

Committee: Cabinet

Date: 19 September 2016

Subject: Expansion of Harris Academy Merton – contract award for construction works

Lead officer: Yvette Stanley, Director Children, Schools and Families Department

Lead member: Councillor Caroline Cooper-Marbiah, Cabinet Member for Education

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Recommendations:

- A. The council award the contract for the main phase expansion works for Harris Academy Merton as outlined in the confidential appendix.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Under the council's constitution all contracts above £2 million should be awarded by Cabinet and the purpose of this report is to award the main construction contract to enable the expansion of Harris Academy Merton by 300 places. Cabinet has previously agreed the principle of expanding the school and Council has agreed the capital budget in the capital programme.
- 1.2 Following a competitive tender process the capital works contract to enable the expansion can be awarded within the approved budget.

2 DETAILS

- 2.1. On 18 January 2016 Cabinet agreed that work to expand Harris Academy Merton by 2 forms of entry (300 places across the age 11-16 year groups) should proceed as soon as possible, with the school increasing from 180 places per year to providing 210 year 7 places in September 2016, and 240 in September 2017 and beyond; suitable financial provision was agreed in the council's capital programme.
- 2.2. Officers have worked closely with the school and the Harris Federation to develop a suitable scheme to provide for the additional places and the construction scheme will consist of a two storey stand-alone building containing eight classrooms and ancillary areas, toilets, offices and meeting rooms, together with specific internal remodelling to provide a new servery, classrooms and offices. The scheme was approved by the Planning Application committee in August 2016.
- 2.3. With regard to procurement strategy, experience from recent tenders suggested that medium sized management contractors are currently providing the most competitive prices for this value of work and it was decided that a procurement process that was accessible for these firms

would provide the best opportunity to enter contract within the quantity surveyor's estimate.

- 2.4. The works were therefore tendered through a two stage procurement process via the ProContract London tenders portal E-tendering system on a Design and Build traditional JCT tender
- 2.5. The first stage enabled a short list of five suitably experienced construction companies to be shortlisted, and the second stage is on the basis of compliance and price.
- 2.6. The second stage tender documents were issued to five contractors for return on 5th September 2016. The confidential appendix to this report details the tender analysis and recommendation.

3 ALTERNATIVE OPTIONS

- 3.1. The general strategy for school places and agreement to proceed with the expansion of Harris Academy Merton has been previously agreed by Cabinet.
- 3.2. The alternative options therefore relate to the design of the school and the procurement strategy. Various options were considered in the expansion of the school and a design was agreed that met the function of the school and the estimated budget.
- 3.3. With regard to procurement, the alternative strategy would be to use an available framework, and the scheme was initially procured through the SCAPE framework as part of a package of larger works. However, Cabinet in January 2016 only agreed to proceed with the expansion of Harris Merton at this stage which meant that SCAPE was no longer value for money to the council or attractive to the SCAPE contractor.
- 3.4. A review therefore decided that best value for money could be achieved through a design and build two stage competitive tender.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.4. A statutory consultation process for the expansion of an Academy is not required but the council has consulted with other London Borough of Merton headteachers before deciding to expand Harris Academy Merton. The scheme was developed in consultation with the school and Harris Federation and the design was subject to consultation as part of the planning application requirements.

5 TIMETABLE

- 5.1. As this is a design and build project, the tender documents require the contractor to provide a best programme. This will be developed in further detail in conjunction with the school. The anticipated contract start date is the end of October with completion in mid-August 2017, thus enabling the school to have sufficient space at the start of the 2017/18 academic year.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Expenditure in 2015-16 for design fees and the council's capital programme provides the budget for the scheme, assisted by "Basic Need" government grant
- 6.2. With regard to revenue funding for school expansion, as schools are funded through the Dedicated Schools Grant (DSG), there are no direct implications to Merton's General Fund of a new academy opening or increasing the published admission number of the three academies to cope with the increased number of pupil.
- 6.3. There will be implications for the DSG as funding is received on a lagged pupil number basis and funding, while the school fills its year groups, from September to March will need to be funded from the DSG growth fund.
- 6.4. Further financial information is contained within the confidential appendix.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. This is a below OJEU threshold works contract and accordingly is not subject to the provisions of the Public Contracts Regulations 2015.
- 7.2. There are no legal implications raised by the content of this report.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. Additional teaching places at Harris Academy Merton will contribute to the Authority providing access to secondary school places for all its residents who want one. The proposal will help to ensure that children will be able to attend a 'good' local school.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. There are no specific crime and disorder implications

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. All capital schemes have a financial risk but the scheme is recommended to be awarded within the budget estimate.
- 10.2. Health and safety is being considered carefully to ensure there will be a clear separation between pupils, teachers and parents and construction works, especially in the context of a working school
- 10.3. The project is being managed under project management methodology and a risk log is held and reviewed at project board meetings.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- 11.1. Appendix A: (exempt from publication)

12 BACKGROUND PAPERS

- 12.1. Cabinet report 18 January 2016 - Secondary School expansion including new school

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