

Item No. 15.	Classification: Open	Date: 21 October 2014	Meeting Name: Cabinet
Report title:		Gateway 2 – Contract Award Approval: Refurbishment of the Athletics Facilities at Southwark Athletic Centre	
Ward(s) or groups affected:		Rotherhithe	
Cabinet Member:		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE

This Gateway 2, to proceed to award the successful tender, is another exciting step towards reinstating an athletics track in Southwark Park, made possible not least by Southwark's autonomously developed and foresighted London 2012 "Olympic Legacy Fund".

Having a full track and field facility will provide great opportunities for our residents. We already know that there is a considerable appetite for athletics in this borough. We know too that given the right opportunities our young people can compete with the best of them. Witness, for example, the success of our boys' relay team crossing the line in first place at this year's London Youth Games.

I am aware that discussions have advanced to install a resident club. But the challenge from now will be to establish a club which is truly Southwark, with participants drawn overwhelmingly from this borough, as well as coaches and backroom administrators.

Furthermore, I see participants to be at all levels of athletic and physical competence making use and indeed assisted in making use of Southwark's athletics provision. Everyone in Southwark, from whatever background or physical level of attainment, will be welcome to benefit from this soon to be shining addition to the thriving leisure and activity offer in Southwark.

So, this Gateway 2 makes possible a gateway to a much brighter future for athletics in this borough, access to the joy of physical activity.

RECOMMENDATION

1. That the cabinet approves the award of the contract for the refurbishment of the athletics facilities at Southwark Athletics Centre to Blakedown Sport & Play Ltd.

BACKGROUND INFORMATION

2. The previously approved Gateway 1 report sets out the procurement process for the appointment of a contractor for the refurbishment of the athletics facilities at

Southwark Athletics Centre (SAC). The strategy was to approach a least five companies.

3. To ensure we engaged with as many contractors as possible for this specialist and niche area of work, seven companies were approached who were found on the councils approved list and/or Sport England's approved list of Artificial Sports Surface contractors.
4. Southwark Athletics Centre is a sports facility located within Southwark Park. The facility consists of a 400m seven lane athletics track, artificial turf pitch, and supporting building with changing rooms and a free-weights area and is the only public athletics facility in the borough.
5. The facility is currently in poor condition both internally and externally and does not deliver in terms of what would be expected of a community sports facility. The track and field facilities are not usable
6. The council has a strong track record of performance by our young people in Street Athletics and the London Youth Games. However, without proper facilities, our aspiring athletes are not able to progress and currently have to train outside of the borough.
7. The site, following investment, will focus on grass-roots athletics and the development of a Southwark athletics club. Sports development activities will be lead by the council's athletics activator. There is also an aspiration for the facility to deliver a disability sports programme.
8. The project received planning permission on 9 September 2014.
9. Tenders were sent out following planning permission, and documents included details of planning conditions pertinent to the tender.

Procurement project plan (Key Decision)

Activity	Complete by:
Approval of Gateway 1: Procurement Strategy Report	30/01/2014
Invitation to tender	10/09/2014
Closing date for return of tenders	01/10/2014
Completion of evaluation of tenders	03/10/2014
DCRB/CCRB Review Gateway 2:	07/10/2014
Notification of forthcoming decision – despatch of Cabinet agenda papers	14/10/2014
Approval of Gateway 2: Contract Award Report	21/10/2014
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	30/10/2014
Contract award	01/11/2014
Add to Contract Register	01/11/2014
Contract start	17/11/2014
Contract completion date	01/07/2015

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

10. The objective of the procurement is to award a contract for the refurbishment of the athletics facilities at Southwark Athletics Centre.
11. The key elements of the work involve:
 - Reconstruction of the synthetic athletics track to provide a six lane 400m track with an eight lane 100m straight, including installation of International Association of Athletics Federations (IAAF) approved prefabricated surface suitable for wheelchair racing
 - conversion of the central derelict synthetic turf pitch to natural grass
 - upgrading of floodlights
 - installation of a hammer and discus cage
 - the relocation and installation of the following athletic facilities:
 - shot put circle
 - pole vault runway
 - long/triple jump runway and pit
 - steeplechase pit
 - javelin runways and
 - high jump fan.
12. The work proposed will allow a full programme of athletics disciplines to be delivered at SAC for the first time.

Policy implications

13. The proposed works provide continued support for the council's priority to improve the health of the borough and improve the stock of leisure facilities. The SAC project is one of the ten projects awarded funding through the council's Olympic Legacy Fund.
14. The project will contribute to the aims and objectives of Southwark's Physical Activity and Sport Strategy 2014 -17 for increasing participation in physical activity through the provision of new and enhanced sports facilities.

Tender process

15. A total of seven contractors were approached and asked to submit tenders.
16. Invitations to tender were issued immediately following the granting of planning permission. A three week tender period was chosen to ensure the relevant timescale for approvals could be achieved.
17. The timescales were deemed ambitious but achievable for the production of quality tender returns. All contractors were aware of the tender period from the outset.
18. Tenders were sent to the following contractors.
 - White Horse Contractors Ltd
 - Smith Construction (Heckington) Ltd

- Cleveland Land Services Ltd
- Aggregate Industries trading as Spadeoak
- Blakedown Sport and Play Ltd
- SIS Ltd
- ETC Surfaces Ltd.

19. Tenders have been received from the following two contractors:

- Blakedown Sport and Play Ltd
- Aggregate Industries trading as Spadeoak.

Both companies were on the council and Sport England's approved lists.

20. Tenders were not received from the following five contractors:

- White Horse Contractors Ltd
- Smith Construction (Heckington) Ltd
- Cleveland Land Services Ltd
- SIS Ltd
- ETC Surfaces Ltd.

21. Only one company requested an extension to the deadline. The company indicated that a submission was still to be made before the deadline, and their withdrawal on the day before submission was unexpected. This issue was raised at a late stage and by only one contractor.

22. Other reasons given for non-submission included:

- One company highlighted the extent of their current workload as a factor
- The other companies were unable to deliver all elements required.

23. Although we would have liked to see a greater number of submissions, the tender submissions received were of a sufficiently high standard of quality and detail to enable a robust evaluation to be made with only minimal points of clarification required.

24. The limited response also reflects the specialist nature of the work the niche nature of the market. We are confident that a sufficient level of competition was therefore achieved.

Tender evaluation

25. The evaluation was done on the basis of a MEAT (Most Economically Advantageous Tender) assessment. The standard 70/30 price/quality ratio was used, with quality evaluated against the following areas:

- Resources
- Relevant experience relating to athletics facility development
- Project Management
- Quality Control
- Understanding aims and objectives of tender

26. The results of the evaluation are as follows:

	Blakedown Sport and Play	Aggregate Industries trading as Spadeoak
Total Score %	95	85
Rank	1	2

27. It is recommended that Blakedown Sport and Play Ltd (Blakedown) is awarded the contract for the following reasons:

- Blakedown’s tender submission is the most economically advantageous tender
- Blakedown have extensive experience of recent comparable athletic facility developments including:
 - Down Grange Sports Complex (Basingstoke) – Refurbishment of athletics track and hockey pitch
 - Embankment Athletics Arena (Peterborough) – Reinstatement of athletics track and field facilities
 - Queen Elizabeth II Stadium (Enfield) – Reinstatement of athletics track and field facilities
 - Woodcote High school (Surrey) – New athletics track and upgraded grass pitches
- Blakedown are on both Sport England’s framework and the council’s approved list
- The Blakedown tender submission included a good level of detail relating to methods of delivery, project management and quality control.
- The submission has been assessed as very good value for money, and is commensurate with the 2013 pre-tender estimate.

Plans for monitoring and management of the contract

28. Technical consultants will carry out intermediate key stage contract monitoring to ensure the work meets the requirements as set out within the specification. Monthly meetings will be held and payments linked to the delivery of key phases of work.
29. Council officers will have overall client and project and risk management control of the project and will scrutinise works as the project progresses.

Identified risks for the new contract

30. Overspend – the contract price includes a provision to cover any unforeseen costs should they arise. Site surveys were carried out at pre-tender stage to identify key site issues within reason which are included in the details of the specification. A contingency is available in the unlikely event of additional issues arising.
31. Technical issues – the council have commissioned technical consultants to prepare and monitor the detailed specification. The project scope has been fully

investigated to ensure that the specification of works covers all requirements for the project and these have been fully addressed within the tender submission

Community impact statement

32. The reinstatement of SAC will bring this important facility back into use and will have a beneficial impact on the health and wellbeing of local people, especially young people. The programme on offer will also include opportunities for older people, families and disabled people to take part in physical activity. Schools and community groups will also be encouraged to make use of the centre.

Economic considerations

33. Facility management cost post development fall within existing leisure management contract arrangement and budgets.

Social considerations

34. The activities planned post-development are designed to engage local young people and bring together the communities that surround the facility.
35. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to:
- (a) Eliminate discrimination, harassment, victimization or other prohibited conduct;
 - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
 - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
36. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equality Duty also applies to marriage and civil partnership, but only in relation to (a) above. The aims and objectives of this proposed procurement are intended to provide benefits for all sections of the community and it is not anticipated that any individual or group will be disadvantaged.
37. The facility will be designed to be fully inclusive. The track surface specified for the tender is a preferred surface type for wheelchair users, and will enable us to deliver a disability sports programme for the first time at the facility.

Environmental considerations

38. The project focuses on improving the amenity of the SAC including transforming a derelict artificial pitch into natural grass, and upgrading existing floodlighting to reduce light spillage within Southwark Park.

Market considerations

39. Market considerations are as follows:
- The successful tenderer is a private organisation
 - The successful tenderer has less than 100 members of staff

- The successful tenderer has a national area of activity.

Staffing implications

40. There are no staffing implications as the contract will be managed within existing resources.

Financial implications

41. The latest approved council capital programme has a provision of £3 million available for this project. This is sufficient to cover the proposed works contract. The remaining provision will be used for phase 2 of the project (refurbishment of building) and associated fees.
42. It is envisaged that the proposed phase of the project will be completed by July 2015. The total expenditure incurred against the capital allocation for the scheme will be monitored and reported on as part of the overall Capital Programme.
43. There are no additional revenue implications expected as a result of the proposed works. If any are incurred they will be contained within the existing budgets held by the division. The total expenditure incurred against the revenue allocation for the scheme will also be monitored and reported on as part of the overall revenue programme.

Second stage appraisal

44. The financial appraisal of the company did not identify any major risks in awarding the contract of this size to the contractor

Legal implications

45. Please see concurrent from the director of legal services

Consultation

46. The investment in facilities at SAC is supported by key council departments and stakeholders including Friends of Southwark Park, local residents, and funders. The benefit of increasing participation by young people to address obesity levels is recognised. Some local residents have concerns regarding increased usage and noise; however these concerns are managed through the conditions issued through the planning process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

47. This report seeks the cabinet's approval of the award of a contract for the refurbishment of the athletics facilities at Southwark Athletic Centre to Blakedown Sport & Play Ltd.
48. Seven companies were approached who were found on the council's approved list and/or Sport England's approved list of Artificial Sports Surface contractors.
49. The report notes that all the contractors were aware of the tight timescales for tendering from the outset. Although only two tenders were received these were

considered to be of a high standard and reflected the specialist nature of the contract.

50. The recommended provider's tender was assessed as providing very good value for money from a company with an excellent record in providing similar facilities.
51. Technical consultants will carry out intermediate key stage contract monitoring to ensure the work meets the requirements as set out within the specification. Monthly meetings will be held and payments linked to the delivery of key phases of work.
52. Council officers will have overall responsibility for the management of the contract with key stage monitoring being undertaken by technical specialists.
53. The report has been considered by both the environment and leisure departmental contracts review board and the corporate contracts review board.
54. This concurrent has been provided by the head of environment and leisure procurement.

Director of Legal Services

55. The director of legal services notes the contents of this report which seeks the approval of the cabinet to the award of a contract for the refurbishment of the athletics facilities at Southwark Athletic Centre to Blakedown Sport & Play Ltd.
56. On the basis of the information contained in this report it is confirmed that this procurement was carried out in accordance with contract standing orders and the relevant legal requirements.
57. The contract has been procured through Sport England's approved list of Artificial Sports Surface developments. The Gateway 1 report approved the use of this list.
58. Pursuant to section 149 of the Equality Act 2010 the council must have due regard to the need to:
 - a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - c) Foster good relations between person who share a relevant protected characteristic and those who do not share it.
59. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
60. The gateway 1 report had due regard to PSED in this procurement.
61. The decision maker for this report is the cabinet following a request by the Leader.
62. CSO 2.3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise

approved by, or on behalf of the Council. Paragraph 41 of this Report confirms how the proposed contract will be funded.

Strategic Director of Finance and Corporate Services (FC14/027)

63. The strategic director of finance and corporate services notes the recommendation in this report for the award of a contract for the refurbishment of the athletics facilities at Southwark Park. The report confirms that the council's capital programme includes £3m for this project. The total expenditure incurred against the capital allocation for the scheme will be monitored and reported on as part of the overall capital programme. The project timeline indicates that the expenditure will be incurred in the financial years 2014/15 and 2015/16.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
None		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Public Health, Parks and Leisure	
Lead Officer	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure	
Report Author	Tim Clee, Sports Facilities Project Officer	
Version	Final	
Dated	9 October 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Strategy	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 October 2014