

North Somerset Council Decision



Decision Of: Deputy Leader and Executive Member for Children's Services, Families and Lifelong Learning
With Advice From: Director of Children's Services and s151 Officer
Directorate: Children's Services

Decision No: CY55 (2023/24 scheme)

Subject: Contract Award for construction services for the delivery of a Resource Base at Locking Primary School to create and improve places for children and young people with special educational needs and disabilities (SEND).

Key Decision: Yes

Reason: The value is greater than £500,000.

Background:

New provisions are being delivered at schools across North Somerset as part of the Council's agreed Safety Valve Programme to support the creation of local SEND places so that capital investment might contribute to controlling and reducing revenue deficits.

North Somerset's Director of Children's Services agreed, in October 2022, that officers could work with schools and other partners to advance capital proposals to increase SEND provisions using the High Needs Provision Capital Allocation (HNPCA) ([CY65 Outcome of the autumn 2022 high needs provision capital allocations \(n-somerset.gov.uk\)](#)).

In addition to the HNPCA, in October 2022 the DfE invited North Somerset, as part of its High Needs revenue deficit reduction plan, to submit a bid to secure additional capital to deliver building solutions to help support an increase in the availability of local SEND places so that capital investment might contribute to controlling and reducing the revenue deficit - the Safety Valve (SV) bid. North Somerset was successful in this bid and has been granted a further £2.9m grant in the 2023/24 financial year from the DfE. This allows North Somerset to deliver a 4-year delivery programme with years 3 and 4 previously unfunded within a 2-year funded delivery programme. Funding for this scheme utilises money from both funding streams.

Working with the Extend Learning Academies Network (ELAN) and staff at Locking Primary school, and following consultations with stakeholders, Locking Primary has been identified as a suitable location for the introduction of a Resource Base to support children from across the local area with Moderate Learning Difficulties (MLD) and Development Delay.

A procurement exercise has been completed utilising a compliant framework and a preferred contractor to deliver the project has been identified.

Decision:

- To approve the contract for the delivery of a Resource Base at Locking Primary to Wernick Buildings of Kenfig Industrial Estate, Port Talbot, SA13 2PE (company

registration number 00414489) to undertake the work at the above schools over the summer of 2023 with a contract value of £761,871.

- To approve the virement of High Needs grant funding of £48,636 **to** KCE305 SEND / Safety Valve - Locking Primary Resource Base, and **from** KCE318 SEND / Safety Valve – VLC Oldmixon.

Reasons:

Commissioning Plan

The Commissioning Plan CSD150 and the Procurement Plan CSD156 were approved by the Section 151 Officer in accordance with the delegated authority capital strategy 2023/2024 and capital budget approved for 2023/2024 approved at the 8 February Executive (see Background Papers).

Evaluation

An independent evaluation of the tender was carried out by a regional director and quantity surveyor from Faithful & Gould (F&G) (appointed as employer's agents to support the delivery of the project) and a technical lead from the North Somerset's Property & Projects team.

The tender was assessed on the following quality criteria which accounted for 50% of the score:

1. Project delivery approach and management
2. Project lead and CV's
3. Programme of key milestones
4. Risks and mitigations
5. Environmental impact and mitigations

Tenders were also assessed on cost (40%) and social value (10%).

All three of the assessors independently scored the tenders. The Regional Procurement Manager for London and South East Procurement (working on behalf of SWPA due to a staff absence) moderated a session in which all evaluators discussed their scores and comments on the tender returns.

A Chartered Quantity Surveyor from F&G, working on behalf of North Somerset, interrogated the cost schedules, exclusions and inclusions provided as part of each tender. A balancing exercise was undertaken on these cost schedules to enable a like-for-like comparison to be made.

This process resulted in the following scores being awarded and the recommendation that Wernick be awarded the contract:

	Weighting %	Wernick	Portakabin
Quality	50	38.8%	37%
Cost	40	40%	37.9%
Social Value	10	4.4%	7%
Final Score		83.2%	81.9%
Rank		1	2

Contract Management

This North Somerset project will be managed by a Project Manager from the Property & Place team with support from a Technical Lead. In addition, the North Somerset team will be supported on project, contract and cost management by F&G who have been appointed to act as Employer's Agents.

The work will be delivered using the JCT Intermediate Building Contract with Contractors Design 2016 which will be completed prior to signing by F&G on behalf of the council. F&G will also support the North Somerset Technical Lead with the management of the contract. The F&G commission also covers the provision of Quantity Surveyor (QS) services and the valuation of work prior to payments and the management of change and budget.

A project supervisor has been appointed to oversee the quality of work at each site.

With the change of location of the resource base from that originally proposed and costed for the SV grant process, NSC required a new project cost to use in the commissioning and procurement plans. As such NSC requested that F&G engage with the MMC industry and provide us with a suitable charge to use. This was £722,000.

The tender process resulted in costs of £848,000 and £868,000 being submitted. Each quote also came with the option to amend the building façade to reduce the quoted expenditure. In the case of the winning bid of Wernick, this alternative façade option was reviewed and deemed acceptable reducing the overall project cost to £718,000 – in line with the pre-project estimate.

An exercise was undertaken by the QS at F&G in which omissions in each bid were added or items not required removed to ensure each bid was costing the same items. This resulted in a new bid cost for Wernick of £733,664.

While the tender exercise was ongoing ground investigation surveys were undertaken of the site and this resulted in recommendations for a more significant foundation structure than quoted for in the tender (using anticipated ground conditions). This resulted in an increase in the Wernick quote of £6,509 and a new total project cost of £740,173.

The £722,000 figure used in the commissioning and procurement plans was exclusive of project management and other project related costs. These are outlined below.

		Cost
NSC officer time	Estimated sum for internal management and oversight of project by: <ul style="list-style-type: none">• Children's services• Finance• Property & Projects	5,000
Employer's agent	Contract, cost, and project management	14,523
Legal costs	Amendments to the master funding agreement and the supplementary funding agreements to reflect the SEND hub's location at Locking. £1,025 for the	2,000

	schools' legal costs and £975 included for NSC legal costs	
Ground Investigation	Intrusive investigation of the site and subsequent report to aid the development of the appropriate foundation design	2,940
Structural Engineer	Design of the foundation pad as a result of the GI	2,750
Architect	CDM, Building Control and support during construction as required	3,250
TOTAL		30,463

This provides an overall project cost of £770,636 – an increase of £48,636 from the commissioning and procurement plans.

Options Considered:

The use of an open tender to procure the services of a contractor was considered. The two principal reasons this option has been discounted on this occasion are:

1. Time – an open tender process will take longer
2. Quality – we believe the framework approach we intend to use will help us to target the best companies for the job

In selecting a procurement framework, a number of different options were considered including the Crown Commercial Services Framework, the LHC Modular Buildings Framework and the NHS SBS Modular Building Framework Agreement. The focus however came down to two:

1. SWPA – South West Procurement Alliance Framework
2. DfE – Modern Methods of Construction (MMC1)

Both are excellent options with contractors having been pre-qualified against important criteria such as financial stability, equality, environmental management and health and safety however on balance we believe for this scheme the SWPA framework is preferable for the following reasons:

- Regional focus of the SWPA Framework
- Access to more suppliers on the SWPA Framework
- Suitability - the DfE Framework has two lots; Lot 1 is for buildings of 6,000m²+ and Lot 2 for buildings from 750 – 6,000m². Our proposed building at Locking is 130m².
- The SWPA framework offers a service to manage the procurement. This is included in their % fee which bidders pay as part of their overall bid submissions. This is of significant value to the project as currently the NSC Procurement Team is significantly under-resourced.

Financial Implications:

Costs:

Wernick's tender submission was £868,302. The option to reduce this by £150,000 was

offered within the submission through the use of an alternative external cladding. On consideration of the alternative this value engineering option has been accepted. This reduced the original submission price to £718,302.

Ground investigation work was undertaken at the proposed location of the resource base during the tender process. This resulted in a recommendation for more significant foundations than originally anticipated. The inclusion of this and omissions identified by the QS in the original bid resulted in a final project cost of £761,871.

	£
Contract Sum - Wernick	740,173
Employers Agent – Faithful & Gould	14,523
–NSC officer time	50,000
Ground Investigation	2,940
Structural Engineers	2,750
Legal Fees – External and internal	2,000
Architect	3,250
TOTAL COST OF SCHEME	£770,636

There are no other costs expected other than contract costs for this project.

Funding:

The current approved budget for the Locking scheme is £722,000 and has been allocated to cost code KCE305, which is funded from High Needs Grant.

The revised budget required is now £770,636 and the difference of £48,636 is to be funded from a virement from SEND / Safety Valve allocation on cost centre KCE318, which is the code associated with the VLC Oldmixon project.

Both projects are to be financed from the High Needs Grant and so a budget virement will be actioned as a result of this decision to ensure that the Locking project has the correct level of resources allocated to it.

At this time the VLC Oldmixon project has yet to be fully scoped and developed and is also being funded by other resources. Officers are assured that the transfer of funding will not have a negative impact on the core proposals within the overall SEND / Safety Valve programme.

Asset Register

The spend will not be added to the Councils asset register at year end, as the spend will be treated as REFCUS, as Locking Primary is part of the Extend Learning Academies Network (ELAN).

Legal Powers and Implications:

The JCT Intermediate Form of Building Contract will be used incorporating clauses to protect the Council. F&G in the role as Employers Agent will draft the contracts.

The procurement process will be compliant with the Public Services (Social Value) Act 2012 by ensuring it seeks additional social value during the tender process.

The SWPA Modular Buildings framework was procured compliantly with the Public Contract Regulations 2015, is open for NSC to use and runs from May 2021 - May 2025.

The virement is within the financial regulations section 4.34 of the Constitution :-

4.34 Virements of existing capital budgets between approved projects / schemes are permissible subject to the advice of the Section 151 Officer on any required changes to funding and subject to the following limitations. Where the virement involves more than one directorate, the agreement of all involved Directors / Executive Members is required.

- Directors with the Section 151 Officer can approve virements between budgets to a maximum of £500,000

Climate Change and Environmental Implications:

Having more local SEND places within the community assists the Council in reducing our reliance on home to school transport for pupils with SEND or AP needs to placements outside of the area.

Designs will be developed with reference to the Council's policies on climate change and with consideration of the environmental implications.

Modern Methods of Construction (MMC) whereby a building is manufactured in parts in a factory and brought to site and assembled has two principal environmental benefits over conventional construction techniques.

1. Waste minimisation - manufacturing in a factory provides a controlled environment which reduces waste
2. Energy efficiency - the process enables the sections of the building to be constructed with increased U-Values and subsequent energy efficiency of the finished building

In addition, it is a requirement of all companies on the SWPA framework to be ISO14001 accredited.

Consultation:

The HNPCA consultation was made available on North Somerset's e-consult website and sent to the following groups: All schools and governing bodies across North Somerset, MATCEOs and Trust Boards; trade unions; the local MPs; Town and Parish Councils; the Diocese of Bath & Wells; Diocese of Clifton; Weston College, Early Years Stakeholders; SEND Stakeholder groups, neighbouring LAs.

Targeted updates were also sent to the SEND Partnership Board, the Education Excellence Partnership Board, the Strategic School's Forum and it was also highlighted in Noticeboard (our local schools' newsletter) and our SEND partnership colleagues.

The Resource Base at Locking has been developed as a result of the consultations held.

An expression of interest has been sent out to establish if the opportunity is of interest to the market. In addition to identify interest we will expect this engagement with the market to enable us to find out if our proposed programme is appropriate, any potential supply chain risks and specific product lead time.

Risk Management:

Risk	Mitigation
<p>Live working Environment - The project is being undertaken in a live school environment within a confined site</p>	<ul style="list-style-type: none"> • Liaise with the stakeholders at the school to arrange a series of coordination meetings. • Develop a stakeholder management plan to ensure robust procedures for maintaining regular communication and coordination are implemented
<p>Weather - large proportion of groundworks taking place during the winter period, the risk carried is inability for our subcontractor to complete works due to frozen ground.</p>	<ul style="list-style-type: none"> • Scheduled avoiding what is usually the harshest time of the winter period • Use of 60-acre manufacturing facility offering extensive space for manufacture and internal fit-out to occur before modules are placed in situ.
<p>Planning Consent - There is a risk that planning consent may either be refused or delayed which may delay the programme.</p>	<ul style="list-style-type: none"> • Proactively address any comments or conditions imposed by the planning authority to ensure full planning approval is obtained.
<p>Ground Conditions - At present there is no GI or soil sampling information available. Ground conditions could be inadequate and/or potential risk of ground contamination.</p> <p>Root Protection - there is a notional root protection zone located which falls under the area of 4nr modules as well as the free-standing canopy. This could potentially carry implications to the associated foundations design</p>	<ul style="list-style-type: none"> • Carry out ground investigation works as a matter of urgency. • Root Survey
<p>Residential location - access to the site passes through Lime Close, a residential street which may pose a risk regarding traffic. We have recognised this route to be the most appropriate due to the width of our modules and required vehicles.</p>	<ul style="list-style-type: none"> • Implement a traffic management plan, enforcing protocols with local authorities and highways to ensure adherence to regulations. • Letter drops to local residents informing them of the date and time of intended delivery to allow them to make necessary provisions around this time.

Equality Implications:

Have you undertaken an Equality Impact Assessment? Yes. A comprehensive EIA was undertaken in the application for funding to the DfE and as part of our HNPCA consultations.

Corporate Implications:

The delivery of these interventions is a corporate priority for North Somerset, determined after full consultations with the relevant stakeholders. Officers have worked and continue to work with schools to finalise the schemes. The DfE's SV funding is subject to North Somerset delivering on our HNPCA and SV proposals.

Appendices:

None

Background Papers:

[Commissioning Plan CY150](#) (2022/23 scheme)

[Procurement Plan CY156](#) (2022/23 scheme)

Signatories:


Decision Maker(s):

Signed: 

Title: Deputy Leader and Executive Member for Children's Services,
Families and Lifelong Learning

Date: 29.8.23

With Advice From:

Signed: 

Title: Director of Children's Services

Date: 29.8.23

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Title: s151 Officer

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