

Report No.  
ED12067

## London Borough of Bromley

### PART ONE - PUBLIC

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**Decision Maker:** Executive

**Date:** 28 November 2012

**Decision Type:** Non-Urgent Executive Key

**Title:** **PROCUREMENT STRATEGY FOR MODULAR BUILDINGS FOR SCHOOL CAPITAL BUILDINGS**

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**Chief Officer:** Terry Parkin, Executive Director, Education and Care Services

**Ward:** All

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1. Reason for report

- 1.1 The Council in delivery of its Basic Need Capital Programme has a requirement for modular buildings to ensure it fulfils its statutory requirements for providing sufficient school places. Since 2011 the Council has accessed modular buildings through London Borough of Lewisham's Modular Building Framework. The London Borough of Lewisham has recently re-tendered this framework and this report requests authority to access the new framework.
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2. **RECOMMENDATION(S)**

- 2.1 **To agree the proposed strategy for the procurement of modular buildings and associated building works in conjunction with the delivery of the Council's Education Capital Programme.**
- 2.2 **To authorise the Director of Resources to negotiate and enter into the Access Agreement under the LB Lewisham Framework Agreement for the Lewisham Modular Buildings Framework in accordance with clauses 3.6.1 and 13.1 of the Council's Contract Procedure Rules.**

### Corporate Policy

1. Policy Status: Existing Policy: Primary School Development Plan
  2. BBB Priority: Children and Young People
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### Financial

1. Cost of proposal: Estimated Cost Approximately £4,000,000 to £5,000,000 over 4 years
  2. Ongoing costs: Not applicable
  3. Budget head/performance centre: Basic Need Capital Grant £4,000,000
  4. Total current budget for this head: £9,769,662
  5. Source of funding: DfE Basic Need Capital Grant
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### Staff

1. There are no staffing implications arising from this report.
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### Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - up to 600 children at Bromley Schools
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No

### 3. COMMENTARY

- 3.1 Since 2010 the Council has experienced significant increases number of pupils at reception age in Bromley schools with numbers increasing from 3,165 in 2007 to 3,626 in 2012. This 'bulge' in numbers has been experienced across many London boroughs. In 2011 in order to deliver its summer programme of school expansions the Council signed up to Lewisham Modular Buildings Framework and carried out works through the framework following agreement of the CYP Portfolio Holder at the CYP PDS on 3 May 2011.
- 3.2 The Council tendered three projects through the original framework in summer 2011 at Parish, Royston and Valley Primary schools. All projects were delivered on time and to the final project budgets agreed at the CYP PDS on 14 July 2011.
- 3.3 The Council's total requirement for modular buildings in the delivery of capital works at schools is estimated to be in the region of £4,000,000 to £5,000,000 between 2012 and 2016.
- 3.4 The London Borough of Lewisham have retendered their framework after less than 2 years due to the popularity and demand for the original framework, reaching the limits of the original OJEU notice. The new framework has been tendered on an estimated total value of purchases for the entire duration of the framework agreement of between £20,000,000 and £120,000,000.
- 3.5 As a member of the previous framework the London Borough of Bromley was consulted on the new framework, named as a contracting authority on the Works OJEU notice and took part in the evaluation of tenders.
- 3.6 The framework provides significant advantages in terms of procurement times and value for money. As with the original framework, contractors will be called off the framework for each scheme through use of mini-competition. As part of the procurement exercise contractors were required to price standard modular accommodation to provide a benchmark for achieving value for money. As with the previous framework, contracting authorities will play an active role in reviewing the performance of contractors. The successful contractors chosen following evaluation of tenders were:
- Bowmer & Kirkland
  - Built Offsite
  - ISG Jackson
  - Lakehouse
  - The McAvoy Group
- 3.7 The framework utilises the JCT Framework Agreement 2011 (as amended by the London Borough of Lewisham) with individual projects using the appropriate JCT form of contract for that project. This will be selected from the following options;
- JCT Intermediate Contract 2011
  - JCT Intermediate Contract 2011; with CDP
  - JCT Minor Works Contract 2011
  - JCT Minor Works Contract 2011; with Contractor Design
  - JCT D&B Contract 2011
  - PFS D&B Contract

- 3.7 Each contractor is required to provide a 'turn-key' solution to each project, which includes preparing feasibility studies for potential projects, undertaking any relevant surveys and resolving any planning, building control issues and liaising with all other statutory agencies as required by each project. The works included under the framework include:
- standalone modular classroom units within existing school premises, including associated infrastructure, services and building works to create fully integrated and operational additional pupil places;
  - modular classroom units, including associated infrastructure, services and building works, together with alteration and/or refurbishment works to the existing school premises to provide integrated and fully operational additional pupil places;
  - modular units, alteration and/or refurbishment of existing educational premises, including infrastructure, services and building works to provide integrated and fully operational specialist resource bases in mainstream schools for children with special educational needs, such as Autistic Spectrum Disorder (ASD);
  - off-site manufactured permanent 'fast track' classrooms, within existing school premises, including associated infrastructure, services and building works to create fully integrated and operational additional pupil places.
- 3.8 Other similar frameworks for modular buildings exist such as those operated by the Government Procurement Service and Pillar/Wokingham Council. These have been reviewed but provide no significant advantages over the Lewisham Framework.
- 3.9 The London Borough of Lewisham does not grant access to its documents unless an Access Agreement has been entered into. However, following dialogue with the London Borough of Lewisham it is the understanding of the Council that the new framework document and associated call-off contracts do not radically depart from the original framework. Officers will appraise the new framework documents once received.

#### **4. POLICY IMPLICATIONS**

- 4.1 The capital building programme contributes to a number of priorities within the Council's Strategy, "Building a Better Bromley". A significant proportion of the projects proposed support the Children and Young Person's priority of ensuring sufficient school places. Other projects are undertaken to achieve Supporting Independence, A Vibrant, Thriving Borough and An Excellent Council objectives.
- 4.2 The Council now requires, as part of its Contract Procedural Rules, the completion of a Gateway review process to inform discussions and reporting around Contracting Proposals.
- 4.3 The elements required to enable a preferred contracting route to be safely determined have been completed and are commented on as appropriate in the body of the report. It is considered that the arrangements identified provide the best fit for the particular circumstances of these projects and should secure value for money in the placement of the construction contract.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 This report requests agreement to enter into the Access Agreement with the London Borough of Lewisham with an associated framework membership fee of £2,000 per annum that will be fully met by the DfE Basic need Capital Grant.

- 5.2 Agreement to the recommendations of this report neither commit the Council to using the framework or preclude the use of other procurement methods should they provide better value for money.
- 5.3 On the basis of actual and projected spend against the 2011-12 and 2012-13 Basic Need Capital Grant it is estimated that in the region of £4-5 million worth of work could be placed through the framework over the next 4 years. Individual projects will be procured from the framework in line with the Council's Financial Regulations.

## 6. LEGAL IMPLICATIONS

- 6.1 In any negotiations of a contractual nature the Council is obliged to conform to its own standing orders for contracts and any other statutory requirement that may be needed in the procurement and general provision of services and school infrastructure.

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	Basic Need Programme Update Report 4 (Education PDS 11.9.12)  Review of Primary School Development Plan: Outcomes (Education PDS 6.11.12)