

Cabinet

01 August 2017

Name of Cabinet Member:

Cabinet Member for Education and Skills - Councillor Maton

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title:

Procurement of a Framework for Purchase of Modular Build Classrooms and Separate Purchase of 3 Units to Satisfy Immediate Nursery Requirement

Is this a key decision?

Yes

This is a key decision because it will result in a spend of more than £1,000,000 per annum.

Executive Summary:

Under the Council's Rules for Contracts, any procurement exercise which could result in the Council spending more than £1million per annum requires cabinet approval.

The requirement for a modular building framework has been identified by Education to enable the fast and efficient delivery of services required across the City. Currently there is no capacity to complete capital building projects for schools or nurseries under the timescales specified. The Council would benefit from efficient delivery of standardised modular building units that could easily be modified to meet the specific needs of the end user.

There are some immediate requirements within the City as a result of the National introduction of 30 hours free nursery provision for all children aged 3 and the requirement to ensure sufficient places are made available to facilitate this.

Monies and project approvals are being made available by the Department for Education (DfE), however the spend deadlines are very tight thus limiting us on what the Council can deliver. The small modular solution enables single and double sized classroom extensions at various establishments around the city. Disruption is kept to a minimum as most of the building work is conducted off site. On site there are some ground preparation works, assembly and landscaping. This will limit disruption to approximately 6 weeks per site. Currently there is a requirement for 3 immediate nursery units (single) estimated at approximately £700K, this funding is secure. In addition, 3 replacement Key units (double) along with a Key + unit (quad), combined are required with an estimated cost to be £1.2 Million, these will be procured in line with the framework agreement, for which this report seek approval

The three 30-hour free nurseries need to be in situ and money spent by November 2017 to meet DfE requirements.

There could be further 30-hour free provision required subject to funding. These other units are expected to be in place by January 2018 i.e. for the start of the term following the introduction of the new 30 hours free nursery places for children aged 3.

The Key+ unit is provision for primary aged pupils who have been excluded from mainstream schools. The key is a service that provides schooling in a specialist school type setting for primary aged children who need help adjusting in mainstream school.

In addition to the specific identified projects there is further interest in modular provision from schools looking for additional space and the potential for wider use across other services in the Council in future.

Recommendations:

The Cabinet is recommended to:-

- (1) Approve the initial procurement of 3 nursery modular units for Mount Nod Primary School, Sacred Heart Primary School and St Gregory's Primary school, funding from existing DfE approvals
- (2) Approve the procurement of a 4 year framework (3 years + potential extension for a further 12 months) for modular buildings to support future needs across the city up to a maximum of £4million.
- (3) Delegate authority for award of the initial procurement and the framework to the Deputy Chief Executive (People) once a compliant procurement tender exercise has been conducted.

List of Appendices included:

None

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Procurement of a Framework for Purchase of Modular Build Classrooms and Separate Purchase of 3 Units to Satisfy Immediate Nursery Requirement.

1. Context (or background)

- 1.1 Coventry City Council has been allocated funding from Department for Education to provide accommodation within City Schools to help with sufficiency of places to support the new 30 hours free entitlement of nursery care for children aged 3 and 4.
- 1.2 Modular buildings are considered to be the most effective way of facilitating this provision given the sites they need to be located at, timescales for spending of funding and the timetable for availability of such provision.

2. Options considered and recommended proposal**2(a) Options**

- 2.1 Do nothing – this is not an option as this would result in the City not being able to fulfil its duty around free nursery places for children aged 3
- 2.2 Undertake traditional extensions to buildings – this is often more expensive and the timescales for undertaking a traditional extension would be longer than a modular build. Contractors would need to be on site considerably longer than the install of a modular build takes and thus an impact on the working of a live school site would be felt. Inclement weather can also extend the timescales on a traditional build.
- 2.3 Let one framework to cover all needs with no initial procurement – this would lead to a delay in getting the initial sites completed and thus would result in not meeting the funding conditions from the DfE.
- 2.4 Use a national framework let by a Public Buying Organisation – at present there are no available national frameworks for use.
- 2.5 Use modular build classrooms to increase capacity and meet timescales by undertaking a procurement for 3 initial units, followed by setting up a framework to cover future needs over the next 4 years to prevent timescale issues for future projects. This is the recommended option.

2(b) Proposed Procurement Strategy

- 2.6 For the 3 nursery units required, a one stage tender will be undertaken to identify one Contractor to deliver the 3 units required.
- 2.7 This requirement will be advertised both via National Contracts Finder Database and the Councils e-tendering system, www.csw-jets.co.uk, which is free to suppliers to register and use.
- 2.8 The framework will be let following a one stage tender process, similar to an OJEU Open Procedure for a multi-supplier framework. There will be 4 suppliers on the framework and a further competition will be undertaken for every individual requirement as it comes up with all 4 suppliers being invited to bid.
- 2.9 As site conditions will differ from scheme to scheme, a priced schedule of measured rates relevant to the installation of stand alone modular units will also be tendered to allow for

accurate modelling and to apply to schemes as they arise i.e. site set up, landscaping etc. Contractors will be required to hold the rates when submitting tenders under mini competition. Each individual scheme will be tendered using a full drawing and specification for prices to be based against.

- 2.10 A 12 month defect period post practical completion of the works, with a 12 year latent defects period will be part of this contract for each unit.
- 2.11 The terms and conditions to be used for the 3 nursery units will be JCT Minor Works Contract with Contractors Design.
- 2.12 For the framework, there will be an overarching contract with is the JCT Measured Term Contract to cover the initial set up, with the JCT Minor Works Contract with Contractors Design being used for the individual units following further competition.
- 2.13 Both procurements will be based on an evaluation of 70% price and 30% quality with mandatory elements on financial standing, legal compliance and health and safety.

3. Results of consultation undertaken

- 3.1 None

4. Timetable for implementing this decision

- 4.1 Following the call-in period after cabinet if these recommendations are accepted, a tender will be released for the initial 3 modular units for the nurseries.
- 4.2 Whilst tenders are out for the initial 3 units, the team will work to pull together a framework for the provision of future units. This should be available for use from November 2017 to cover any future needs.
- 4.3 The 3 nursery units will be in situ for November 2017.

5. Comments from Director of Finance and Corporate Services

- 5.1 Financial implications

Finances £795,150 for the initial 3 nursery units have been made available from DfE and are already sitting within the Councils Capital Programme for 2017/18. Future purchases using this framework must only be made once approval for the budgets has been sought.

- 5.2 Legal implications

This report is seeking approval to procure a framework agreement for the provision of Modular Buildings as well as 3 nursery modular units for Mound Nod Primary School, Sacred Heart Primary School and St Gregory's Primary school .

The procurement of the framework agreement and 3 nursery modular units will be led by Coventry City Council (the Council).

Due to the potential value of the contracts to be called off the Modular Buildings framework agreement, this procurement in financial terms does not meet the threshold for a full OJEU competition and as such is not subject to the Public Contracts Regulations 2015 (PCR 2015).

The procurement which is the subject of this report will also be subject to the EU procurement principles and the Council's Contract Rules. There is therefore a requirement that it be tendered competitively and that the process be transparent, non-discriminatory and ensures the equal treatment of bidders. In compliance with the principles, there is also the expectation that the procurement will be advertised widely enough for interested bidders to be aware of the contract (s).

This report also sets out the procurement strategy for this contracts in clause 2(b) and states that it will be advertised in Contracts Finder as well as the Council's e-tendering system in accordance with the PCR 2015. The report also gives details of the procurement procedure, evaluation criteria, award criteria (for both the framework and call-off contracts) and the timetable for the procurement exercise.

6. Other implications

6.1 How will this contribute to achievement of the Council's Plan?

A framework delivering timely and value for money purpose built infrastructure gives excellent provision across the city. It enables the people of Coventry to have choices and gives greater accessibility to good quality, environmentally friendly buildings.

6.2 How is risk being managed?

Risks are reduced by opting for an offsite factory built modular units. Manufacturers have tried and tested systems in place for the production of these modular units. In these controlled factory conditions many health and safety risks along with inclement weather conditions are removed.

6.3 What is the impact on the organisation?

If the additional spaces are not built on time schools will either need to find other temporary accommodation or delay opening the new services. The schools or the service provider will be responsible for appointing additional staff.

6.4 Equalities / EIA

N/A

6.5 Implications for (or impact on) the environment

The unit will have modern combined cooling and heating system along with insulating materials in line with part L Building Regs Conservation of heat and Power

6.6 Implications for partner organisations?

The awarding of the contract for the initial 3 nurseries will help the relevant schools to meet their duty to provide 30 hours free nursery care for all 3 and 4 year olds by ensuring they have the premises to deliver from.

The awarding of a framework for modular buildings will enable the Council to support other schools or units to meet the same duty going forward or to enable them to grow pupil numbers and accommodate them appropriately when the need arises without having to run a full OJEU tender process separately each time.

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