

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	16 <sup>th</sup> February, 2017
<b>Subject:</b>	Southport Pier Project – Procurement Proposals	<b>Wards Affected:</b>	Dukes, Cambridge
<b>Report of:</b>	Head of Investment and Employment		
<b>Is this a Key Decision?</b>	Yes	<b>Is it included in the Forward Plan?</b>	No – Rule 27 form submitted
<b>Exempt/Confidential</b>	No		

### **Purpose/Summary**

In accordance with procedure rules, this report seeks Cabinet approval for the proposed method of procurement and the basis of tender evaluation in connection with the proposed major improvements to Southport Pier and the delegated authority for acceptance of the most advantageous bids received.

### **Recommendation(s)**

1. Approve the proposed method of procurement and evaluation as set out within the report.
2. Authorise Head of Investment & Employment to accept the most advantageous bid received in each instance if a successful grant offer is received.
3. Subject to 2 above, authorise the Head of Regulation and Compliance to enter into contracts with the successful contractors if a successful grant offer is received.
4. The scheme to be included in the capital programme for 2017/18 that will be presented to Council on 2 March 2017 if the grant is approved.
5. Note the provision made within the existing pier contingency fund for works proposed of this nature
6. It be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee Regeneration & Skills has been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of the lead in time required if a grant offer is received.

## How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		x	
2	Jobs and Prosperity	x		
3	Environmental Sustainability	x		
4	Health and Well-Being	x		
5	Children and Young People		x	
6	Creating Safe Communities		x	
7	Creating Inclusive Communities		x	
8	Improving the Quality of Council Services and Strengthening Local Democracy		x	

### Reasons for the Recommendation:

Cabinet approval is required to comply with the Council's procedure rules. The recommendations will support the receipt of the most competitive tenders for the proposed works and permit the project to progress in accordance with identified programme requirements subject to a grant offer being received.

### Alternative Options Considered and Rejected:

All appropriate design and technical options have been considered during the scheme development and it is believed that the final proposals which have received planning and listed building consents represent the most appropriate solution.

### What will it cost and how will it be financed?

#### (A) Revenue Costs

There are no revenue implications attached to this report.

#### (B) Capital Costs

£2,875,557. An application for external funding of £1.9 million has been submitted to the Coastal Communities Fund with the remainder to be funded from the existing Pier Sinking Fund and S106 should the bid be approved.

Capital	Coastal Community Fund	£1,940,000	Bid submitted
	Pier Contingency Fund	£900,557	Funding in place*
	S106	£35,000	Funding in place
Capital Total		£2,875,557	

The Pier contingency fund will total £807k on 1 April 17, a further £50k will be added to the fund in March 2018 and 2019 giving a total of £907k available for capital match.

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Financial</b> This scheme has a value of £2.9m with £1.9m being subject to a grant award by the Coastal Communities Fund. The remaining funds will be provided through the Pier contingency fund that has been built up over recent years and s106 contributions. In the event that the grant funding is not awarded, the procurement process and scheme will not progress as set out	
<b>Legal</b> the proposed contract should be procured in compliance with the Public Contracts Regulations 2015	
<b>Human Resources</b>	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact of the Proposals on Service Delivery:**

Completion of the Southport Pier project will safeguard the future of the country’s oldest and second longest seaside pier, increase the range and quality of the pier’s facilities available for visitors and increase the revenue to the Council that is generated by the Pier.

**What consultations have taken place on the proposals and when?**

The Head of Corporate Resources (FD4483/17) and Head of Regulation and Compliance (LD 3766/17) have been consulted and any comments have been incorporated into the report.

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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**Background Papers:**

None

## **1. Introduction / Background**

- 1.1 Sefton Council has applied to the Coastal Communities Fund to support the delivery of a major capital project to renovate Southport Pier and construct new income generating facilities. The outcome will be known in April 2017.
- 1.2 The procurement process needs to commence before April, to enable the Council to be in a position to appoint a contractor to commence works as soon as funding has been confirmed. This is to ensure that works that could be disruptive to the operation of the Pier can be completed before the busy summer trading season, and works over the beach can be completed as a single phase before inclement weather in winter 2017. This would be the most cost effective and least disruptive approach.
- 1.3 Detailed consultation with the current concessions has taken place in order to mitigate any impact on the busy trading months. It is not expected that the proposed works will have a major impact on the operation of the pier.
- 1.4 If the Council is not successful in its bid for external funding, the Council would not proceed with this project and there would be no contractual responsibilities with any bidder following the procurement process.

## **2. Southport Pier Project**

- 2.1 The details and objectives for the project were set out in the report Southport Pier and Seafront Coastal Community Fund considered by the Cabinet on 6<sup>th</sup> October 2016. In essence if funding is approved, the Council will undertake extensive refurbishment of the Pier superstructure, which is now required following nearly 20 years since the Pier was last refurbished. The project would also see the Pier Pavilion extended and refurbished to accommodate new income-generating uses, new income-generating retail and food and beverage concessions on the Pier deck, better energy efficiency to reduce running costs and new stairs linking the Pier deck and beach to attract footfall. All these proposals have received full planning permission and listed building consent.
- 2.2 Southport Pier is the oldest pleasure pier in the country and it is important that the Council, as custodian, continues to safeguard the pier but importantly seek ways of encouraging further footfall and use of the pier to strengthen its key role as part of Sefton's broad tourism offer.

## **3. Procurement Proposals**

- 3.1 Whilst the outcome of the funding application will not be known until April 2017, the procurement process needs to commence before then to enable the Council to be in a position to appoint a contractor to commence works as soon as funding has been confirmed.
- 3.2 This is to ensure that works that could be disruptive to the operation of the Pier can be completed before the busy summer trading season, and structural repair works taking place to the pier over the beach can be completed as a single phase

before high tides and inclement weather in autumn / winter 2017. This would be the most cost effective and least disruptive approach.

- 3.3 It is proposed to invite bids to carry out the pier project as a series of separate elements reflecting the specialist and diverse nature of the works so they are carried out by suitable qualified and experienced contractors. The project elements would include structural repairs, mechanical and electrical services, extensions to the pier pavilion and new kiosks and new staircases.
- 3.4 In each instance the total cost of the works will not exceed the relevant OJEU threshold and it is not therefore necessary to procure the works in accordance with EU procedural rules.
- 3.5 It is therefore proposed that, for each project element, bids should be invited from suitably experienced and qualified contractors using 'The Chest' local authority procurement system.
- 3.6 Bids would be assessed using a combined price / quality scoring system to ensure that as well as obtaining the best market price, bids also meet the Council's requirements in terms of financial standing, capacity and ability to complete the work, quality of performance and approach to managing the work. The Council can be assured of obtaining the best value for the project, including competitive prices and ability to reduce as far as possible the risk of selecting a contractor who's performance may be unsatisfactory further into the project timetable.
- 3.7 The successful bidders would only be appointed should the external funds be forthcoming. This will be highlighted in the Tender/Request for Quotation documentation. The Coastal Communities Fund have confirmed their acceptance of the Council's approach, as one of their key criteria for assessing bids is the ability of grant applicants to deliver projects swiftly.