

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

26 JULY 2016

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

SCHOOL MODERNISATION – GARW VALLEY SOUTH, ACCEPTANCE OF TENDER AND CONTRACT AWARD

1. Purpose of Report

The purpose of this report is to:

- 1.1 Delegate authority to the Corporate Director, Education and Family Support to award the contract to the bidder submitting the most economically advantageous tender for the construction of the Betws Primary School and Ysgol Gynradd Gymraeg Cwm Garw, i.e. Garw Valley South, subject to the tender price being acceptable to the S151 Officer and receipt of Welsh Government funding approval;
- 1.2 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;
- 1.3 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 16th 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 31st March 2015 Cabinet agreed to proceed with a replacement of Betws Primary School on land which has been used as the playing fields of the existing school site, and which is also an area of public open space. On 1st September 2015 Cabinet approved the proposal to relocate Ysgol Gynradd Gymraeg Cwm Garw to the existing Betws Primary School site with effect from September 2018.
- 3.3 A planning application for the new schools (reference P/15/791/BCB) was submitted on 25th November 2015.
- 3.4 On 16th February 2016, Cabinet approved the publication of a S122(2A) Local Government Act 1972 Notice to consult on the appropriation of land at Betws Primary School in order to change the use from public open space to educational purposes.
- 3.5 As the JCT Standard form of Contract with Quantities had been omitted from the SEWSCAP Framework, on 15th March 2016 Cabinet approval was received to undertake a separate OJEU compliant tendering exercise for the construction of the Garw Valley South schools.
- 3.6 In addition, and on the same date, subject to the successful appropriation of land at Betws Primary School and obtaining of appropriate planning permission in respect of the planning application, approval was given to issue an invitation to tender for the construction of the new schools.

4. Current Situation

- 4.1 Upon completion of the consultation process in relation to the appropriation of land at Betws Primary School, Cabinet approval was received on 12th April 2016 to change the purpose of the land held for a leisure function to educational purposes.
- 4.2 Planning approval in respect of the scheme was received on 5th May 2016.
- 4.3 The procurement and tender process for the construction scheme was then progressed. The project was advertised on Sell2Wales as well as being placed in the European Journal of the European Union (OJEU). A two stage process as set out paragraph 4.4 and 4.5 was commenced using an electronic tender exercise via E-tender Wales.
- 4.4 During the first stage, potential contractors were asked to complete a pre-qualification questionnaire which was assessed and scored in accordance with the scoring criteria set out in the tender documents. The questionnaire included mandatory pass/fail questions plus scored questions to ensure that the most suitable potential contractors were on the shortlist to receive the invitation to tender pack.

- 4.5 Officers are currently undertaking the second stage of the process, inviting 7 contractors to tender for the works. Tenders will be evaluated on the basis of the most economically advantageous tender and will be scored on a combination of cost and quality e.g. experience, technical ability etc.
- 4.6 As the value of the contract will be above £5 million, Cabinet approval would usually be sought to award the contract to the most economically advantageous tender, in accordance with the Council's Scheme of Delegation. Unfortunately, the current timetable for the procurement process will result in the contract having to be awarded before the date of the next Cabinet meeting. The timetable is restrictive as the construction contract is part funded by Welsh Government. There is a risk that if the spend profile is not met for this financial year then the Council may lose Welsh Government grant funding. On that basis, Cabinet is requested to delegate authority to the Corporate Director – Education and Family Support, 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 new Garw Valley South Schools will be funded by the Council and Welsh Government under the 21st Century Schools Programme for which the Authority has received '*approval in principle*'. The project is included within the Council's Capital Programme as approved most recently by Council in May 2016. The total approved budget for the Garw Valley Scheme is £10 million. The financial profile for the scheme has been revised and approved by Welsh Government to reflect the construction programme. The total cost of the scheme will be reviewed in the context of the proposed changes outlined above.
- 7.3 Some highways works are expected to be required to ensure safe access to the new schools, 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 £400,000, and are included as a separate scheme within the capital programme, albeit they count towards the scheme budget of £10 million. 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 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;

8.1.2 subject to the contract being awarded in accordance with paragraph 8.1.1 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;

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

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Background Papers:

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

Cabinet Report, 31st March 2015 “SCHOOL MODERNISATION PROGRAMME: GARW VALLEY SOUTH SCHEME (BETWS PRIMARY SCHOOL AND YSGOL GYNRADD GYMRAEG CWM GARW)”

Cabinet Report, 1st September 2015 “SCHOOL MODERNISATION PROGRAMME: OUTCOME OF PUBLIC NOTICE ON PROPOSAL TO MAKE A REGULATED ALTERATION TO YSGOL GYNRADD GYMRAEG CWM GARW BY RELOCATING THE SCHOOL”

Cabinet Report, 12th February 2016 “ SCHOOL MODERNISATION PROGRAMME PROPOSAL TO CONSULT ON APPROPRIATION OF LAND FOR EDUCATION PURPOSES AT BETTWS ROAD, BETTWS”

Cabinet Report, 31st March 2016 “SCHOOL MODERNISATION – GARW VALLEY SOUTH, INVITATION TO TENDER”

Cabinet Report, 12th April 2016 “SCHOOL MODERNISATION PROGRAMME: OUTCOME OF CONSULTATION ON APPROPRIATION OF LAND FOR EDUCATIONAL PURPOSES AT BETTWS ROAD, BETTWS”