

Preferred bidder for the design and build of The Hereford Academy

**REPORT BY: ROB REID, SCHOOLS PLANNING & ACCESS
MANAGER**

**REPORT TO: CABINET MEMBER ICT, EDUCATION AND
ACHIEVEMENT**

**DATE REPORT TO BE CONSIDERED AND DECIDED BY CABINET MEMBER: 20
FEBRUARY 2009**

DATE DECISION CAN BE IMPLEMENTED: 25 FEBRUARY 2009

Wards Affected

St Martins and Hinton
Belmont
Hollington

Purpose

To receive and approve the recommendation of the Design User Group Tender Evaluation Board to appoint Willmott Dixon Construction as the preferred bidder. The decision is an urgent one under Cabinet procedure rules in order to allow the Design User Group to work with the preferred bidder to refine the design proposals for submission to planning in April 2009. Planning consent is a requirement to complete the Final Business Case which will be submitted by Herefordshire Council to Partnerships for Schools (PFS) in July 2009. PFS approval for the Final Business Case unlocks the funding for the project. Approval of the Final Business Case in the summer is crucial to the programme for the contractor to deliver the new buildings for the Spring term 2011.

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising of one or more wards.

It was not included in the Forward Plan.

Recommendation

THAT the recommendation of the Design User Group Tender Evaluation Board to appoint Willmott Dixon Construction Limited as the preferred bidder is approved.

Reason(s)

The appointment of the preferred bidder will allow the authority to enter into contractual negotiations with the preferred bidder to deliver The Hereford Academy design and build project.

Considerations

1. Background

- 1.1 The Hereford Academy opened on 1st September 2008 in existing buildings, formerly Wyebridge Sports College, and will remain in these buildings while the new Academy buildings are constructed. The Academy will move into the new building in the Spring term 2011, after which the existing buildings will be demolished and remaining works to sports pitches, multi use games areas, landscaping and other external works completed by the end of the Summer term 2011.
- 1.2 The procurement of new buildings for academies is through the National Framework for Academies. Through the framework, the Government has engaged 6 national contractors to compete for academy design and build contracts.
- 1.3 Herefordshire Council is responsible for the procurement of the new buildings for the Hereford Academy. On 27th March 2008 Cabinet approved the submission of the Outline Business Case to Partnerships for Schools (PfS) for the new buildings.
- 1.4 Through the framework, Herefordshire Council issued a preliminary invitation to tender to all 6 framework contractors on 12th August 2008 with a view to selecting two contractors to tender for the project, in line with the framework. Kier Education and Willmott Dixon Construction were the only contractors to respond. Both contractors attended interviews with the Tender Evaluation Board on 2nd September 2008 to present their initial assumptions about the project and respond to clarifications from the Tender Evaluation Board. The Tender Evaluation Board recommended that both contractors be invited to tender for the project. On 5th September 2008, the local authority invited both companies to tender.
- 1.5 Following receipt of the tenders, a bid period of sixteen weeks was held through which both companies developed designs and proposals for the Hereford Academy. The Children & Young People's Directorate, Property Services technical advisors, Navigant Consulting, Academy personnel and the sponsors have been involved throughout the development of the designs and contractors' proposals.
- 1.6 On 19th December 2008, the final bids from both contractors were submitted.
- 1.7 During January and early February 2009, the Tender Evaluation Board, comprising representatives from Herefordshire Council Children and Young People's Directorate, Property Services, Academy Trustees, the Principal of the Academy, the Project Director (Partnerships for Schools), Navigant Consulting, Client Design Adviser and ICT consultant, evaluated the bids in terms of design, works, handover and pricing, in line with the framework guidance.
- 1.8 The Tender Evaluation Board has recommended that Willmott Dixon Construction be selected as the preferred bidder for the Hereford Academy design and build.

- 1.9 Approval of the preferred bidder will allow the Design User Group to work with the preferred bidder to refine the design proposals for submission to planning in April 2009. Planning consent is a requirement to complete the Final Business Case which will be submitted by Herefordshire Council to PfS in July 2009. PfS approval for the Final Business Case unlocks the funding for the project.

2. Resource Implications

2.1 Finance

The Department for Children, Schools and Families (DCSF) are funding the cost of the design and construction of The Hereford Academy new buildings and facilities. The funding is set at £23,337,205 plus an allowance of £586,508 to help meet carbon reduction targets. The price tendered by Willmott Dixon Construction is within the DCSF budget available.

2.2 Property

The buildings and land will be leased to The Hereford Academy for 125 years, in accordance with legal requirements.

3. Other Implications

- 3.1 **Sustainability** - The Academy building will have a BREEAM excellent rating and provide sustainable accommodation for the pupils and staff.
- 3.2 **Implications for Children and Young People** - The new building will provide imaginative, high quality and flexible accommodation, which will enable a full range of teaching methods, fit for the twenty first century.

4. Risk Management

- 4.1 As detailed in the Outline Business Case, approved by Cabinet on 27th March 2008, Herefordshire Council and The Hereford Academy Trust, in conjunction with the Department for Children, Schools and Families (DCSF), is following the project structure and governance for National Framework Academies projects, established by Partnerships for Schools. The mantra adopted by the Project Steering Group, Design User Group and Local Authority Project Team is that the design and construction must be resourced from within the DCSF funding available. The tender submitted by the preferred bidder is within the available funding. The tender has been thoroughly assessed and challenged by the Tender Evaluation Board and the Board is satisfied that the tender is robust.
- 4.2 While the Council is responsible for any cost overrun on the project, major construction risks, such as ground conditions, are passed through the design and build contract to the contractor. The Design User Group will ensure that costs are not passed on to the Council. This will be achieved through forward planning and regular risk assessment analysis as part of a tight project management process. If necessary, the design will be altered to keep within the budget available. There is also a client contingency sum within budget. The risks to the Council are therefore assessed as low.

- 4.3 One risk to the Council that remains is that of cost of change. However, the design is very well developed and the Academy Trust has been fully involved in the development of the design throughout the process. Therefore, the assessment of this risk is low. The risk will continue to be managed through the final design stage and the construction phase of the project.

5. Alternative Options

- 5.1 Not procuring a new building is not an option. However, the Cabinet Member could decide not to approve this report's recommendation. The implication of this is that the contract signature would be delayed and that the new school building would not be ready for the Spring of 2011. This would not be suitable for the pupils and staff of the Academy and could give rise to increased costs.

Background Papers

- Cabinet Report 27 March 2008