

## Members' Library Service Request Form

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Originator	Iain Farquhar - Quantity Surveyor
Originator's Ref (if any)	n/a
Document Title	Proposed New Whitecraig Primary School, Whitecraig

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Additional information:

Authorised By	Tom Reid
Designation	Head of Infrastructure
Date	14/12/23

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**REPORT TO:** Members' Library Service

**MEETING DATE:** December 2023

**BY:** Head of Infrastructure

**SUBJECT:** Proposed New Whitecraig Primary School, Whitecraig

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## **1 PURPOSE**

- 1.1 To note the decision to award the contract for the Proposed New Whitecraig Primary School to Messrs Galliford Try Construction Ltd t/a Morrison Construction Scotland.

## **2 RECOMMENDATIONS**

- 2.1 Cabinet is asked to note the decision of the Head of Infrastructure in consultation with the Executive Director for Council Resources to accept Messrs Galliford Try Construction Ltd t/a Morrison Construction Scotland's tender amounting to £18,526,918.17 after checking and correction and adjustment and noting that it is open for consideration until 14 December 2023 for the Proposed New Whitecraig Primary School.

## **3 BACKGROUND**

- 3.1 The 2016 proposed LDP included three housing sites within the Whitecraig Primary catchment. These were Whitecraig South (300 homes), Whitecraig North (200 homes) and Newton Farm (50 homes). Combined with previous permitted development, this required to expand the capacity of Whitecraig Primary from 5 classes and a 20-place nursery to a 13-class school and 50 place nursery. Including a new PE hall, dining, GP spaces and other core accommodation, this was estimated to be 1,760 additional sqm at cost of £5.28M (using £3,000 per sqm). Factoring in some council responsibility due to then projected rolls and committed development, these LDP sites would be required to contribute a total of £4.74M.

- 3.2 The school campus was also too small to physically accommodate the proposed extension and so the LDP identified a 0.6ha area of land within the Whitecraig South housing site that would be required for the school extension. Buccleuch Property (owner of Whitecraig South) would be required to give a proportional part of the site for zero value as it was required to expand the school to provide educational capacity required for their housing site. The Council would pay for the remaining 50% of the site and that sum would be recovered in S75 contributions from Whitecraig North and Newton Farm as it related to their proportion of the need for the additional educational capacity. That land transaction has, after extensive negotiations, been completed in early 2023, with the Council paying £222K for the site based on a DV valuation.
- 3.3 Whitecraig North was granted planning permission in 2018 for 250 homes and a primary education contribution of £2.08M was secured, as well as £185K towards to purchase of land from Buccleuch Property for the expansion of the campus.
- 3.4 In 2019, Council made the decision to replace the entirety of Whitecraig Primary School on the same site rather than add a large, modern extension to a condition C, 1950s school. A bid for funding to the Scottish Government Learning Estate Investment Programme Phase 2 was successful and the funding will be calculated on the basis of 50% of the cost of replacement of the existing school, paid over a 25-year period. The Council will be responsible for the remaining 50% of the cost of replacement of the new school and will have to front fund the capital cost of delivery. The Scottish Futures Trust have introduced an 11% Market Volatility Adjustment which will be applied to this project. SFT have assessed this project's abnormal costs and have confirmed this project will also be eligible for some additional pro-rata funding.
- 3.5 Using current indexation levels, the values of the secured and estimated S75 contributions are £6.2M. Factoring in projected indexation, this increases to £7.5M. Note that as Newton Farm and Whitecraig South have yet to submit planning applications, the values of those S75 contributions can be re-calculated based on a proportion of the cost of the replacement school using cost estimates. However, as per developer contribution tests, the Council cannot seek contributions towards any of the replacement elements of the new school, only the developments' proportional contributions to the additional accommodation needed. This would need to be calculated using roll projections at the time of applications.
- 3.6 Even if the Council opens the new school before those sites come forward for planning permission, the Council have legal advice confirming that the Council can still retrospectively seek developer contributions from those sites as they were allocated in the LDP and the Council have reserved that educational capacity for them. The Council would be legally allowed to claw back that forward funding. Whilst the Council have no reasons to believe that the owners of Whitecraig South or Newton Farm would not come forward with planning applications, those contributions are not yet secured. That is why the proposed design of the new Whitecraig primary is as an 8-class school that can be extended to 10 or 11 classes.

- 3.7 The works comprise:
- 3.8 The works comprise the construction of new Primary School, demolition of existing Primary School and extensive external works at Whitecraig Primary School, Whitecraig
- 3.9 Tender Documents were issued to the three undernoted Contractors (SPA Framework Contractors) via the Public Contract Scotland Portal as noted below in alphabetical order.

Ref	Contractor
1	Galliford Try Construction Ltd t/a Morrison Construction Scotland Glasgow
2	Kier Construction Glasgow
3	Robertson Construction Central Scotland Ltd Elgin

- 3.10 Only two Contractors returned a tender with one contractor declining the invitation to tender during the tender period.
- 3.11 A Value Engineering exercise was carried out during the Tender period and a Value Engineering addendum document was issued to the Tendering Contractors prior to the Tender returns. The returned Tenders include savings made from the Value Engineering exercise.
- 3.12 The changes in specification will have no detrimental effect on the project.
- 3.13 The two returned Tenders were subjected to detailed checks resulting in the Tender Amounts indicated below ranked in ascending order.

Ref	Tender Amount Before Checking	Tender Amount After Checking	Lowest Checked Tender Amount
1	£16,671,316.00	£18,526,918.17	£18,526,918.17
2	£22,214,154.88	£23,010,361.10	

3.14 In addition to detailed compliance and arithmetic checks, the tender was subjected to an Award Criteria process. This tender evaluation criteria included significant emphasis on quality and service in addition to price, and a tender evaluation matrix was used which covered the following aspects:

1. Quality Control
2. Appointment of Local Sub-contractors
3. Site Manager's Experience and Ability
4. Sustainability
5. Managing The Site Environment
6. Building Handover
7. Attending to Defects

3.15 The aim of the tender quality evaluation, carried out by an evaluation panel consisting of one Council Quantity Surveyor and one Council Technical Project Officer, was to select the tender which represented the Best Value to the Council.

3.16 On completion of the tender evaluation process Galliford Try Construction Ltd t/a Morrison Construction Scotland emerged as the highest scoring Tenderer. A summary of the evaluation matrix scores is shown below:

<b>Scoring Criteria</b>	<b>Max Score</b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>
Price	80	80	64.41
Quality	20	15.94	14.69
<b>Total Score</b>	<b>100</b>	95.96	79.11

3.17 The Contract is prepared on a firm price basis in terms of the SBCC Standard Building Contract With Quantities for use in Scotland 2016 Edition (SBC/Q/Scot 2016) incorporating Amendment 1 (February 2018) issued by the Scottish Building Contract Committee, and the Contractor has undertaken to complete the works within an overall programme of 94 calendar weeks from possession of the site.

#### **4 COMMUNITY BENEFITS IN PROCUREMENT (CBIP)**

4.1 Messrs Galliford Try Construction Ltd t/a Morrison Construction Scotland are required to adhere to the LEIP Funding – Community Benefits Requirements included in the Contract Documents. The Council's Community Benefits Co-ordinator will contact the Contractor to agree the details of the 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 Financial - Together with the addition of External Consultant's Professional Costs and expenses, along with other associated costs, the total project expenditure will not exceed £19,967,000.00 and can be itemised as follows:

Highest scoring revised compliant Tender	£18,526,918.17
External Professional Fees (Structural & Civil Engineer, Services Engineer, Quantity Surveyor, Principal Designer and Information Manager)	£556,792.00
Statutory Fees	£44,925.00
Land Purchase	£225,000.00
Furniture and Decant	£338,500.00
Cleaners Equipment for FM	£50,000.00
IT Equipment	<u>£224,250.00</u>
<b>Total Anticipated Expenditure</b>	<b><u>£19,966,385.17</u></b>

This expenditure is in excess of the current total Budget figure of £19,575,000 for Whitecraig Primary School in the Council's Capital Plan, which includes expenditure prior to the 2023/24 financial year.

Construction costs generally have increased significantly over the past three years largely due to shortages of labour and materials brought about by a combination of events such as Brexit, the Covid 19 Pandemic, the war in Ukraine and most recently hyperinflation in the construction market. The result of these market influences has forced construction costs to rise.

An exercise was carried out to compare Whitecraig PS's cost/m<sup>2</sup> GIFA with the figures presented by HUB SE for the new schools at Blindwells and Craighall. The table below shows how the costs compare noting planning obligations on the Whitecraig delivery have increased the overall GIFA:

	Whitecraig	Blindwells	Craighall
Construction Project Costs	£6,344.49/m <sup>2</sup> GIFA	£5,836.89/m <sup>2</sup> GIFA	£5,708.11/m <sup>2</sup> GIFA
Construction Project Costs Less Comparable Abnormals	£5,772.04/m <sup>2</sup> GIFA	£5,532.45/m <sup>2</sup> GIFA	£5,457.37/m <sup>2</sup> GIFA

The spend profile for this work will be approximately as follows:

Pre  
2023/24 - £574,526.00  
2023/24 - £759,269.00  
2024/25 - £16,058,092.00  
2025/26 - £2,296,595.00  
2026/27 - £277,903.17

7.2 Personnel – None.

7.3 Other – None.

## 8 BACKGROUND PAPERS

8.1 None.

<b>AUTHOR'S NAME</b>	Tom Reid
<b>DESIGNATION</b>	Head of Infrastructure
<b>CONTACT INFO</b>	Iain Farquhar/Eddie Reid – Ext. 7317/7399
<b>DATE</b>	20 <sup>th</sup> December 2023