

REPORT TO: Cabinet

DATE: 15th April 2010

SUBJECT: Proposed Replacement Netherton Activity Centre

WARDS AFFECTED: Ford, St Oswald, Netherton & Orrell

REPORT OF: Alan Moore
Strategic Director - Communities

CONTACT OFFICER: David Kay
Architecture and Buildings Manager
Tel: 0151 934 4527

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

This report is to advise Members of Stage 2 tender submissions received and to seek authorisation for the appointment of a preferred contractor to progress the project.

REASON WHY DECISION REQUIRED:

To allow engagement with the preferred contractor to commence including market testing of work packages leading to establishment of a target cost.

RECOMMENDATION(S):

It is recommended that:

- (i) Cabinet approves the recommendation for acceptance of the most advantageous tender received
- (ii) Subject to (i) above Cabinet authorises the Strategic Director for Communities and Deputy Chief Executive, in conjunction with Capita Symonds Ltd, to provisionally appoint the preferred contractor and for the Technical Services Department to establish a target cost for the project.
- (iii) The Cabinet is requested to note that the Chairman of the Scrutiny and Review (Cabinet; Performance and Corporate Services) has been requested to consent, under Rule 17 of the Scrutiny Procedure Rules, to the call-in period being waived in respect of this matter.

KEY DECISION: No

FORWARD PLAN: Not Appropriate

IMPLEMENTATION DATE: Immediately following the Cabinet Meeting

ALTERNATIVE OPTIONS:

All alternative options have been considered and have been discounted.

IMPLICATIONS:

Budget/Policy Framework: Included in the Leisure Services Capital Programme is funding totalling £5,600,000 with which to undertake this project.

Financial The main contract tenderers have been required, as part of the tender process, to provide details of their requirements for site set up and preliminary costs and for their overheads and profit on the prime cost of the works.

The overall scheme cost will now be established in conjunction with the approved preferred contractor.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	N/A			
How will the service be funded post expiry?	N/A			

Legal: Not appropriate

Risk Assessment: Not appropriate

Asset Management: Not Applicable

CONSULTATION UNDERTAKEN/VIEWS

The Leisure Services Department have been consulted and any comments have been taken into account in preparing this report.

FD 370 - The Head of Corporate Finance & Information Services has been consulted and has no comments on this report.

CORPORATE OBJECTIVE MONITORING:

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

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Leisure Services Capital Programme

1.0 BACKGROUND

- 1.1 The Netherton Activity Centre was a former 3-form entry Secondary School (Warwick Bolam High School), which due to falling school admissions was declared surplus to requirements as a school and closed in July 1986.
- 1.2 The building itself is a traditional 1957 flat roof design school, and most of the current accommodation is based on the pre-existing "classroom" style. Each unit (Sports, Arts, and Library) has its own separate entrance to its particular part of the building, with each area having different, but in many ways related structural problems.
- 1.3 While it has been concluded that the range of services provided in the centre are highly regarded within the community, and important to retain for the foreseeable future, it is clear that the condition of the current building presents the most significant risk to the continuation of the service.
- 1.4 Proposals have therefore been developed for the construction of a new facility on the same site. The new facility will comprise a purpose built library and sports hall, multi use and fitness suites with associated changing facilities. The new 'Jake's' Sensory World, providing visual and physical stimulation to children with profound mental or learning difficulties, will be co-located in the new building with office accommodation for Children's Services SEN staff.
- 1.5 The existing building will be demolished upon completion of the new facility and the area of the former centre will be landscaped, including car parking.

2.0 TENDER ACTION

- 2.1 In accordance with the requirements of the European Procurement Directives a Contract Notice has been placed within the Official European Journal inviting expressions of interest in this project.
- 2.2 A total of 37 contractors subsequently completed a pre-qualification questionnaire and provided details of their financial standing and experience.
- 2.3 The contractor's submissions were scrutinised and graded by officers of Leisure and Technical Services, in conjunction with Capita Symonds Ltd, and a tender shortlist was established, as follows (in alphabetical order):

Allenbuild	Wigan
Conlon Construction	Preston
Kier NW	Knowsley
Mansell Construction	Cheshire
Morgan Ashurst Ltd	Liverpool
ROC Ltd	Rochdale

- 2.4 Tender submissions have now been sought from the short listed contractors to be returned on Thursday 18th March 2010.
- 2.5 The tenderers were required to provide details of cost for pre-contract management (specialist package procurement), site preliminaries (provision and maintenance of site compound, security and accommodation) and their overhead and profit for attendance upon and management of specialist sub-contract packages.
- 2.6 The tenderers were also required to provide details of their customs, practices and systems employed within the following key areas:
- Time and cost predictability and certainty,
 - Ensuring quality and avoiding defects,
 - Value and Risk Management,

Culture of integration / partnering,
Innovation and best practice,
Community benefits,
Health, safety and welfare Management / training,
Organisation and Management,
Supply Chain Management,

- 2.7 References from the contractor's previous clients have been obtained in order to substantiate the tenderers assertions.
- 2.8 The tenders will be evaluated on the basis of quality and cost in the ratio 70:30. Quality submissions will be assessed on both written submission and at interview. The total tendered costs will be established combining both the site set up and preliminaries cost together with the amount of overheads and profit percentage applied to the anticipated cost of specialist sub-contract packages.
- 2.9 Details of the tender assessment will be provided on the day of the meeting.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Included in the Leisure Services Capital Programme is funding totalling £5,600,000 with which to undertake this project.
- 3.2 The main contract tenderers have been required, as part of the tender process, to provide details of their requirements for site set up and preliminary costs and for their overheads and profit on the prime cost of the works. These have been taken into account as part of the tender evaluation and will be included within the overall scheme cost will now be established in conjunction with the approved preferred contractor.

4.0 SUBSEQUATE ACTION / PROPOSALS

- 4.1 Now that a preferred contractor is identified the contractor will work in conjunction with the client's team to establish the target cost for the works on an open book basis.
- 4.2 Under a Target Cost arrangement competitive specialist sub-contractors tenders will be obtained for each element of the works. The target cost is then derived from the total of the most advantageous of these to which the main partnering contractors tendered overheads and profit and cost of site set up and management are added.
- 4.3 It is expected that the target cost will take approximately 8 to 10 weeks to establish and it is therefore anticipated that this and the total overall scheme cost will be reported to Cabinet for final approval on 19th July 2010.
- 4.4 Members are requested to consider the recommendation regarding the most advantageous tender received and authorise the Strategic Director for Communities and Deputy Chief Executive to, in conjunction with Capita Symonds Ltd, make a provisional appointment of a preferred contractor to permit the target cost for the project to be established.

4.0 RECOMMENDATIONS

It is recommended that:

- (i) Cabinet approves the recommendation for acceptance of the most advantageous tender received

- (ii) Subject to (i) above Cabinet authorises the Strategic Director for Communities and Deputy Chief Executive, in conjunction with Capita Symonds Ltd, to provisionally appoint the preferred contractor and for the Technical Services Department to establish a target cost for the project.
- (iii) The Cabinet is requested to note that the Chairman of the Scrutiny and Review (Cabinet; Performance and Corporate Services) has been requested to consent, under Rule 17 of the Scrutiny Procedure Rules, to the call-in period being waived in respect of this matter.

Alan Moore
Strategic Director Communities