

**Wards Affected:**

Broughton and Newport Pagnell  
South

**ITEM 13****PROCUREMENT AND COMMISSIONING****4 APRIL 2017****AWARD OF CONTRACT – SCHOOLS’ CAPITAL MAINTENANCE PROGRAMME 2017/18 HEATING AND DOMESTIC WATER SERVICES UPGRADE AT WILLEN PRIMARY SCHOOL AND CEDARS PRIMARY SCHOOL (REF: CU2562)**

Responsible Cabinet Member: Councillor Nolan (Cabinet Member for Children and Families)

Report Sponsor: Kamran Rashid (Capital Programme Director)

Author and contact: Jill Dewick (Project Leader [Capital]), Tel: (01908) 253621

**Executive Summary:**

This report is seeking approval to award the works contract to upgrade the heating and domestic water services at Willen Primary School and Cedars Primary School in accordance with the Councils Contract Procedure Rules and Financial Regulations

Procurement & Commissioning previously agreed that the tender could progress at its meeting on 15/11/16 (Minute PC041 refers).

**1. Recommendation**

1.1 That the contract for the heating and domestic water systems upgrade at Willen Primary School and Cedars Primary School (single contract) be awarded to the bidder who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.

**2. Context**

2.1 The contracted works will address identified capital maintenance issues at Willen Primary School and Cedars Primary School and improve the condition of the existing school buildings.

2.2 These two projects have been grouped together given that they are relatively close together in terms of locality and both projects are mechanical focussed and can be managed by a single contractor.

**3. Background****3.1 Decision to Proceed to Tender**

This procurement was considered at officer level by the Capital and Programme Review Panel on 31 October 2016. This procurement was approved to proceed to Tender by Procurement and Commissioning Committee on 15 November 2016.

### 3.2 Consultation

- (a) The specification and evaluation criteria for this contract was developed by technical specialists appointed via a call off contract through the Council's Professional Services Framework for Building Surveying, Minor Works Project Management, Construction Design and Management and Clerk of Works Services. This, together with the knowledge of previous schemes, including feedback from schools, has driven the detail of the specified works.
- (b) The consultation highlighted that the schools needed to be fully engaged in the development of the scheme to ensure the programme and design would best suit the needs of each school, whilst minimising disruption during the installation period. This was built into the specification and the procurement strategy. Meetings with the school have been held.

### 3.3 Market Engagement and Lessons Learnt

Prior to tendering, potential tenderers were advised of these forthcoming tender opportunities via Milton Keynes Council's e-tendering system Intend.

### 3.4 Tender Evaluation

- (a) The contract was advertised on the Council's E-Tendering system on 20 January 2017 and 4 tenders were returned on 6 March 2017.
- (b) The Tenders were evaluated by a suitably qualified and experienced panel of officers including the Project Leader, Capital and the Project Manager (a chartered Building Surveyor).
- (c) A tender moderation session was held between the evaluators and chaired by Corporate Procurement.
- (d) The Evaluation criteria, scores and prices for all tenders are attached as an Annex (Exempt Paper) to this report. A summary of the Risk Assessment is set out in section 4.2 of this report.

Area*	Evaluation Area	Weighting (%)
1	Tender Price	70%
2	Quality	30%

- (e)

- (f) The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a breakdown of the Quality will be detailed in the Exempt Annex to this report).

	Total score	Position
Company A	91.3	1
Company B	86.4	2
Company C	82.6	3
Company D	79.9	4

- (g) Public Services (Social Value) Act 2012

Tenderers were asked to provide their proposals for working with both schools to engage pupils in the project, for example by participating in an age appropriate assembly or workshop about construction health and safety or working in the construction industry. The recommended successful tenderer provided a positive response to this.

### 3.5 Contract Management

- (a) The Senior Client Officer for this contract is the Project Leader, Capital, a member of the Capital Development Team, within Resources. The contract adheres to the NEC3 Engineering and Construction Contract conditions as maintained by the Council's Legal Services team.
- (b) The key governance processes will be delivered using the methodology contained within the Capital Projects RACI which aligns with the MK Approach
- (c) Issues that cannot be resolved by, or are not within the remit of, the Project Manager and Client Officer, will be escalated to the Capital Projects Director in the first instance and then, if required, the overarching Education and Effectiveness Management Board.

## 4. Implications

### 4.1 Policy

The award of this contract contributes to the delivery of the strategic theme of the Council's Corporate Plan 2012-16 'Living in MK' through serving the needs of growing communities within Milton Keynes, ensuring local school places for local communities

The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

## 4.2 Resources and Risk

- (a) Resource allocation of £400,000 for one contract across the two schools has been made available in the capital programme, funded by Schools Condition grant allocation. Each project budget includes all fees, surveys and works. Any underspend at the end of the projects will be returned to the Milton Keynes Council's Capital Programme.
- (b) The Risk Assessment for the Capital Maintenance Programme of projects is held within GRACE.
- (c) The key opportunity secured by this contract is addressing identified condition issues within the school buildings ensuring access to safe and suitable teaching and learning accommodation. It is assessed that the delivery of this contract provides a high likelihood that the opportunity defined will deliver Milton Keynes Council with a high positive impact.
- (d) The key threats for this contract going forward have been assessed as:

<b>Risk</b>	<b>Likelihood / Impact</b>	<b>Mitigation</b>	<b>Likelihood / Impact after mitigation</b>
Cost or time overruns	Low	Projects have been tendered with sufficient time to enable contractors to fully resource projects to deliver to the required budgets and programmes. The recommended successful contract is within budget and meets the prescribed design and works programme.	Low
School not engaged	Low	The schools are already committed to working in partnership with the Council in the delivery of the project and the Project Leader will continue to promote effective communication amongst the project team and a positive understanding of the project by the schools.	Low

The governance measures set out in 3.5 above provide a basis to conclude that these threats, properly managed represent a low likelihood or a low impact.

## Resources and Risk Implications

Y	Capital	N	Revenue	Y	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

### 4.3 Carbon and Energy Management

1.1.1. The heating works include the upgrade of the distribution pipework, emitters (radiators/fan convectors), plant, controls and sensors, which will allow the new systems to operate more efficiently, reducing carbon emissions and future energy costs.

1.1.2. The MEAT document for the open tenders is to include criteria to evaluate the contractors' environmental consideration and to confirm their compliance with the relevant environmental legislation.

### 4.4 Legal

(a) The Council has a legal obligation under The Education Act 1996 to secure that the school premises maintained by it conform to the prescribed standards set out in the Education (School Premises) Regulations. The prescribed standard in this instance relates to the efficiency of both schools heating and water systems to heat the school buildings.

(b) The procurement of the works is compliant with the Council's Contract Procedure Rules and United Kingdom and European legislation.

(c) A formal contract will be executed as a deed between the Council and successful tenderer.

### 4.5 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers:

Decision to Proceed to Tender 15/11/2016

Exempt Papers:

Confidential Annex A