

North Somerset Council

Report to the Executive

Date of Meeting: 8th February 2023

Subject of Report: Commissioning and Procurement Plan for Capital Works at Hutton Moor Leisure Centre

Town or Parish: Weston-super-Mare

Officer/Member Presenting: Cllr Ash Cartman – Executive Member for Corporate Services

Key Decision: Yes

Reason: The value is in excess of £500k

Recommendations

That the Executive approves the following combined Commissioning and Procurement Plan.

1. Summary of Report

- 1.1 This report sets out the recommended commissioning and procurement strategy for selecting a contractor to deliver the required works to Hutton Moor leisure centre to facilitate continued operation of the facility. The outline scope of works are scheduled in (3) however this predominantly comprises replacement of defective roof covering, replacement of defective air handling units, replacement of water storage tanks and associated plant and replacement of a defective passenger lift.

2. Policy

- 2.1 The intended improvement of the Council's retained estate will support the Council's corporate plan objectives to improve Prosperity and Opportunity, Health and Well-being and Quality Place.

3. Details

- 3.1.1 Following the commissioning and reporting of condition surveys for all of the Council's leisure centres, we are now able to determine the condition of our assets and also be able to produce a 10 year programme of repair/replacement of elements of the building such as fabric and plant.
- 3.1.2 Hutton Moor Leisure Centre is the Council's largest leisure site, which provides for over 90,000 people in the Weston area and has over 400,000 uses per year.

3.1.3 All the condition surveys have been reviewed and the following items have been identified at Hutton Moor as at 'end of life' and in need of replacement within a year.

- Sports hall roof
- Air handling units for the swimming pool
- Roof coverings for the fitness/plant room and changing areas
- Water storage installation tanks and associated pipework are at end of life and are located within the plant room.
- Main passenger lift in reception area – regularly fails and at end of life. This is needed to enable customers with accessibility issues to reach the first floor of the facility (a Disability Discrimination Act [DDA] requirement)

All of the items being replaced are the original items from when the facility was built over 30 years ago and have lasted well beyond their expected lifespan.

3.1.4 All projects (except the lift) are interlinked, as the air handling and water tanks are all located within the plant room and the sports hall roof houses the air handling units and vents. By carrying out these works together this will provide economies of scale, professional site management and delivery by an established construction company.

3.1.5 The Leisure Centre Concession contracts have a number of years remaining, meaning that the council is liable for asset works on these premises going forward. These works will enable the buildings to continue to provide services for local people.

3.1.6 These works form a large scale project which will have a significant impact on some areas of the facility, such as the sports hall which will be unavailable during the works. In order to reduce the impact on the service and on the leisure contractor's income, it was agreed that August 2023 is the best time to deliver a scheme of this nature.

3.1.7 Due to the scale of the works required and the accompanying procurement process, a design and specification needs to be drafted as a matter of urgency, to be able to deliver the works during the summer 2023.

3.2 Reasons

3.2.1 The Council recognises that there is a need to invest in the Hutton Moor Facility to support the ongoing operation, but also acknowledges that the site will be one of the primary locations for leisure facilities and therefore needs to be fit for the future. Following appointment of the design team through the Council's Option G Framework provider, Pick Everard, there is now a requirement to procure a contractor to deliver the works required on completion of the design and specification documentation.

3.3 Programme

3.3.1 The key milestones are indicative and the project team will seek and progress any opportunities to deliver these earlier.

Key Milestones (indicative)	Timescale
Publish Capability Assessment/EOI	Jan 23
Capability Assessment/EOI closes	Feb 23
Mini competition	April 23 – May 23
Site visits (for bidders)	Mid April 23
Evaluation	May 23
Contractor Appointment	June 23
Contractor Materials Procurement / Lead In	June – Aug 23
Phase I Construction	Aug 23
Phase II Construction	Sept 23
Phase III Construction	Sept/ Oct 23
Completion	Oct 23

3.4 Route to market

3.4.1 It is proposed to run a competition off Lot 1.1.2 of the Crown Commercial Service (CCS) RM6088 Construction Works and Associated Services Framework Agreement, as this covers the range of building works required. In addition, using a framework agreement will be a quicker route to market than an open tender. As is it a multi supplier framework with capped rates, carrying out a mini competition will ensure value for money. The framework is free of charge for the council to use.

3.5 Governance

3.5.1 This Commissioning and Procurement Plan is subject to approval by the Executive before the procurement is undertaken.

3.5.2 The contract award report will be a Key Decision approved by the Director with advice from S151 Officer and Head of Strategic Procurement

3.5.3 The project delivery team will be required to report to the Hutton Moor Delivery Board.

3.6 Relevant Council Information and Policies:

3.6.1 All work to be undertaken will refer to the following Council policies:

- North Somerset Climate Change Strategy
- North Somerset Climate Emergency Action Plan
- Sport and Leisure Facilities Strategy

3.7 Market / Suppliers

- 3.7.1 Lot 1.1.2 - Building Works & Associated Services (£0-£3m) Southern region is proposed. The suppliers are scheduled on the Crown Commercial Service framework.
- 3.7.2 By carrying out the capability assessment this will inform bidders of the opportunity and also act as a sifting tool to ensure only those capable and interested bidders go forward to the mini competition.

3.8 Framework Further Competition Procurement Process

- 3.8.1 The process for undertaking a further competition using the CCS Construction Works and Associated Services Framework is as follows:
1. Complete application with CCS to access the framework
 2. Notify CCS of the project and obtain a project reference number
 3. Commence market engagement with suppliers via EOI
 4. Publish mini competition on the council's procurement portal, inviting all Lot 1.1.2 suppliers who successfully completed EOI to submit a tender based on the project brief.
 5. Set a time limit for the receipt of tenders, taking into account the size and complexity of the project.
 6. Undertake tender procurement process.
 7. Assess bids in a fair and transparent manner through application of the evaluation criteria. Moderation session to agree consensus evaluation scores.
 8. Award the contract to the preferred supplier. Provide unsuccessful suppliers with written feedback on why their tenders were unsuccessful.
 9. Notify CCS of Contract Award.

3.9 Social Value

- 3.9.1 In accordance with the council's Social Value Policy, 10% of the overall weighting will be for bidders to propose their tangible social value commitments.
- 3.9.2 During the tender process, bidders will be asked to enter their social value commitments on the Social Value Portal using a unique registration link included in the mini competition documents. Social Value Portal utilises the National Themes, Outcomes and Measures (TOMs) to calculate social value contributions, which Enables North Somerset Council to gain a greater understanding of the value of bidders' commitments and to evaluate social value tender responses quantitatively as well as qualitatively. The Main/Full list of TOMs will be used for this commission.

- 3.9.3 Bidders will have the opportunity to offer social value commitments which are important to the council. This includes their proposed use of local supply chain, recruiting local employees and supporting local communities/schools etc.
- 3.9.4 For this commission the project team are proposing the use Social Value Portal to undertake both the evaluation of the social value responses and ongoing contract management of the social value commitments provided by the appointed supplier.
- 3.9.5 This service will cost 0.20% of the contract value and will be paid by the winning bidder direct to the Social Value Portal.

3.10 Evaluation

- 3.10.1 The evaluation of the tender responses will be undertaken in two stages based on the following:

Capability Assessment Stage – This will allow prospective bidders to review our initial requirements and consider whether they are likely to bid at further competition stage, or rule themselves out of the bidding process. We can then potentially invite only those suppliers interested in bidding for their requirement at further competition stage, if an explicit response is cited as a requirement for invitation to tender.

- 3.10.2 All bids will be evaluated on the basis of 50% Price and 40% Quality and 10% Social Value.

- 3.10.3 The CCS Construction Works and Associated Services Framework consists of pre-qualified bidders who have gone through a testing process to get onto the framework, so will have the technical, commercial and project management skills required. Therefore, a weighting of 50% price and 40% quality will ensure the correct and appropriate balance of quality versus price.

- 3.10.4 The project team will provide a clear specification with set deliverables and bidders will have to demonstrate their skills and methodology to achieve the requirements within the specified timeframe.

- 3.10.5 Price and quality assessment will be scores as follows:

Price: Price will have a weighted score of 50% and will be based on the submission of a pricing schedule. The lowest total price will receive the maximum score of 100% and the prices of all other tenders will be expressed as a percentage of the maximum score

Quality: Quality will be assessed against the project outputs, behaviours and project management including assessment on the following topics:

1. Method statement outlining how you will meet the project requirements
2. Programme to include identification of critical path
3. Assessment of delivery risks and suitable mitigations
4. Business capability, project controls and reporting

5. Professional expertise
6. Track record

Quality will have a weighted score of 40% and will be evaluated in accordance with the following scoring guidelines:

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

It is recommended that a minimum required score is used for particular questions.

3.10.6 The evaluation panel will consist of:

- Senior Project Manager, Property Assets & Projects
- Quantity Surveyor, Property Assets & Projects
- Leisure Manager, Leisure Service

3.10.7 Site visits to be offered to bidders mid-tender.

3.10.8 The moderation will be facilitated by the Strategic Procurement Team.

3.11 Contract Management

3.11.1 It is proposed the contractor will deliver the works through an NEC4 ECC contract, pricing option A. This is considered to be the optimum contract in terms of providing cost certainty and minimising risk to the Council during the delivery phase.

3.11.2 Day to day contract management will be undertaken by a Project Manager in the Property Assets & Projects Team supported by the Design Team.

3.11.3 The use of Key Performance Indicators (KPIs) will be used as a tool to measure performance of the supplier. These will be based around the core principles of time, cost and quality but will also link back to the quality element of the original submission.

3.11.4 Monthly bespoke reports will be produced by the supplier to monitor their progress against the key criteria in addition to the measurement requirements that form part of the call-off contract.

3.11.5 Formal monthly meetings will be held to monitor progress and review risks and issues to the project. The progress of the project will be summarised in a highlight report and presented to the Project Board.

4. Consultation

4.1 Colleagues and key stakeholders have been engaged, as part of the programme's ongoing activity and governance process. The programme sponsors have been engaged in the process and updates will continue to be provided to the Project and Programme Board.

5. Financial Implications

5.1 The financial implications are set out below along with confirmation that funding is in place to proceed with the works.

5.2 Costs

5.2.1 The estimated cost of this procurement is as follows:

Works	Estimated Cost £
Delivery of specification/scope of works	£1.36m
Contingency at 20%	£0.34m
TOTAL	£1.7m

5.3 Funding

5.3.1 Capital project funding of £1.7m has been identified and approved for the project. This is funded under KFA121.

6. Legal Powers and Implications

6.1 The CCS Construction Works and Associated Services Framework is compliant with the Public Contract Regulations 2015 and expires 30/10/2026. It is proposed that the appointed contractor will deliver the works under an NEC4 ECC Option A (Activity Schedule) form of contract.

7. Climate Change and Environmental Implications

7.1 Pre-qualification

Due to using an existing Framework Agreement, our influence at this stage is limited as the suppliers are pre-qualified.

7.2 Specification

Any design or specification output will be developed with reference to the Council's policies on climate change and with consideration of the environmental implications. The Mini competition references the requirement to incorporate and consider the output from the Council's decarbonization surveys which have been produced for the leisure centre. tasking.

We are keen to pursue the installation of PV panels on the new roof and are continuing to explore this option. The roof designs will be designed to ensure they have the ability to take any additional weight from the panels.

7.3 Tender Evaluation

The procurement process will challenge the suppliers on their own carbon footprint, their designs and recommendations, as well as how they will monitor the appointed contractor during the works ensuring it is delivered in the most sustainable way. This works contract will include project specific requirements around communications and meetings, and also at an organisational level with their corporate approach and initiatives to sustainability, including the use of energy, transport, purchasing and staff.

7.4 Social Value

A Social Value question worth 10% & will form part of the evaluation. Suppliers will be encouraged to provide social value commitments relating to the outcome of reducing negative and promoting positive environmental impacts.

7.5 Contract Management

The contract will be managed by the relevant workstream lead for the Leisure programme, who will ensure adherence with the specification, including carbon management, sustainability, and mitigation of environment impacts. Social Value Portal will monitor the supplier's progress on their Social Value commitments.

8. Risk Management

Description	Impact	Mitigation
Lack of market appetite	Limited returns and reduced value for money	The CCS Construction Works and Associated Services Framework has a range of potential suppliers, offer is favourable to the market, the use of market engagement via an EOI prior to further competition will be providing greater assurance of success.
Lack of market capacity	Limited returns or of poor quality.	Use of the CCS Construction Works and Associated Services Framework provides assurance of a depth and breadth of qualified, experienced suppliers.
Limited funding available for the works	The project not proceeding	Further value engineering may be required to facilitate advancement of the project.
The actual spend exceeds the contract value due to compensation events or unforeseen matters	The project budget is insufficient	Robust Budget monitoring and Project Management during the delivery phase to minimise risk along with provision of a suitable contingency at project initiation.
Delay of project	Adverse impact on users and the operators financial position	Careful monitoring of programme and regular liaison with Leisure and Main Contractor

9. Equality Implications

Have you undertaken an Equality Impact Assessment? Yes / No

- 9.1 An Equality and Impact Assessment (EIA) will be undertaken as part of the project design and development phase which will inform the detailed specification and scope of works.

10. Corporate Implications

- 10.1 The intended improvement of the Council's retained estate will support the Council's corporate plan objectives to improve Prosperity and Opportunity, Health and Well-being and Quality Place.

11. Options Considered

- 11.1 The CCS Construction Works and Associated Services Framework is the preferred route to market. Other options considered include:

- An open tender – This was discounted due to being more a resource intensive and time-consuming process when there are suitable frameworks available for works.
- A range of other framework agreements were considered eg South West Procurement Alliance, Pagabo etc, however, they have been discounted due to suitability or the framework providers' levies being higher than CCS.

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Appendices:

None

Background Papers:

Decision - 22/23 DP 363 - Agreement to increase the leisure capital budget by £970k for urgent works