

Members' Library Service Request Form

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Originator	Gary Miller
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Document Title	Proposed Extensions and Alterations at West Barns, St Gabriel's and Pinkie St Peter's Primary Schools

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Additional information:

Authorised By	Tom Reid
Designation	Head of Infrastructure
Date	21/12/21

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REPORT TO: Members' Library Service

MEETING DATE: December 2021

BY: Executive Director for Place

SUBJECT: Proposed Extensions and Alterations at West Barns,
St Gabriel's and Pinkie St Peter's Primary Schools

1 PURPOSE

- 1.1 To note the decision to award the contract for the Proposed Extensions and Alterations at West Barns, St Gabriel's and Pinkie St Peter's Primary School to Messrs Wilmott Dixon Ltd, Hertfordshire, in collaboration with Robertson Construction Ltd, Edinburgh.

2 RECOMMENDATIONS

- 2.1 Members are asked to note the decision of the Head of Infrastructure in consultation with the Council's Chief Finance Officer and Head of Education to accept Messrs Wilmott Dixon Ltd in collaboration with Robertson Construction Ltd.'s offer amounting to £9,963,462.95 after checking, negotiation and value engineering for the Proposed Extensions and Alterations at West Barns, St Gabriel's and Pinkie St Peter's Primary Schools.

3 BACKGROUND

- 3.1 The Council applied for and received grant funding from the Scottish Government to assist with the cost of upgrading, altering and extending its nurseries to provide 1140 hours provision throughout East Lothian.
- 3.2 In addition to the 1140 nursery extensions and alterations at West Barns, Pinkie St Peter's and St Gabriel's Primary schools there is also a requirement to extend the school accommodation at each of these facilities to accommodate pupils arising from new housing developments in the respective catchment areas.
- 3.3 The requirements at each school are as follows:

West Barns:- the removal of the existing temporary nursery unit (with current capacity of 20 children) and constructing an expansion to the school building to provide a library, P1 classroom and a nursery with a capacity of 40 children.

Pinkie St Peter's:- a new nursery with a capacity of 116 children along with a new two court games hall and conversion of the existing nursery to provide two Primary classrooms.

St Gabriel's:- internal alterations to extend the existing nursery to increase the capacity from 50 to 74 children as well as the construction of two Primary classroom spaces.

- 3.4 It was agreed to procure the works via the Places For People Procurement Hub Framework – Major Projects Lot. Willmott Dixon are the framework contractor and operate in Scotland in collaboration with Robertson Construction Ltd.
- 3.5 Following a meeting with the Council's Procurement Team and Places for People Procurement HUB, Willmott Dixon in collaboration with Robertson Construction Ltd were appointed to carry out pre-construction design services on 23 January 2020.
- 3.6 On completion of the design process Willmott Dixon Ltd in collaboration with Robertson Construction Ltd submitted their first Gateway 4 proposals on 26 August 2020. Whilst the design proposals complied with the client's brief the costs were significantly over budget. There then followed a prolonged and detailed value engineering exercise by the contractor, the design team and the Council's design officers.
- 3.7 On completion of the value engineering process a second Gateway 4 submission was presented to the Council on 26 February 2021. This tender offer still exceeded the available budget and it was noted that the build rate per m² GIFA of the proposal was higher than the average build cost abstracted from the council's benchmarking data for similar construction costs. Given that the SFT are funding the 1140 hours construction works it was decided to seek their opinion and comment on the tender offer. Two meetings were arranged. The first meeting included contributions from Fife and Angus Council both of which had recently procured similar 1140 school extension projects. The second meeting, on 23 March 2021, involved SFT's own construction professionals. It emerged from the two meetings that the build costs being presented by Willmott Dixon Ltd in their February offer are in fact in line with those being received for 1140 projects elsewhere in Scotland and compared favourably with SFT's expectations. The Council concluded that despite its original concerns over the tender costs, the February 2021 offer from Willmott Dixon was within the range of acceptable costs divulged by SFT for similar works
- 3.8 Unfortunately due to the progressively unsettled and volatile construction market at this time, caused mainly by escalating labour and material shortages, Robertson Construction were not willing to stand by their

February 2021 tender and were forced to withdraw it before the council were able to accept it.

- 3.9 After a third submission by Willmott Dixon in June 2021, which was rejected by the council due to spiralling cost and unacceptable conditions placing the council at financial risk during the build phase, a fourth submission was received on 24 September 2021. This September offer, after checking and adjusting, compared favourably with the February 2021 offer and was deemed acceptable by Heads of Infrastructure, Finance and Education.
- 3.10 The contract for each school project is prepared on a firm price basis in terms of the SBCC Design & Build Contract for use in Scotland 2011 Edition incorporating Amendment Nr 1 issued March 2015 (DB/Scot 2011) issued by the Scottish Building Contract Committee, and the contractor has undertaken to complete the works in three separate contracts within an overall programme of 53 calendar weeks from the date of possession.

4 COMMUNITY BENEFITS IN PROCUREMENT

- 4.1 Messrs Willmott Dixon Ltd in collaboration with Robertson Construction Ltd. have been made aware of the Council's CBIP requirements. The Council's Community Benefits Co-ordinator will contact the contractor to agree a suitable level of CBIP for this contract.

5 POLICY IMPLICATIONS

- 5.1 None.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

7 RESOURCE IMPLICATIONS

- 7.1 The total project expenditure including pre-construction services (which were subject of a previous report dated 14 January 2020), TU hire costs and fit out costs will not exceed £11,484,931.36 and is broken down as follows:-

Primary School	1140 Costs	Capital Costs	Total Expenditure
West Barns	2,027,593.18	922,398.44	2,949,991.62
West Barns Suitability Works & Kitchen Upgrade	193,400.00	227,000.00	420,400.00
St Gabriel's	1,087,278.34	445,500.00	1,532,778.34
Pinkie St Peter's	4,411,653.38	2,166,585.61	6,578,238.99
Dunbar <i>(Project cancelled, site investigation fees only)</i>	3,522.41	-	3,522.41
Total	7,723,447.31	3,761,484.05	11,484,931.36

This total expenditure, including preconstruction design fees and TU costs, will be funded from the Council's total available capital budget, the Council's primary school revenue budget and the Council's 1140 revenue budget in line with permissible flexibility, all as indicated in the table below.

Budget	Budget Provision
Capital including 1140 Provision	8,520,000.00
1140 Revenue (Nursery TU Costs)	383,338.50
Primary School Revenue (Classroom TU)	218,423.50
1140 Revenue (Permissible Flexibility)	2,363,169.36
Total Funding Provision	11,484,931.36

7.4 Personnel – none.

7.3 Other – none.

8 BACKGROUND PAPERS

8.1 None.

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DATE	21 Dec 2021