contract%20award%20report.pdf

Signatories:

Decision Maker(s):

Signed:



Director of Place

Date: 3 December 2021

WITH ADVICE FROM:

Signed:



Director of Corporate Services (s151 Officer)

Date: 3 December 2021

Signed:



Head of Strategic Procurement

Date: 1 December 2021