

# **BRIDGEND COUNTY BOROUGH COUNCIL**

## **REPORT TO CABINET**

**4 OCTOBER 2016**

### **JOINT REPORT OF THE CORPORATE DIRECTOR – EDUCATION AND FAMILY SUPPORT AND HEAD OF FINANCE**

#### **SCHOOL MODERNISATION – PENCOED PRIMARY, INVITATION TO TENDER AND CONTRACT AWARD**

##### **1. Purpose of Report**

The purpose of this report is to:

- 1.1 Obtain approval to invite tenders for the construction of the new Pencoed Primary School
- 1.2 Delegate authority to the Corporate Director, Education and Family Support to award a contract to the bidder submitting the most economically advantageous tender for the construction of the new Pencoed Primary School, subject to the tender price being acceptable to the S151 Officer and receipt of Welsh Government funding approval;
- 1.3 Delegate authority to the Corporate Director, Education and Family Support to enter into a construction contract with the successful tenderer and any relevant ancillary agreements in consultation with the Director of Operational and Partnership Services and arrange for execution of the same on behalf of the Council;
- 1.4 Note that an information report will be presented to Cabinet in due course, advising of the outcome of the tender process.

##### **2. Connection to Corporate Improvement Objectives/Other Corporate Priorities**

- 2.1 This report supports the following priorities in the Corporate Plan 2016 - 2020:
  - Supporting a successful economy, and
  - Smarter use of resources.
- 2.2 The Council aims to help all young people to thrive and make the best of their talents. One of the barriers to achieving this aim that the Council has identified is a serious need to modernise our schools.
- 2.3 In March 2015, the Council set out 5 key principles to inform the organisation and modernisation of our schools:

1. Commitment to high standards and excellence in provision
2. Equality of opportunity, so that all pupils can access quality learning opportunities, regardless of which school they attend
3. Inclusive schools, which cater for the learning needs of all their pupils
4. Community focussed schools, where the school actively engages with its local community
5. Value for money

### **3. Background**

- 3.1 On the 16<sup>th</sup> September 2014 Cabinet agreed to participate and be a signatory to the South East Wales Schools Capital Procurement Framework (SEWSCAP Framework) for a four year period, commencing April 2015.
- 3.2 On 6<sup>th</sup> September 2016 Cabinet approved the proposal to make a regulated alteration to Pencoed Primary School, by relocating the school, including the Heol y Cyw campus, to a new build school on the site of Pencoed Primary School playing fields at Penprysg Road, Pencoed with effect from 1st April 2018.
- 3.3 A planning application for the new school (reference P/16/603/BCB) was submitted on 28<sup>th</sup> July 2016; it is anticipated that a decision will be made regarding the application in due course.

### **4. Current Situation**

- 4.1 The tender process for the SEWSCAP Framework was undertaken and administered by Rhondda Cynon Taff County Borough Council, in conjunction with Capita Glamorgan on behalf of all participating Councils, of which Bridgend are one.
- 4.2 Due to the way in which BCBC has developed the in-house design of the Pencoed Primary scheme within the School Modernisation programme, it is necessary to use the JCT Standard Form of Contract with Quantities 2011 edition.
- 4.3 The Strategic Outline Case, which has received approval by Welsh Government, indicated that the SEWSCAP Framework would be used as the procurement route for the scheme. Rhondda Cynon Taff County Borough Council has issued an amendment notice to allow the inclusion of the JCT 2011 Standard Form of Contract with quantities contract within the framework.
- 4.4 Rhondda Cynon Taff County Borough Council is currently working to formalise the use of JCT with Quantities under SEWSCAP 2 and have stated that they envisage the process will be complete in time for the invitation to tender date, which is anticipated to be 1st November 2016 for the Pencoed Primary School

scheme. The procurement process will consist of a mini-competition undertaken in accordance with the terms of the SEWSCAP 2 Framework. However, should the framework be unavailable, the Council will need to undertake a full OJEU tender process, subject to permission for such a process being received from Welsh Government.

- 4.5 As the value of the contract will be above £5 million, Cabinet is required both to invite tenders and to award a contract, following the procurement process, to the most economically advantageous tender, in accordance with the Council's Scheme of Delegation.
- 4.6 Unfortunately, the timetable for the scheme's procurement process will result in the contract having to be awarded *after* 30<sup>th</sup> November 2016 (when the tender exercise will complete) but *early* enough in December 2016 for contractor mobilisation to have occurred ready for a January 2017 start on site. There are no Cabinet meetings scheduled which would facilitate the submission of a separate report detailing the outcome of the tender process and seeking permission to award the contract, in time to meet these scheme critical milestone dates
- 4.7 In addition, Cabinet should be aware that the scheme timetable is restrictive as the construction contract is part funded by Welsh Government and Welsh Government has set the timetable by which the funding must be spent. There is a risk that if the spend profile is not met for this financial year then the Council may lose this funding. On that basis, Cabinet is requested to delegate authority to the Corporate Director – Education and Family Support to award a contract to the bidder submitting the most economically advantageous tender, subject to the cost of the overall scheme being within the budget available for the project and to the caveats set out in paragraph 8 below.

## **5. Effect upon Policy Framework & Procedure Rules**

- 5.1 This report has no effect on Policy Framework and Procedural Rules.

## **6. Equality Impact Assessment**

- 6.1 The Council's Equalities Impact Assessment Toolkit has been utilised which indicates that the proposal would have no impact on specific equality groups.

## **7. Financial Implications**

- 7.1 The cost of the tender exercise will be met from within existing resources.
- 7.2 The anticipated cost of the proposed new Pencoed Primary School will be funded by the Council and Welsh Government under the 21st Century Schools Programme for which the Authority has received Welsh Government 'approval in principle'. The current budget for the scheme in the Capital Programme approved by Council is £8.8 million. However, as referred to in the reports to Cabinet and Council in May on the Capital Programme, the total scheme cost is likely to exceed that amount due to site abnormalities (e.g. construction of

retaining walls and cut and fill exercises due to ground conditions/site levels, drainage works required to adequately attenuate and drain surface water into culverts) , rising construction costs and highways requirements outside of the scope of Welsh Government 21st Century Schools funding (e.g. access junction works required in order to provide a highway access to the school site which meets modern safety standards). An application has been made to Welsh Government for additional funding towards the scheme, and an agreement "in principle" has been secured. A further report will be presented to Cabinet and Council in October by Finance to seek additional Council funding to meet the remaining shortfall in scheme costs. The contract following the tender process will not be awarded until all funding sources have been secured. The total estimated budget envelope required for the entire Pencoed Scheme, including all costs (such as furniture and equipment, fees, construction, groundworks, decant, highways works etc.) is £11.1 million.

- 7.3 Some highways works are expected to be required to ensure safe access to the new school, but guidance from the Welsh Government explicitly states that “where a capital project requires works to be done to improve highways access to the school this would not qualify for Welsh Government grant, and would fall to the Local Authority to fund”. The highways works are currently estimated to cost in the region of £300,000, and are included as a separate scheme within the capital programme. Welsh Government committed to fund half of the original total programme costs for the eligible elements of the scheme with the rest coming from Council resources, including capital receipts that Council has agreed will be ring fenced for the School Modernisation Programme.

## **8. Recommendation**

- 8.1 Cabinet is recommended to:

8.1.1 Authorise the invitation of tenders for the construction of the new Pencoed Primary School

8.1.2 delegate authority to the Corporate Director, Education and Family Support to award the contract to the bidder submitting the most economically advantageous tender , subject to the tender price being acceptable to the s151 Officer and subject to receipt of Welsh Government funding approval;

8.1.3 subject to the contract being awarded in accordance with paragraph 8.1.2 above, delegate authority to the Corporate Director, Education and Family Support to enter into a construction contract and any relevant ancillary agreements thereto, in consultation with the Director of Operations and Partnerships and arrange for execution of the same on behalf of the Council;

8.1.4 Note that Cabinet will in due course receive an information report detailing the outcome of the tender process.

Deborah McMillan  
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Background Papers:

Cabinet Report, 16<sup>th</sup> September 2014 “CONTINUED SUPPORT OF THE SOUTH EAST WALES SCHOOLS CAPITAL PROCUREMENT FRAMEWORK (SEWSCAP)”

Overview and Scrutiny Committee: Children and Young People’s Report February 9<sup>th</sup> 2009: SCHOOLS OF THE FUTURE – THE SCHOOL MODERNISATION PROGRAMME

Cabinet Report 28<sup>th</sup> April 2009: SCHOOLS OF THE FUTURE – THE SCHOOL MODERNISATION PROGRAMME OVERVIEW AND PROGRESS

Cabinet Report 16<sup>th</sup> May 2009: SCHOOLS OF THE FUTURE – THE SCHOOL MODERNISATION PROGRAMME OVERVIEW AND PROGRESS

Cabinet Report, 14<sup>th</sup> July. 2009, “SCHOOL MODERNISATION PROGRAMME: PHASE 1 3-11 LEARNING PROVISION IN THE PENCOED AREA”

Cabinet Report 7<sup>th</sup> September 2010 - SCHOOL MODERNISATION PROGRAMME: PROPOSED CHANGES IN 3 – 11

Cabinet Report 2<sup>nd</sup> November 2010 SCHOOL MODERNISATION PROGRAMME: THE OUTCOME OF CONSULTATIONS ON PROPOSED CHANGES TO HEOL Y CYW AND PENCOED PRIMARY SCHOOLS

Cabinet Report 2<sup>nd</sup> November 2010: “THE SCHOOL MODERNISATION PROGRAMME OVERVIEW AND BRIDGEND’S 21<sup>ST</sup> CENTURY SCHOOLS’ STRATEGIC OUTLINE PROGRAMME SUBMISSION TO WELSH ASSEMBLY GOVERNMENT”

Cabinet report 21<sup>st</sup> February 2012: "SCHOOL MODERNISATION PROGRAMME: BRIDGEND'S 21<sup>ST</sup> CENTURY SCHOOLS' STRATEGIC OUTLINE PROGRAMME REVISED BAND A SUBMISSION TO WELSH GOVERNMENT"

Cabinet Report 3rd March 2015: "PRINCIPLES DOCUMENT"

Cabinet Report 16<sup>th</sup> February 2016: "PROPOSAL TO CONSULT ON A REGULATED ALTERATION TO PENCOED PRIMARY SCHOOL"

Cabinet Report 7<sup>th</sup> June 2016: SCHOOL MODERNISATION PROGRAMME: OUTCOME OF CONSULTATIONS ON PROPOSAL TO MAKE A REGULATED ALTERATION TO PENCOED PRIMARY SCHOOL

Cabinet Report 6<sup>th</sup> September 2016: SCHOOL MODERNISATION PROGRAMME: OUTCOME OF PUBLIC NOTICE ON PROPOSAL TO MAKE A REGULATED ALTERATION TO PENCOED PRIMARY SCHOOL