

**Meeting of Executive Member for Children & Young People's Services and Advisory Panel**      10 June 2008

Report of the Director of Learning, Culture and Children's Services

**Joseph Rowntree New School – Final Business Case**

**Summary**

1. This report outlines the details of the Local Competition carried out, the affordability of the final solution and the arrangements in place for contract administration and monitoring, and seeks to gain Member approval to proceed with contract award of the Design and Build contract and the delivery of the new Joseph Rowntree School.

**Background**

2. Joseph Rowntree School is a Voluntary Controlled 11-18 specialist Technology College supported by the Joseph Rowntree Housing Trust.
3. The major objectives of the project are to transform education at Joseph Rowntree School by:
  - The replacement of Joseph Rowntree School on the existing school site.
  - Retaining the current net capacity of 1320.
  - Creating a DCSF demonstration school for Science that reflects the vision for science developed in participation with Project Faraday.
  - Including provision for a 20 place Autism Unit.
  - Achieve a BREEAM (Building Research Establishment Environmental Assessment) rating of 'very good'.
  - Achieve at least a 60% target for carbon reduction, sufficient for Zero Carbon School funding from DCSF, with the longer term aspiration for a carbon zero school.
  - Provide a specialist teaching space for the 14-16 Hair and Beauty Diploma.
  - Support the school to deliver, in the long term, their chosen 14-19 Diploma subjects.
4. The project is a Phase Two One School Pathfinder Project for the Building Schools for the Future programme. The scheme comprises a total new build to replace the Joseph Rowntree School on the existing school site.

5. Joseph Rowntree School is an 11-18 specialist Technology College with a net capacity of 1320. The opening date for the new school building is 01<sup>st</sup> March 2010.

### **ANALYSIS**

6. This section of the report describes the details of the Local Competition carried out.
7. The Scheme is a Single School Project and includes a design and construction project for the new build project for Joseph Rowntree School.
8. The report demonstrates that the process followed to appoint a Design and Build contractor:
  - was in compliance with the standard procedures and processes established by Partnership for Schools (PfS) for the National Framework;
  - allowed for a sufficiently robust analysis of the proposed solutions of the two bidders; and
  - was well resourced and CYC's costs of the procurement process have been minimised and documented.

### **Short-listing Two Bidders**

9. The Preliminary Invitation to Tender (PITT) was sent out to all Partnership for Schools Framework Panel Members on 20<sup>th</sup> July 2007.
10. Two Panel Members returned a PITT submission, these were:
  - Carillion
  - Willmott Dixon
11. The principal supply chain members for the two short listed bidders were:

Carillion:

Architect and Design Coordinator – Bond Bryan  
Consulting Engineers and Environmental Advisers – Buro Happold  
Landscape Architects – Anthony Walker and Partners

Willmott Dixon:

Architect and Design Coordinator – Aedas  
Consulting Engineers and Environmental Advisers – Waterman Structures  
M&E Consultants - Operon
12. Both bids were scored by an evaluation team. The Partnership for Schools Framework had originally procured the six Framework Panel

Members on a 60:40 Cost:Quality basis. The PITT responses were evaluated in accordance with the following weightings in order to focus the emphasis on the ability of the design team to meet the Vision for Educational Transformation :

<b>Category</b>	<b>Overall Weighting (%)</b>
Design	60
Works	20
Handover	10
Pricing	10
<b>Total</b>	<b>100</b>

13. Subsequent to the scoring, both bidders were invited to present to a full evaluation panel. The Project Technical Advisers, Mott MacDonald, advised the evaluation panel.
14. The bidders were required to include the following representatives in their presentation team: Project Director, Contract Manager, Site Manager, Lead Designer, and senior members of the contract and design delivery team.

The bidders were asked to present as follows:

1. Introduction (including details of the Panel Member and their supply chain members).
2. An explanation as to why the school should choose the Panel Member to deliver the scheme including a summary of the key aspects of their written responses to the PITT Questions A, B, C and D.
3. Supplementary questions from the evaluation panel.

### **ITT to Selected Panel Member**

#### **General overview**

15. The Invitation to Tender (ITT) stage followed strictly the prescriptive process set out by the framework. The two bidders were required to respond to all questions in Volume 7 of the ITT document.
16. At this stage in the process the emphasis was focussed on the ability of the Design and Build contractor to deliver the contract works. The bids were assessed and scored to the following overall weightings:

<b>Category</b>	<b>Overall Weighting (%)</b>
Design	40
Works	25

Handover	15
Pricing	20
<b>Total</b>	<b>100</b>

17. There were 3 main evaluation teams:

- Technical team
- Design team
- Delivery team

There were two further subsidiary teams covering specific areas of the bids:

- Procurement
- Legal and contract issues.

18. Each team was responsible for evaluating only the questions that were specific to their area. The evaluation process for each team was in the form of a half-day workshop. There was a ten-day public consultation prior to any of the team evaluation workshops.

### **Evaluation Programme**

19. An overview of the programme is listed below:

1. Receive tender returns
2. Load bids onto website
3. Technical team initial evaluation
4. Public display in school library and Folk Hall
5. DQI workshop
6. Bidders presentation to all evaluation teams
7. Evaluation team workshops
8. Collate evaluation team scores
9. Independent peer review
10. Respond to review

### **Scoring Criteria**

20. The scoring range was 1 – 5 on a range of Fail to Excellent.

The chair of each evaluation team was responsible for ensuring that the evaluation procedure was followed correctly. Each evaluation workshop commenced with a brief overview of the procedure that needed to be followed:

- General discussion of element that is being evaluated;
- Work through each question assessing both bidders answers;
- Consider any feedback from public/DQI group particular to question;
- Incorporate technical and consultants advice;

- Discuss and agree team score for each answer.

### **Public Consultation**

21. There were two design exhibition displays for the public to be able to view the two bids. These displays took place from 30<sup>th</sup> October to 16<sup>th</sup> November 2007. The locations were the school library and the New Earswick Folk Hall. A feedback form was available at these sites. The feedback form asked for comments on issues that related to specific questions within the bid document. The intention was to make the feedback meaningful and allow for public opinion to be properly considered within the scoring process.

### **DQI Workshop**

22. A DQI (Design Quality Indicator) workshop was held between 30<sup>th</sup> October and 8<sup>th</sup> November. The Client Design Adviser facilitated the workshop. The DQI group was asked to review both designs against the original DQI FAVE (Fundamental, Added Value, Exceptional) ratings. The output of this workshop was fed into the Design Evaluation team workshop.

### **Technical Evaluation**

23. The evaluation was carried out by the full Mott MacDonald technical team. This evaluation commenced directly following the bid submissions, as the output was essential to advise both the Design and the Delivery evaluation teams. The evaluation was carried out prior to the bidders presentation. The team were required to adjust their response, if necessary, in response to the presentations and the final report was submitted to the project office on 13<sup>th</sup> November 2007, in readiness for the commencement of the Design Evaluation workshop

### **Bidders Presentation**

24. The bidders were required to present their designs to all members of the evaluation teams.

### **Design Evaluation**

- The Client Design Adviser chaired the evaluation team.
25. The team was advised by the project technical advisers (Mott MacDonald) and the project education consultants (Edunova).

### **Delivery Evaluation Team**

26. The One School Pathfinder (OSP) Project Director chaired the delivery evaluation team. The team were advised by the project technical advisers (Mott MacDonald).

### **Procurement Evaluation Team**

27. The CYC Head of Procurement chaired the procurement evaluation team. The team were advised by the project ICT procurement consultants (Edunova).

### **Contract Assessment**

28. Walker Morris provided legal assessment of the overall bid responses and of the responses to the Volume 5 Summary of Amendments document provided by City of York Council.

### **Independent Peer Review/ Process Audit**

29. Following the evaluation team workshops, the Project Office collated all scores. On completion of this task an independent review and audit of the selection process was carried out by CYC Assistant Director of City Development and Transport. This senior CYC officer was previously the Project Director for the three schools Private Finance Initiative (PFI) project in York.

### **Project Board**

30. Finally, after making any responses and adjustments required by the review process a report was presented to the Project Board. The report reviewed the scoring and rationale and recommended the preferred bidder to the board for approval.

The Selected Panel Member was chosen on the basis that their bid scored the highest in the evaluation process. The successful bid was lower in cost, lower in risk, particularly in terms of securing planning approval and demonstrated a superior understanding of the treatment of the new building within the landscape.

The unsuccessful bidder was debriefed immediately and offered the opportunity for a full debrief workshop, which was declined.

### **Selected Panel Member to Contract Award**

31. The dates indicated below are targets for completion, based on the estimated date of financial close on the 04<sup>th</sup> July 2008:

28 April 2008	Agree Draft schedule of Reviewable Design Data
02 May 2008	Notification of Preferred Bidder signed by Carillion
02 May 2008	Carillion circulate Legal Deliverables and CP Deliverables schedule.
03 June 2008	Agree draft contract sum
03 June 2008	Agree draft of the D&B contract conditions.
03 June 2008	Agree draft schedules to the D&B contract.
03 June 2008	Agree the form of Interface agreement

04 June 2008	Submit draft contract to Partnership for Schools
04 June 2008	Submit Final Business Case to Partnership for Schools
10 June 2008	CYC Member Cabinet approval of Final Business Case
18 June 2008	Agree license agreement between CYC and the Joseph Rowntree Housing Trust
27 June 2008	Finalise the designs
27 June 2008	Finalise the construction programme
27 June 2008	Finalise contract sum
27 June 2008	Finalise contract reviewable design data

### Procurement Costs

32. A summary of the procurement costs are shown in the table below:

	Work category	Provider	Costs
<b>Internal Costs</b>			
1	Project Management	City of York Council	£54,000
2	Stakeholder consultation	City of York Council	Incl. above
3	Internal advisers	City of York Council	£2,200
<b>External Costs</b>			
4	Site investigations/surveys	various	£80,000
5	Ecology Adviser	M Hammond	£1,300
6	Technical Adviser	Mott MacDonald	£143,000
7	Client Design Adviser	DSP Architects	£54,000
8	Educational Consultants	Edunova	£34,000
9	ICT Consultants	Edunova	£80,000
10	Legal Consultants	Walker Morris	£40,000

### Carbon Reduction

33. The design at Final Business Case (FBC) achieves a carbon reduction of 60.44%.

The following table shows a breakdown of the results showing the effect of each element of sustainable design:

Sustainable design element	Carbon reduction %	Total Carbon reduction %
Gross floor area m2	16.84	16.84
Site orientation consideration	2.00	18.84
Air conditioning/cooling % floor area	0.92	19.76
Biomass annual heating demand	19.01	38.77
Lighting controls throughout school	3.98	42.75
Daylight dimming in daylight areas	7.84	50.59
Efficient lighting throughout school	5.27	55.86
Low energy computers	4.58	60.44

The initial 16.84% carbon reduction is the result of a standard building regulation compliant school compared against baseline emissions. The largest single contributor to carbon reduction is the provision of a bio mass boiler. Lighting is the second largest contributor due to a mixture of controls, daylight dimming and efficient fittings.

## Summary

34. The Local Competition was carried out in accordance with the agreed procedures. Two Panel Members returned PITT submissions, and the LA short-listed Carillion and Willmott Dixon.

Carillion was appointed Selected Panel Member on 26 November 2007.

Contract Award is programmed to occur on 04 July 2008.

The Selected Panel Member has prepared a design that will achieve a minimum of 60% Carbon Reduction that is required by the DCSF.

## ICT Procurement

35. The NCC Group were engaged to assist in the procurement of the ICT Package for the new Joseph Rowntree School. The procurement process has followed the BECTA Infrastructure Services Framework process. The ITT was sent out directly to all 16 suppliers. Eight of the companies expressed an interest in bidding for the work, 4 companies rejected the invitation due to workload on their bid departments and the remaining four companies never responded to any email inquiries.

36. The responses from the 16 companies were as follows:

Company	Response	Company	Response
Azzurri Communications Ltd	Interested in bidding	Linetex Computers Ltd	Declined
Centerprise International Ltd	Declined	Northgate Information Solutions	No response



Computer Systems in Education Ltd (CSE)	Interested in bidding	Ramesys	Interested in bidding
Egton Education	No response	RM Education plc	Interested in bidding
Ergo Computing Ltd	No response	Serco Ltd	Interested in bidding
European Electronique Ltd	Interested in bidding	Stone Computers Ltd	Interested in bidding
Gaia Technologies Plc	Interested in bidding	VT Four S	No response
HBS Business Services Group Ltd	Declined	XMA Ltd	Declined

The full ITT was sent out to all the companies on 4<sup>th</sup> February 2008 with a response deadline of noon on the 7<sup>th</sup> March 2008.

37. On the 7<sup>th</sup> March an opening panel was convened at City of York Council (CYC) and the five bids received were duly recorded and opened. One further bid was received approximately 2 hours after the deadline but in accordance with Official Journal of the European Union (OJEU) and CYC rules this bid was declined – Serco were informed of the decision to reject their bid.
38. ITT responses were received from:

**Company**

CSE  
European Electronique  
Gaia  
Ramesys  
RM

39. The bids were assessed and scored to the overall weightings below. These weightings are in line with Building Schools for the Future (BSF) and CYC Financial Regulations:

Category	Overall Weighting (%)
Compliance with Specification and Proven Ability	30
Technical Merit	15
Quality Control and Assurance	5
Value for Money	40
Partnership and Cultural Fit	10
<b>Total</b>	<b>100</b>

40. A separate team evaluated each category. The membership of the evaluation teams was made up from representatives of the ICT working group. On 20<sup>th</sup> March, the evaluation panel considered a consolidated

report detailing the overall scores allocated by the panel. The overall scores were discussed and accepted without change and four short listed contractors were duly invited to the presentations.

41. The four bidders presented to the evaluation panel on the 8<sup>th</sup> April 2008. After the presentations, the final evaluation score showed that RM offered the best solution for the school and was within budget. This decision was agreeable to the panel and duly approved by the Project Board and by Members.

### **ICT Procurement Summary**

42. The Local Authority has procured the ICT provision through RM.

BECTA has reviewed the delivery approach for the ICT provision and confirmed that it is acceptable.

A detailed risk register for the ICT project been developed and a clear strategy to manage/mitigate ICT risks has also been put in place.

### **AFFORDABILITY**

43. The Project Board has been extremely careful to ensure the Selected Panel Member costs are within secured funding without compromise to the objectives set for the project.
44. To improve the risk profile of the project, the preferred bidder stage of procurement was extended by 8 weeks, allowing the Selected Panel Member more time to develop their Contractors Proposals and provide opportunity for achieving an enhanced level of consultation with the school.
45. The increased level of design development has reduced the chance or need for change and minimised risk. However, a project contingency has also been allocated within CYC budgets allowing the Project a prudent sum with which to manage the delivery of this project within the total secured funding. The Project Board has taken an enhanced approach to ensuring project goals remain within affordability.
46. During this process, the Project Board has secured additional funding through meeting criteria for DCSF Zero Carbon Schools funding and Project Faraday funding. The Authorities Requirements and Contractors Proposals have been enhanced in line with the funding criteria; cost and funding details are shown in the **Confidential Annex A** which shows that total project costs are affordable within the available project budget. LCCS has also provided funding to this project for 14-19 Diploma enhancements with the addition of a specialist Hair and Beauty teaching space and a Social Health and Development dedicated teaching space.

## **Consultation**

47. The Department for Children, Schools and Families (DCSF) are the main funders of this project. The DCSF were consulted at the start of the procurement process and recommended the Partnership for Schools framework for the procurement of the Design and Build contract.
48. BECTA (British Educational, Communications and Technology Agency) were consulted for advice during the early phase of the ICT procurement process.
49. CYC Legal Services and Procurement Team were consulted on the selection of the procurement route. CYC's legal framework partners Walker Morris gave independent advice on the options available for procurement and on the requirements for the ICT interface agreement.
50. Stakeholder consultation has taken place throughout the procurement process. The range of stakeholders consulted includes students, parents, staff, governors and community users of Joseph Rowntree School; local community, CYC Children's Services advisers, CYC Property Services, external public sector partners.
51. The Joseph Rowntree New School Project Board has appraised and approved the procurement process at set milestones.

## **Options**

52. This section covers the options available to Members:
53. Option 1 – Approve the decision to proceed with award of the Design and Build contract to Carillion to deliver the new Joseph Rowntree School.
54. Option 2 – Refuse the appointment of Carillion to deliver the new Joseph Rowntree School.

## **Analysis**

55. The contract award to Carillion will ensure that the new Joseph Rowntree School is delivered to meet the national government agenda, Council Corporate Strategy and the strategic objectives of the project.
56. At this stage not appointing Carillion to deliver the New Joseph Rowntree School will fail to meet national government agenda, Council Corporate Strategy and the strategic objectives of the project. Delay to the overall programme will result in increased procurement and construction costs beyond the available project budget. Failure to deliver the project could ultimately result in DCSF funding being withdrawn and could cause delay to CYC entering the full Building Schools for the Future programme.

## Corporate Priorities

57. *Priority – Increase people’s skills and knowledge to improve future employment prospects.* The Joseph Rowntree New School project aims to meet this corporate priority by transforming education to ultimately provide an environment that supports all learners. The school will provide the students, the local community and the city of York with a diverse range of learning opportunities that enables everyone to achieve their best.
58. *Priority – Increase the life chances of the most disadvantaged and disaffected children, young people and families in the city.* The new Joseph Rowntree School will provide a dedicated unit for students with Autism Spectrum Disorder (ASD). This unit will provide an integrated and inclusive education for this cohort. The school is located within one of the most deprived wards of the city. The project has benefited greatly from the support and advice of the Joseph Rowntree Housing Trust to develop a resource for the benefit of the whole community.

## Implications

- **Financial** LCCS Finance Manager has been consulted and supports the recommendation within this report. The total project costs are affordable within the available project budget.
- **Human Resources (HR)** There are no HR implications.
- **Equalities** There are no equalities implications.
- **Legal** There are no legal implications.
- **Crime and Disorder** There are no crime and disorder implications.
- **Information Technology (IT)** There are no IT implications.
- **Property** There are no property implications.
- **Procurement** There are no procurement implications.

## Risk Management

59. Project risk has been considered throughout the procurement process. A risk register was developed at project initiation and has been updated at set milestones. The design and build contractor will take ownership of the risk register and continue to update it in consultation with the CYC Project Team, at monthly intervals, for the duration of the project.

## Recommendations

60. The Advisory Panel advise the Executive Member to appoint:

- 1) Carillion as the Design and Build contractor for the Joseph Rowntree New School project

Reason: To successfully deliver the project.

## Contact Details

### Author:

**Author:** Anna Evans

**Title** OSP Project Director

**Dept Name** LCCS

*Planning and Resources*

Tel No. (01904) 554271

### Chief Officer Responsible for the report:

Pete Dwyer

Director, LCCS

Report Approved

Date 23.05.08.

### Specialist Implications Officer(s) *List information for all*

Implication: Financial

Name Richard Hartle

Title Finance Manager, LCCS

Tel No. (01904) 554225

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

## Background Papers

Children's Services EMAP reports:

December 2006 – Capital Programme Proposals 2007/08 and 2008/09

March 2007 – Progress Report on Major Capital Schemes in York Secondary Schools

October 2007 – Development of Autism Specific Provision at Joseph Rowntree School

## Annexes

Annex A **CONFIDENTIAL** Financial Summary