

DECISION-MAKER:	CABINET		
SUBJECT:	ACADEMIES CAPITAL PROJECT – PREFERRED BIDDER APPOINTMENT		
DATE OF DECISION:	15 MARCH 2010		
REPORT OF:	CABINET MEMBER FOR CHILDREN’S SERVICES		
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STATEMENT OF CONFIDENTIALITY

None

SUMMARY

The Building Schools for the Future and Academies Project Team commenced a procurement to select a partner to develop and construct the Mayfield and Lordshill Academies in November 2009. The procurement is running ahead of schedule and final tenders are now expected to be submitted in week commencing 15th February 2010.

This report requests delegated authorities to select a preferred bidder and complete the procurement of a partner to develop and construct the Mayfield and Lordshill Academies.

RECOMMENDATIONS:

Having complied with the requirements of Paragraph 15 (General Exception) of the Access to Information Procedure Rules and subject to costs being within agreed resources, it is recommended that:

- (i) To delegate authority to the Executive Director for Children’s Services and Learning, following consultation with the Executive Director of Resources, the Solicitor to the Council and the Cabinet Member for Children’s Services & Learning, to appoint a preferred bidder for the schemes in accordance with the published evaluation criteria after completion of the design competition
- (ii) To delegate authority to the Executive Director of Resources following consultation with the Cabinet Member for Resources to agree the final affordability position and to take any action necessary to complete financial close of the project or as otherwise required by Partnerships for Schools in this regard.
- (iii) To delegate authority to the Executive Director of Children’s Services and Learning, following consultation with the Executive Director of Resources, Solicitor to the Council and Cabinet Member for Children’s Services & Learning, to submit a Final Business Case (FBC) for the Mayfield Academy project.

- (iv) To delegate authority to the Solicitor to the Council, following consultation with the Executive Director of Resources, and the Executive Director of Children's Services, to complete commercial and contractual close and to enter into all necessary contracts / Agreements and other legal documentation including but not limited to the Development Agreement and Design and Build contract to construct the Mayfield Academy and develop pre-contract proposals for the Lordshill Academy.
- (v) To add in accordance with Financial Procedure Rules an additional sum of £15,372,400 to the Children's Services Capital Programme to carry out works at the Mayfield Academy.
- (vi) To approve in accordance with Financial Procedure Rules capital expenditure in the sum of £16,397,400 including fees from the Children's Services Capital Programme to carry out works at the Mayfield Academy.

REASONS FOR REPORT RECOMMENDATIONS

1. This report is submitted for consideration as a General Exception under paragraph 15 of the Access to Information Procedure Rules in Part 4 of the Council's Constitution, notice having been given to the Chair and Vice Chair of the Overview and Scrutiny Management Committee and the Public. The matter requires a decision because the procurement of the project has reached the stage at which it is required to select preferred bidders ahead of schedule and the opportunity therefore exists to enhance / speed progress towards the completion of the project to enable the construction of the facilities in a timely manner and reduce the risk to the construction periods allowed for the projects. The recommendations are necessary to implement previous Cabinet and Council decisions to support and enable the construction of two new Academies using the National Framework for Academies Procurement.

CONSULTATION

2. The Academies projects are monitored on a monthly basis at the BSF Strategic Project Board. A Design User Group has also been established and has met on a monthly basis to steer the project. Membership comprises representatives of the Council, Oasis Community Learning, Partnership for Schools, and the DCSF. Interim meetings to ensure progress on key issues have also been convened between the main meetings attended by representatives of the Council, Oasis Community Learning and Partnership for Schools. Informal consultation is also ongoing with local residents and community and sports groups concerning the plans to construct the Lord's Hill Academy on the Lord's Hill Playing Fields.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The option of not taking the decision to appoint a preferred bidder or agree the affordability position would mean extensive delay to the programme and potential loss of circa £35m inward funding to the City's Academy programme. This option has therefore been rejected.

DETAIL

4. A thorough design competition has been conducted between November 2009 through to February 2010. The Design Competition is conducted in line with PfS / DCSF national policy and transfers all design, delivery and planning risk to the private sector.
5. The evaluation criteria, which will enable the decision to appoint the preferred bidder, is detailed as part of the PfS National Framework procurement process. The Council has already signed a Memorandum of Understanding with PfS on the use of this. The detailed evaluation criteria was also reviewed by the BSF Strategic Project Board in the Preliminary Invitation to Tender (PITT) in November 2009.
6. The timely appointment of the preferred bidder will enable the construction projects to commence as timetabled, and avoid potential delay to construction commencement dates.
7. The Local Authority, via the Executive Director, Resources, needs to re-confirm their commitment to the affordability position, at Final Business Case stage to enable to continuation of the programme.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

8. In October 2009 Partnership for Schools approved the Outline Business Case for the Mayfield Academy and granted capital funding of £15,572,410 to the project. An amount of £200,000 has already been added to the Capital Programme, and has been used to part fund the procurement process.
9. The estimated costs of the Mayfield project are shown in the table below:

Category	Estimated costs
Construction Works	£9,568,069
Site Costs	£928,973
Abnormals	£1,133,513
Fees	£1,427,785
FFE	£804,896
ICT Infrastructure	£202,500
D&B Contract Sub-Total	£14,065,737
Project Support Funding	£200,000
ICT Hardware	£1,305,000
Total	£15,570,737

10. In March 2009, Council agreed to add £1,025,000 to the Children's Services capital programme to fund the costs of work at the two academies that are not covered by the DCSF grant, including Section 106, 278 and infrastructure costs. The BSF and Academies project team are negotiating directly with the Highways and Planning Departments, to seek to ensure that any off-site works are contained within this budget.

11. The costs and funding of the Lord's Hill Academy will be finalised when the Outline Business Case is submitted but are expected to be within the anticipated DCSF grant.

Revenue

12. The ongoing management of the projects will come from BSF & Academies project team and will be funded from existing budgets.

Property

13. The property implications of this project were addressed in the report to Cabinet on the 25th February 2009

Other

14. N/A

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. The Council has the power to assist the development of the Academies on land provided by the Council, including acting as contracting Authority by virtue of s.2 Local Government Act 2000 as ,having had regard to the provisions of the Community Strategy, the provision of facilities for the Academy will improve the social, economic and environmental well being of the schools and local communities by providing improved school and community facilities for the inhabitants of Southampton. Assisting the development of the Academies is also permitted by virtue of primary functions contained within the Educations Acts 1996 – 2005 and the School Standard & Framework Act 1998.

Other Legal Implications:

16. The procurement is being conducted in accordance with national and EU compliant national frameworks.

POLICY FRAMEWORK IMPLICATIONS

17. The creation of two new Academies and the associated building works are part of a major transformation of education in the City, which is intended to raise standards of achievement and other outcomes for children and young people, and to contribute towards economic development and regeneration. It is fully consistent with the objectives of the Community Strategy and the Children and Young People's Plan.

SUPPORTING DOCUMENTATION

Appendices

1.	None
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Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the
Access to Information
Procedure Rules / Schedule
12A allowing document to be
Exempt/Confidential (if
applicable)

1.	None	
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Background documents available for inspection at: N/A

KEY DECISION? **Yes**

WARDS/COMMUNITIES AFFECTED:	
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