

WIRRAL COUNCIL

CABINET – 9th APRIL 2009

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

**STANTON ROAD PRIMARY SCHOOL - DETERMINATION OF BUILDING CONTRACT AND PROPOSALS FOR NEW CONTRACT TO BUILD NEW KITCHEN / DINING FACILITIES**

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**EXECUTIVE SUMMARY**

This report explains how the above building contract has been determined due to the approved contractor being taken into receivership, and it includes proposals for awarding a contract for the remaining works to the second lowest of the original tenderers.

**1. Background**

- 1.1 Stanton Road School occupies purpose built 1930's buildings on a suburban site in Stanton Road, Bebington.
- 1.2 Health and safety issues have been the main driver of an improvement scheme, including the replacement of the kitchen/dining facility, which was provided from a 1950's HORSAs building - one of only three remaining in the Borough. A poorly designed glass corridor located in the reception and Year 1 classroom area provided covered ingress/egress to a number of classrooms and the dining room, but required constant maintenance to prevent water ingress and improve stability and gave serious health and safety concerns.
- 1.3 The existing school kitchen was taken out of service in July 2008, and was subsequently demolished, together with the glazed corridor, in anticipation of works commencing on the construction of a new kitchen and dining facilities, for completion before the new school year in September 2009.
- 1.4 The scheme includes the re-development of the existing hall into a Foundation class base which will permit the removal of temporary accommodation housing a class-base and a number of resource areas. These are planned to be incorporated into the new build together with accessible toileting facilities.
- 1.5 Upon completion of the main scheme all HORSAs and mobile accommodation will have been removed from the site, with the exception of the single mobile used by the pre-school group.
- 1.6 Tenders for the new kitchen/dining hall facility, accessible corridor/resource area and re-modelling of the existing hall into a foundation stage teaching area were reported to Cabinet on 27 November 2008 ( Minute 272 refers)., as follows, with the tender received from EJ Horrocks Ltd being represented as Tender 2:

No.	Contractor	Amount	Local Labour
Tender 1	PT Ltd.	783,755.41	TBC
Tender 2		808,883.00	25%
Tender 3		819,750.00	30%
Tender 4		835,989.00	50%
Tender 5		842,929.00	TBC
Tender 6		849,970.00	75%

All tenderers were asked to submit on a fixed price basis and include a contract period of 30 working weeks.

The total cost of the scheme based upon the lowest tender submitted by PT Ltd, is

Building Works £783,755.41

Departmental Charges including:

Professional Fees

Clerk Of Works Salary

Planning Supervisor

Others (Planning & Building Regulation Fees etc) £117,563.00

TOTAL £901,318.41

- 1.7 Following that meeting, a contract was drawn up, with a 30 week contract period, with PT Limited, who commenced work on site on 19 January 2009, with a contract completion date of 14 August 2009.
- 1.8 PT Limited proceeded diligently with the works for 3 weeks, up until Friday 06 February 2009, but failed to attend on site on Monday 09 February 2009. Wirral were informed later that day that a winding-up notice had been served on PT Limited, and that an Administrator would be appointed later that week.
- 1.9 The works undertaken included site set-up, ground excavations, and laying in-situ concrete foundations, which were protected from the frost at the start of their curing period. These foundations shall be subject to a strength-test before they can be taken on by any third party, and the stability of the excavations will need to be checked. The cost implications of taking over these preliminary works will not be able to be ascertained until works re-commence on site. No payments shall be made to PT Limited's receivers until these costs have been ascertained.
- 1.10 On 16 February Wirral were informed that Naismiths LLP had been appointed as agents for the Receivers for PT Limited who are K Bailey and J Newall for PKF (UK) LLP, Sovereign House Queen Street, Manchester, M2 5HR the Joint Administrative Receivers, and on 24 February Wirral received their first proposal that the contract be novated to a company operating under the name of Pentagon Ltd, of North Wales, under the same terms and conditions as the contract with PT Limited.
- 1.11 This proposal was given serious consideration, with references, credentials, trading history, and a proposed programme and plan of work sought from Pentagon Limited. Unfortunately, officers in CYPD and Technical Services were unable to recommend the suggested novation to Pentagon Limited due to:
  1. At the time of enquiry, Pentagon Limited were not registered with either Constructionline or CHAS, which is a requirement under the Council's Procurement Rules.

2. It is understood that Pentagon Limited have now applied for registration as above, but, even if this is successful, it is unlikely that the notational value set by Constructionline would be high enough for these contract works.
3. The references and track history of works provided by Pentagon Limited are generally for work of a domestic scale, and the past annual turnover of the entire company is currently below the value of this single project.
4. With the disruption and delays caused to the school to date, officers would be wary of awarding the outstanding works to a company with an uncertain track record.

1.12 Safe, alternative arrangements for the movement of pupils are in place and the temporary provision of meals from Town Lane Primary School has been organised. It is important that action is taken as soon as possible to provide the most secure option to contract completion.

## **2. Proposals**

- 2.1 The second lowest tender out of six received in October 2008 was from EJ Horrocks Limited of Merseyside, who have a notational value rating with Constructionline in excess of £3M. EJ Horrocks Limited are currently undertaking work of a similar value to this contract at Oldershaw High School, and have recently completed works of a similar form of construction at Town Lane Primary School, amongst other successful contracts for Wirral.
- 2.2 EJ Horrocks Limited have confirmed that they would stand by their October 08 tender figure, should they be asked to complete this contract, and have submitted a fully-priced specification, health & safety plan and programme for completion of these works in 32 weeks at a cost of £808,883.00.
- 2.3 With Members' approval, it is envisaged that a contract could be in place for a start on site in early May, and completion of the new kitchen/dining hall facility, accessible corridor/resource area and re-modelling of the existing hall into a foundation stage teaching area by Christmas 2009.
- 2.4 It is proposed, therefore, that
  1. the main contract works be let to EJ Horrocks Limited for completion within a 32 week contract period, for their tendered sum of £808,883.00, and
  2. the suitability of the groundworks and foundation works undertaken by PT Limited be assessed once possession is gained of the site, and any cost implications arising are addressed.

## **3. Financial implications**

- 3.1 All Professional Services for the scheme are being provided by staff within the Technical Services Department.
- 3.2 Internal Audit were consulted at contract reallocation stage and are satisfied with the procurement process proposed in 2.4 above.
- 3.3 The cost for the works, subject to an assessment and testing of those preliminary works undertaken by PT Limited, shall be as the tender figure submitted by EJ Horrocks Limited on 20 October 2008;

Building Works	£808,883.00
Departmental Charges at 15%, including: -	
Professional Fees	
Clerk Of Works Salary	
CDM Coordinator	
Building Regulation Fees	
Planning Fees	£121,332.45
<b>OVERALL ANTICIPATED TOTAL COST OF THE WORKS</b>	<b>£ 924,215.45</b>

3.4 Funding available for the works is as follows:

DCSF Capital allocation modernization 2007/08	£400,000.00
DCSF Capital allocation modernization 2008/09	£400,000.00
Schools Access Initiative 2008/09	£ 75,000.00
Extended Schools Capital 2008/09	£ 50,000.00
School Devolved Formula Capital	£100,000.00
<b>OVERALL FUNDING AVAILABLE FOR THE WORKS</b>	<b><u>£1,035,000.00</u></b>

**4. Staffing implications**

4.1 There are no staffing implications for the school within the proposals during or following completion.

**5. Equal opportunities implications**

5.1 There are no implications in this report for equal opportunities in relation to women, ethnic minorities, or the elderly.

5.2

5.2 Access will be provided for children and adults with disabilities to all areas of the proposed scheme. The scheme will enhance the level and ease of access to the school.

**6. Community safety implications**

6.1 The design of this project will take into account best practice to reduce the risk of crime and the local Crime Reduction Officer has been consulted.

**7. Local Agenda 21 implications**

7.1 The new extension will incorporate the latest technology features for sustainable building and the use of materials which will provide a large degree of de-construction and recycling ability.

7.2 Incorporation of renewable energy sources are planned i.e. solar water heating, photovoltaic panels to provide electrical energy along with an educational display board for teaching purposes (not used as solar shade), intelligent lighting system, solar glass to

prevent heat gain, high insulation values with passive air controls to reduce mechanical ventilation and recycling materials incorporated within the new constructions (recycling aggregates).

- 7.3 Thermal insulation is to be provided to meet the standards and guidelines recommended by the DCSF in the school premises regulations 1996 and part L2 of the Building Regulations. The design will also follow the DETR/DCSF guidelines for “Energy efficient design of new buildings and extensions for schools and colleges.
- 7.4 Low energy electrical fittings, heating controls and water saving devices will all be used as far as possible to help reduce the consumption of natural resources.
- 7.5 All timber used will be from sustainable sources as by regulated by the FSC (Forestry Stewardship Council) or equivalent.
- 7.6 EJ Horrocks Limited have stated that they will use their best endeavours to ensure that not less than 25% of site labour will be established residents of the Metropolitan Borough of Wirral. Every effort will be made to increase this figure and source materials from local suppliers once construction commences. This will be monitored by officers involved in the contract.
- 7.7 A “Site Waste Management Plan” will be incorporated in line with recent statutory requirements.

## **8. Planning implications**

- 8.1 Planning permission and building regulations approval has been granted.
- 8.2 The current Building Regulations (Part L2B), which came into effect on 06 April 2006, require that, when carrying out an extension or major works to building services on an existing building with a total useful floor area of over 1000 sq.m., ‘consequential improvements’ to the energy performance of the overall building shall be required where it is technically, functionally and economically feasible. The value of these consequential improvements shall generally be deemed under Requirement 17D to be not less than 10% of the value of the principal works. New boilers installed to the school in 2006 may be attributed to this area.

## **9. Anti-poverty implications**

- 9.1 There are none arising directly from this report.

## **10. Social inclusion implications**

- 10.1 The scheme will provide full accessibility for pupils, staff and visitors in a safe and inclusive environment.

## **11. Local Member Support implications**

- 11.1 Stanton Road Primary school is in the Bebington ward.

## **12. Background papers**

- 12.1 The information used in preparation of this report is contained within CYPD's bidding documents, the Architect's file C18287 and the Quantity Surveyor's working papers

## **13. Recommendations**

That

(1) the contract works be let to EJ Horrocks Limited for completion within a 32 week contract period, for their tendered sum of £808,883.00, and

(2) the suitability of the groundworks and foundation works undertaken by PT Limited be assessed once possession is gained of the site, and any cost implications arising are addressed satisfactorily.

Howard Cooper  
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