

Report

Report to:	Executive Committee
Date of Meeting:	8 June 2011
Report by:	Executive Director (Housing and Technical Resources) Executive Director (Education Resources)

Subject:	Primary School Modernisation Programme Phase 2, Tranche 2 (New Build) – Appointment of Constructors
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ recommend the appointment of constructors to the Framework Agreement for Phase 2, Tranche 2 (New Build) of the Primary School Modernisation Programme.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the tenderers recommended in Section 5 of this report be appointed to a Framework Agreement for four years for the delivery of this phase of the Primary Schools Modernisation Programme Phase 2, Tranche 2 (New Build).

3. Background

3.1. The existing Framework Agreement for Phase 2, Tranche 1 of the Primary Schools Modernisation Programme came to an end on 7 May 2011 after four years of operation. In order to continue the programme, a further Framework was advertised in the Official Journal of the European Union (OJEU) on 28 March 2010. In response to this 24 pre-qualification questionnaires (PQQs) were submitted by companies interested in tendering for this work. Following a review of these submissions eight tenderers were invited to bid for the programme of works as detailed below:-

- Bovis Lend Lease Ltd
- FMP Construction Joint Venture
- Kier Regional Ltd
- Laing O'Rourke Construction Ltd
- Miller Construction UK Ltd
- Morgan Sindall
- Skanska
- Wates Construction Ltd

4. Assessment of Tenders

- 4.1. Tenders were invited on a price/quality basis with quality comprising 60% of the marks and price 40%. The 60% quality element included a 10% mark for interview. Tenders were received from all eight contractors. The tender document required each tenderer to submit, together with their priced document, a series of back-up documents, drawings and information for two schools, which would enable the submission to be assessed in terms of price and quality and assess the ability of tenderers to undertake a larger number of schools under a framework agreement.
- 4.2. Tenders were assessed by teams of officers from Education, Finance, and Housing and Technical Resources. Tenders were first assessed using the quality/cost criteria detailed in the tender documents. The final part of the tender assessment was an interview. All the tenderers were invited to interview and were made aware of the format for the interviews in advance. Following the completion of the price/quality assessment, the resultant tender assessment scores were achieved:-

Tenderer's Name	Total Assessment Score
Bovis Lend Lease Ltd	78.41
FMP Construction Joint Venture	61.64
Kier Regional Ltd	80.91
Laing O'Rourke Construction Ltd	63.90
Miller Construction UK Ltd	65.05
Morgan Sindall	77.73
Skanska	66.34
Wates Construction Ltd	76.74

5. Recommended List of Framework Constructors

- 5.1. Based on the total marks achieved from the price/quality assessments of the tenders it is recommended that the Council should enter a Framework Agreement with three constructor partners, to deliver this phase of the Modernisation Programme subject to satisfactory performance during design and construction, namely:-

- Bovis Lend Lease Ltd
- Kier Regional Ltd
- Morgan Sindall

- 5.2. Before formally appointing the constructors to the Framework Agreement the Council will need to comply with the standstill period as stated in the European Procurement rules. This involves notifying all the tenderers in writing of the Council's decision in relation to the appointment of the Framework Agreement and leaving a period of at least 10 calendar days before issuing the formal letters of appointment.

6. Management of Framework Agreement

- 6.1. There are currently robust procedures in operation within the existing Framework Agreement to ensure that the costs, on a school by school basis, provide Best Value to the Council. Benchmarking is also undertaken across all constructors in order to maintain appropriate controls over performance. These procedures will also be followed in the next phase of this programme of work.

7. Employee Implications

- 7.1. None.

8. Financial Implications

8.1. All works under this Framework Agreement will be financed through the Primary Schools Modernisation Programme. The estimated expenditure to undertake this work is approximately £150 million and full budgetary provision has been made for this in conjunction with Central Finance.

9. Other Implications

9.1. The key risk is that the Council fails to achieve optimum value for money in the release of this major contract. This risk is mitigated by the robust tendering process which had been undertaken, details of which are provided earlier in the report.

9.2. There are no significant implications in relation to sustainability associated with the recommendations contained in this report, It should be noted, however, that energy efficiency is a key priority during the construction of the new schools.

10. Equality Impact Assessment and Consultation Arrangements

10.1. Full impact assessments have been made at the outset of the Primary Schools Modernisation Programme.

10.2. Consultation has taken place with Legal Services regarding the ability of tenderers to challenge the tendering process. They have confirmed that any challenge in this area has the ability to be defended on the grounds that the Council have followed a compliant tendering process as set out in the Tender Documentation.

Lindsay Freeland

Executive Director (Housing and Technical Resources)

Larry Forde

Executive Director (Education Resources)

18 May 2011

Link(s) to Council Objectives/Improvement Themes/Values

- Accountable, effective and efficient
- Raise educational attainment for all

Previous References

Executive Committee of 26 January 2011 (Paragraph 12 refers)

List of Background Papers

None.

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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