

London Borough of Hammersmith & Fulham

LEADER'S URGENCY REPORT

OCTOBER 2017



**FIRE SAFETY & ACCELERATION PROGRAMME
DISABLED CHILDREN'S RESOURCE CENTRE AND RE-BUILD OF SEN UNIT AT
THE QUEEN'S MANOR SCHOOL SITE**

Report of the Leader – Councillor Stephen Cowan

Open Report

Classification: For Decision

Key Decision: YES

Wards Affected: PALACE RIVERSIDE

Accountable Director Steve Miley –Director Children's Services

**Report Author:
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(Children's Services)**

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Reasons for Urgency:

The contractors are on site and we need to vary the contract to accommodate the additional works.

Date by which decision is required: ASAP

AUTHORISED BY:

The Leader has signed this report....

DATE: 1 November 20107

1. EXECUTIVE SUMMARY

- 1.1. In line with the Council's commitment to Fire Safety and to ensure its properties meet higher standards it is proposed to incorporate a fire sprinkler system in to the new disabled children's resource centre and SEN unit at Queen's Manor primary school.

- 1.2. The excavation of Saxon remains has led to a four-week delay of the project whilst further archaeological work was undertaken. It is proposed to implement a programme of works to enable the centre to be operational for the 2018 Easter school holiday.

2. RECOMMENDATIONS

- 2.1. To approve the allocation of up to £250,000 from S106 funds for the installation of sprinkler systems at the new disabled children's resource centre and SEN unit and to recover time on the project lost due to archaeological works;
- 2.2. To waive contract standing orders in order to modify the contract between the council and ARJ Construction Ltd for the 'Construction of Queens Manor SEN and Resource Centre, including landscaping work' to include the installation of sprinkler systems at the Queen's Manor Primary School at a value of up to £250,000 as permitted under regulation 72 of the Public Contracts Regulations.

3. REASONS FOR DECISION

- 3.1. The current design of the new buildings are compliant with existing regulations and advice contained with the building control application from the London Fire Brigade confirms a sprinkler system on a single-storey structure with excellent means of escape is not necessary. However, the Council is committed to ensuring the highest standards are applied in relation to fire safety and given the vulnerability of service users believe it is appropriate to install a sprinkler system. The Council will raise the issue of fire safety of existing schools with the Education Skills and Funding Agency (ESFA) with regard to retro-fitting sprinklers in all schools.
- 3.2. As a condition of the planning consent granted on 14th March 2017 an archaeological field evaluation was undertaken which located a small number of Saxon remains. This necessitated a wider excavation of the area. Whilst the contractor was able to reschedule the construction programme to minimise the impact of the archaeological works it has still led to a four-week delay to the overall programme which means the Council would not take possession of the new buildings until April 2018 which would be too late to prepare a new programme of services for children with disabilities during the school Easter holiday as currently planned.

4. PROPOSAL AND ISSUES

- 4.1. The proposal is to incorporate the proposal for a sprinkler system and accelerated works in to a single variation order with ARJ construction Ltd. Of up to £250,000
- 4.2. Given the unforeseen delays relating to the archaeological works the contractor is entitled to an extension of time of 4 weeks which would be granted under the contract resulting in a revised practical completion date of 2nd April 2018. In addition, as a result of the valid extension of time, LBHF are liable to cover the additional preliminary costs of £12,268 per week – a total cost of £49,072.

- 4.3. Over the last few weeks the council's project managers, 3BM, have been working with ARJ Construction Ltd to produce proposals for the Council's consideration that allows the Council to use its resources more effectively, enhance the fire safety aspects of the new buildings and brings the project back on time to ensure a new programme of activities for children with disabilities in the Easter holiday of 2018.
- 4.4. Queens Manor school is a listed building and it is probable that the siting of any tank or pump for a sprinkler system may require planning approval. This will be taking in to account when agreeing the final approach. If it is not possible to get planning approval within the time of the project the system will be mains-fed.

5. PROPOSED APPROACH

- 5.1. The proposed approach to accelerate the programme that has been submitted by ARJ Construction Ltd has been evaluated by 3BM and verified by an independent professional quantity surveyor's opinion to ensure that the proposed additional work requirement reflects the cost proposal
- 5.2. The approach requires an additional input of resources working longer hours. Current planning conditions include a construction management and servicing management plan restricting activities audible beyond the site boundary to 0800-1800hrs Mondays to Fridays and 0800 -1300 hrs on Saturdays. Although this will continue to be adhered to, it is expected that there will be a need to be employ a larger number of workers working in the evening albeit within the conditions of the plan. Effectively this means that they will be working inside the building during these times.
- 5.3. Whilst the proposed approach offers the best chance to achieve practical completion by the end of February this cannot be guaranteed. The approach recalibrates the practical completion date for the end of February. However, it is still dependent upon the performance of the contractor and avoiding significant adverse weather conditions that may impact upon the work programme.
- 5.4. Should the contractor be unable to achieve practical completion by the end of February without just cause then they will be liable for Liquidated and Ascertained Damages to be levied if the works are not completed.
- 5.5. The siting of the tank, in conjunction with advice from planners may be subject to a separate planning application. This will be developed in conjunction with the proposed internal works. Should it not prove possible to achieve planning approval within the scope of the project then the sprinkler system will be fed from the water mains.
- 5.6. The progress of the project will continue to be overseen by the governance board and reported to the cabinet member for Children and Education on a regular basis.

6. CONSULTATION

- 6.1. The project's governance is discharged through a programme board that is chaired by the Finance Director of Children's Services and includes the Headteacher of Queens Manor School and representatives of Parents Active and the Children with Disability service.
- 6.2. The proposed schedule of works will require collaboration with planners and will be subject to statutory consultation processes should planning consent be required.

7. PLANNING (S106) IMPLICATIONS

- 7.1. The Council has committed £6m of S106 funding to this project. This will make the funding requirement for this project £6.25m.
- 7.2. The specific funding for this additional costs has not yet been identified, but will be funded from available social and physical infrastructure funds. There are currently available funds to cover this expense.
- 7.3. Comments provided by Peter Kemp, Planning Change Manager, x6970

8. EQUALITY IMPLICATIONS

- 8.1. An Equality Impact Assessment was completed for the project and formed part of the July 2016 Cabinet report. The EIA is being kept under review.
- 8.2. As part of the tender, contractors were asked to confirm their commitment to equalities. The council has also included the delivery of local economic, social and community benefits, as well as payment of the London Living Wage, in its specification and contract award criteria
- 8.3. Since the appointment of ARJ Construction Ltd they have worked with 3BM and Fulham College Boys to provide opportunities for work experience during the construction phase. Subject to achieving sufficient competence there may also be the opportunity for a number of apprenticeships.

9. LEGAL IMPLICATIONS

- 9.1. It is understood that there is a contract currently in place between the council and ARJ Construction Limited for works at Queens Manor School at a value of £4.8 million. It is proposed that the contract is modified to include works for the installation of sprinklers at a value of up to £250,000. The Council should ensure that the modification falls within one of the safe harbours in Regulation 72 of the Public Contracts Regulations 2015 in order to comply with the same.
- 9.2. Implications completed by: **Kar-Yee Chan**, Principal Solicitor, Shared Legal Services, 020 8753 2772.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. This report proposes to increase the capital budget for the Queens Manor capital project by £250k. The estimated breakdown of this budget increase has been confirmed as follows:

Acceleration of works	£134,510
Sprinklers	£100,000
Contingency	£ 15,490
Total	£250,000

- 10.2. It is proposed that this additional expenditure be funded by qualifying S106 resource. Planning officers have confirmed that while the specific funding for these additional costs has not yet been identified, this increase can be funded from available social and physical infrastructure funds.
- 10.3. Capital projects of this nature typically carry VAT risks and potential risks to the Council's VAT partial exemption position. These risks will need to be carefully managed by the contracting service in concert with Corporate Finance.
- 10.4. Implications completed by **Christopher Harris** Tel: 020 8753 6440 email: christopher.harris@lbhf.gov.uk

11. RISK MANAGEMENT

- 11.1. The Council is committed to ensuring the highest standards are applied in relation to fire safety and given the vulnerability of service users believe it is appropriate to install a sprinkler system not only will a system provide protection to users of the facility the asset will itself be protected in the event of fire. The recommended installation would contribute positively to the management of Health, Safety and Property risk 8, Managing our Statutory Duty on the Corporate Risk register and in the Disabled Children's Resource Centre and Special Education Needs Unit.
- 11.2. Comments provided by: **Michael Sloniowski**, Risk Manager 020-8753-2587.

12. PROCUREMENT AND COMMERCIAL IMPLICATIONS

- 12.1. There are no procurement implications for the proposed purchase of additional works valued at £250,000.
- 12.2. The purchase of these additional works is a modification of the contract 'Construction of Queens Manor SEN and Resource Centre, including landscaping work' during its term
- 12.3. According to Regulation 72 in Public Contracts Regulations 2015 (PCR), the contract may be modified without a new procurement procedure for additional works, services or supplies by the original contractor that have

become necessary and were not included in the initial set of requirement as long as the following conditions are fulfilled:

- (i) *The need for modifications has been brought about by circumstances which a diligent contracting authority could not have foreseen;*
- (ii) *The modification does not alter the overall nature of the contract;*
- (iii) *Any increase in price does not exceed 50% of the value of the original contract or framework agreement.*

12.4. As emphasised in the report above, all the requirements are fulfilled for honouring this modification of the contract

12.5. Comments provided by Andra Ulianov, Procurement Consultant, x2284

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		