



London Borough of Hammersmith & Fulham

# Cabinet

14 OCTOBER 2010

**CABINET MEMBER  
FOR CHILDREN'S  
SERVICES**

*Councillor Helen  
Binmore*

**NEW KINGS PRIMARY SCHOOL - ALTERATIONS  
TO CREATE A CHILDREN'S CENTRE**

**Ward:  
North End**

This report seeks approval to place an order under the Council's Measured Term Contract for Non-Housing Projects 2007/2010 to carry out alterations to create a new children's centre at New Kings Primary School, New Kings Road, London SW6 4LY.

**CONTRIBUTORS**

ENV(BPM)  
DCHS  
DFCS  
FCSLs  
ADLDS

**Recommendations:**

- 1. That approval be given to award the contract for the works in this report to Philiam Construction & Development Limited in the sum of £274,000 (plus fees) as set out in para. 5.4 of the report, the works to be awarded under the Measured Term Contract for Non-Housing Projects 2007/2010.**
- 2. To note that the contract is expected to start on 25 October 2010 for a period of 17 weeks.**

<p><b>HAS AN EIA BEEN COMPLETED? YES</b></p>
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## **1. BACKGROUND**

- 1.1 The proposed works form part of the Children's Centre 2009/2010 Capital programme for which the Cabinet Member for Children's Services has responsibility.
- 1.2 The aim of the Department for Education's (DfE) 10 year strategy entitled "Choice for parents and the best start for children" is to improve life changes for all children and to close the gap between advantaged and disadvantaged families in the community. The development of Children's Centres lies in the centre of this strategy.
- 1.3 The Government is committed to delivering a Sure Start Children's Centre within every community. Cabinet approval was given in February 2007 for the development of seven Children's Centres and New Kings Children's Centre will provide an important service to this part of the borough.

## **2. BRIEF DETAILS OF THE WORKS**

- 2.1 The proposed work involves extending and converting the ground floor of the existing School Keeper's House to create the new Children's Centre. The new single storey extension will form a multi-purpose room and toilets and the existing building will be adapted to provide a new entrance, reception and meeting rooms.
- 2.2 The new extension will have a green roof to help reduce the risk of storm flooding as well as improving thermal insulation. Sun pipes have been included to central areas to increase natural daylight. The extract fans will be low carbon type and all other new mechanical and electrical works have been designed and specified with energy-efficient fittings and controls. The specification of materials that embody high levels of energy has been avoided. Where possible the components and materials have been selected with consideration to their maintenance requirements, the recycled content, the recyclability on disposal as well as durability and life expectancy.

## **3. TENDER DETAILS AND BASIS FOR APPOINTMENT OF SPECIFIC FRAMEWORK CONTRACTOR**

- 3.1 The Cabinet meeting held on 27 November 2006 gave approval to the acceptance of the three most economically advantageous tenders to carry out Non-Housing works under a Measured Term Contract (MTC) from 1 January 2007 for a period of four years. The three contractors appointed were Dray Building Limited, Philiam Construction & Development Limited and Borough Construction.
- 3.2 The tenders are to carry out works to non housing properties on an order by order basis using the National Schedule of Rates as the pricing mechanism. This

MTC is appropriate to undertake the required work and its use will save the time required to invite and obtain approval of building tenders. This approach to procurement allows projects to be processed quickly without recourse to a separate tender, whilst at the same time maintaining value for money, as the completed works are paid for at competitively tendered rates. The inherent flexibility of this MTC is well suited for a project of this nature which requires some design development as the works progress.

- 3.3 The three appointed contractors under this framework agreement have been appointed on the basis of the following negative percentage adjustments to the National Schedule of Rates.

Dray Building Limited	-12%
Philiam Construction & Development Limited	-10.15%
Borough Construction	- 9.0%

Cabinet agreed that the subsequent choice of contractor to be recommended for each individual project allocated to these Framework Agreements will be appraised by a panel of officers from Building & Property Management and the Client department for each scheme. The selection would be based on price, financial limits, available resources, performance and ability to meet the Council's requirements for the particular project including timescales. However, for the reasons given below, all orders under the Framework are now placed with Philiam Construction & Development Limited.

- 3.4 Dray Building Limited subsequently wrote to the Council on 22 October 2007 advising that for purely commercial reasons, they would be unable to continue as one of the MTC contractors. Therefore, and in accordance with the conditions of contract, they implemented the 3 month "Break Clause" which has now expired and they have now formally withdrawn from the Council's Measured Term Contract for Non-Housing Projects 2007/2010. The contractor has completed all projects allocated and has honoured the 12 months Defects Liability Period. A final certificate was issued to them on 7 September 2009.
- 3.5 Borough Construction similarly ceased work on the MTC from March 2008.
- 3.6 Officers from Building & Property Management and the Client Department (Children's Services) have reviewed the project requirements and programme timescale and have approached Philiam Construction & Development Limited, by reason that they are the only contractor under MTC. They have confirmed that they are able to undertake the works to meet the programme.
- 3.7 Officers recommend the selection of Philiam Construction & Development Limited on the basis of the criteria detailed in paragraph 3.3 above.
- 3.8 The estimated costs of the works priced against the Schedule of Rates are £248,200 which together with contingencies of £25,800 gives an order value of £274,000.

#### 4. FEES

- 4.1 The professional services previously provided by Building Technical Services (Environment Directorate) are now, following market testing, being provided by EC Harris LLP. Consequently fees are calculated on the basis of the tendered schedule of rates plus the cost of the Client Agent Team, which is funded via a percentage fee to the value of the commissions placed. Fees are charged on the basis of 15% with final account reconciliation at the end of each financial year. Therefore fees are applicable to the proposed works at a rate of 15% which is an amount of £41,100. Hence, the total of works and fees recommended for approval is £315,100.

#### 5. COMMENTS OF THE DIRECTOR OF CHILDREN'S SERVICES AND DETAILS OF FUNDING PROVISIONS

- 5.1 The purpose of these works is to create a fully accessible Children's Centre for pupils, staff and visitors.
- 5.2 The funding for this scheme is contained within Sure Start Capital Grant in the sum of £375,000 plus fees and a contribution of £95,000 from New Kings Primary School making a total of £470,000.
- 5.3 Cost Code: Pnk00210030pr0070
- 5.4 The anticipated cashflow of the project is as follows:

	<b>2010/2011</b>	<b>2011/2012</b>	<b>Totals:</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Works:	241,995	6,205	248,200
Contingency Sum:	25,155	645	25,800
Fees:	36,990	4,110	41,100
<b>Total:</b>	<b>304,140</b>	<b>10,960</b>	<b>315,100</b>

## **6. PROGRAMME OF WORK**

6.1 The anticipated programme of work is as follows:

Approval (Cabinet) :	14 October	2010
Issue Letter of Acceptance:	20 October	2010
Proposed Start on Site:	25 October	2010
Anticipated Completion:	18 February	2011

## **7. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

7.1 The total cost of the proposed scheme is to be fully funded from Sure Start Grant and contribution from New Kings Primary School as detailed in paragraph 5.2 above.

7.2 The financial standing of the company Philiam Construction & Development Limited has been examined. The Council has been advised that in the light of the information available, the overall financial performance of the company is still considered to be sound.

## **8. COMMENTS OF THE ASSISTANT DIRECTOR FOR STRATEGY, PERFORMANCE & PROCUREMENT**

8.1 There are no procurement related issues as the order to be given to Philiam Construction & Development Ltd will be made under an existing Measured Term Contract.

## **9. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

9.1 The AD (Legal and Democratic Services) agrees with the recommendations of this report.

**LOCAL GOVERNMENT ACT 2000**  
**BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Project Manager	Carol Lang Tel: 020 7833 6511	EC Harris 181 King Street, Hammersmith W6 9JU
2.	Project documents, tender preparation details, specification, correspondence, Quality Assurance Plan (Bsi)	P. Nolan Ext. 4516	BPM/ENV 6 <sup>th</sup> floor HTH Ext King Street Hammersmith W6 9JU
3.	Tender returns, tender evaluation details	P. Nolan Ext. 4516	BPM/ENV
4.	Project development	Mick Stone 020 7385 0606	CHS Schools Resources and BSF Gibbs Green School Mund Street Hammersmith

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PROCON NUMBER: \_\_\_\_\_

MDF : REP08/rev06/1.3.2010

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