

+Item No.	Classification: Open	Date: February 2018	Meeting Name: Strategic Director of Environment and social regeneration
Report title:		Gateway 2 Contract Award Approval Pre Contract Services Agreement Southwark Athletics Centre	
Ward(s) or groups affected:		Rotherhithe	
From:		Director of Leisure	

RECOMMENDATIONS

1. That the strategic director of environment and social regeneration approves the award of the first stage tender, pre construction services agreement (PCSA) for the Southwark Athletics Centre to Vincent Stokes Limited (Vincent Stokes) at a contract sum totalling £168,292 for a period of 20 weeks commencing in March 2018.
2. That the strategic director of environment and social regeneration approves the allocation of a contingency totalling £27,500 which will be held within the capital project budget for any necessary surveys required to finalise the design of this scheme.
3. That the strategic director of environment and social regeneration notes that the contract for the main works shall be subject to a separate Gateway 2 report once the tender process has been completed as detailed below.

BACKGROUND INFORMATION

4. In January 2018 the strategic director of environment and social regeneration approved the procurement strategy to enter into a single supplier negotiation as part of a two stage design and build contract with Vincent Stokes for these works.
5. Southwark Athletics Centre (SAC) is a sports facility located within Southwark Park. The facility consists of a 400m six lane athletics track, with a full compliment of track and field facilities completed in August 2016.
6. The site also houses a building which is currently in poor condition and does not deliver in terms of what would be expected of a community sports facility.
7. An investment at this site will provide a community and school sports facility that will increase participation in physical activity and support athletics development on site.
8. This report is seeking approval to appoint Vincent Stokes to proceed with pre-construction services for the demolition of the existing sports facility and provision of new single storey sports facility comprising of a free weights area, changing facilities, office and a club room.

9. As part of the pre-construction services Vincent Stokes will be required to undertake various tasks in relation to the design and planning of the construction for the new athletics centre as per below:
- Contribute to the design process itself
 - Advise on buildability, sequencing, and construction risk
 - Advise on the packaging of the works (and the risks of interfaces between packages)
 - Help develop the cost plan and construction programme
 - Help develop the method of construction
 - Obtain prices for work packages from sub-contractors or suppliers on an open book basis
 - Prepare a site layout plan for the construction stage showing temporary facilities
 - Draft the preliminaries for specialist and trade contractor bid documents
 - Provide full architectural and interior design services
 - Submit a full planning application and deal with matters concerning the build phase, such as; waste disposal proposals, construction traffic movements, tree preservation protection etc.

Procurement project plan (Key decisions)

Activity	Completed by/Complete by:
Approval of Gateway 1: Procurement Strategy Report	15 January 2018
DCRB Review Gateway 2: Contract award report	8 February 2018
Cabinet Member briefing	12 February 2018
Sign off of decision by Strategic Director	23 February 2018
Add to Contract Register	24 February 2018
Contract award	24 February 2018
Contract start	25 February 2018
Contract completion date	20 July 2018

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

10. The procurement will deliver phase 1 of the Southwark Athletics Centre capital project with the demolition of the existing building and provision of a new sports facility.
11. Investment into this scheme will increase opportunity for participation in physical activity through and support the delivery of athletics activities to be delivered on the reinstated facilities.
12. The project forms one of the councils Olympic capital legacy projects.

13. This report is recommending a single supplier negotiation as Vincent Stokes already have significant level of background knowledge and experience on this project following their appointment through the council's leisure contractor SLM.
14. There is a niche market for these types of works and the council requires that an experienced and specialist contractor is appointed to carry this work forward. Vincent Stokes is on the Exor approved list and has experience in delivering leisure centres across the borough and country. They work closely with our leisure contractor SLM and are familiar with their requirements.

Key/Non Key decisions

15. This report deals with a non-key decision.

Policy implications

16. This project is in line with the council's objective of encouraging healthy lifestyles by providing quality leisure services for individuals and families across the borough.
17. The project contributes to the aims of the council's Physical Activity and Sport Strategy 2014-17.

Tender process

18. As agreed in the approved Gateway 1 the procurement route taken was a single supplier, two stage design and build negotiation with Vincent Stokes.

Tender evaluation

19. Following the approval of the Gateway 1 report the council has worked with Vincent Stokes to develop detailed plans for the first stage tender that will be undertaken.
20. As stated in the Gateway 1 report, various procurement options were assessed based on the key objective of the procurement strategy. The appointment of Vincent Stokes through single supplier negotiations was the most advantageous option to meet the requirements of this scheme.
21. Best value for money has been demonstrated by the appointment of an independent quantity surveyor who has assessed the fee submitted by Vincent Stokes and confirmed it is within the current market rates.
22. The time taken to complete the project will be substantially reduced as the single supplier route has shortened the procurement timetable.
23. Vincent Stokes' price is within the project budget and they are experts in the leisure industry able to deliver high quality work which has been demonstrated through other projects being delivered in the borough.

Plans for the transition from the old to the new contract

24. There is no existing contract in place.

Plans for monitoring and management of the contract

25. The contract shall be monitored by the project manager from the parks and leisure team.
26. Payment of invoices will be made following satisfactory completion and certification of works.
27. Progress meetings with the contractor shall be held where necessary to monitor progress against the programme and the budget.
28. Any significant unexpected deviance from either programme or budget shall be highlighted to relevant officers, as issues arise. A quantity surveyor will be appointed as part of this contract.

Identified risks for the new contract

29.

Risk	How Mitigated
Ensuring the project is completed within the allocated budget	A comprehensive monitoring regime will be implemented, comprising of regular updates and budget meetings with the contractor and quantity surveyor to ensure no additional costs are attributed to the project
Ensuring the project is completed on time	A comprehensive monitoring regime will be implemented, comprising of regular updates and progress meetings with the contractor and lead client officer to ensure delays are kept to a minimum.

Community impact statement

30. The overall impact will be an improvement to the overall sports facilities in a deprived area, through provision of athletics facilities. The works will allow the council to deliver a programme of community athletics which will have a beneficial impact on service users. No adverse impacts on individuals or groups within the community are anticipated as a result of this contract.
31. The building design will be accessible and DDA compliant, with level access into the building. There will be provision for an accessible WC and shower.

Economic considerations

32. The promotion of local economic benefit will be built into this procurement by:
 - Requiring contractors to use local companies in their sub-contracting and supply chain arrangements where possible
 - Should the successful contractor need to employ additional staff to deliver this contract, we request they target the local labour market

Social considerations

33. The contract requires compliance with the council's London Living Wage (LLW) requirements where applicable.
34. The contract will be let in accordance with section 149 of the Equality Act 2010. The council has a duty to have due regard in its decision making processes for 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
 - c) Foster good relations between those who share a relevant characteristic and those that do not share it.
35. 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.
36. This procurement will provide benefits for all sections of the community and will not negatively impact or disadvantage any individual or group.
37. The activities that are planned post development are designed to engage local people and bring together the communities that surround the facility and there will be no adverse impact on equalities resulting from this project.
38. There are considered to be no other equalities issues arising from the award of this contract.

Environmental considerations

39. The works will result in improvements to the local area through transforming derelict sports facilities into high quality facilities for the benefit of the local community.
40. Where possible, materials specified in the scheme will be obtained from sustainable sources. It is the policy of the council to minimise the potentially significant impacts of their operations on the environment. Likewise the council encourages energy efficiency and promotes waste minimisation and environmentally friendly waste disposal.

Market considerations

41. The successful supplier is a private organisation with a national area of activity.

Staffing implications

42. There are no implications for staffing as the client function will be provided by the Parks and Leisure business unit.

Financial implications

43. The report is recommending approval to award the contract for pre construction services to Vincent Stokes for £168,292. Together with a contract contingency of

£27,500 this combined cost of £195,792 can be contained within the approved capital budget for this scheme.

44. The “OLF Southwark Athletics Centre” project (cost code - L-2200-0088) is included in the latest Capital Programme under the Environment & Social Regeneration department with a budget of £2,026,688 available at 1st April 2017 (17/18 +) which is sufficient to cover the proposed contract costs.
45. The total expenditure incurred against the capital allocation for the scheme will be monitored and reported as part of the overall Capital Programme.
46. Any future maintenance costs arising from this investment will be funded from the existing Parks and Leisure business unit’s revenue budgets.

Legal implications

47. The proposed contract award is consistent with European and domestic procurement regulations and with equalities and other relevant legislation, and also with the council’s Contract Standing Orders. The proposed award follows a two stage procurement process which is regulated by the JCT conditions of contract and for which legal advice has been sought and obtained.

Consultation

48. Initial discussions have taken place with the key stakeholders, including the friends of Southwark Park, local residents and council departments.
49. Additional regular consultation will be planned as required throughout the project life with users and the Council’s lead member.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

50. **A formal concurrent is not required as the value of the contract is below the EU threshold.**

Director of Law and Democracy

51. A formal legal concurrent is not required for this report as the contract value is below the EU threshold for services.

Strategic Director of Finance and Governance

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the Council’s Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report (and as otherwise recorded in Part B below).



Signature

Date: 23rd February 2018

Designation: Strategic Director of Environment & Social Regeneration

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers (including contract reports)
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

1. DECISION(S)
As per report recommendations

2. REASONS FOR DECISION
As set out in the report

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION
None other than those set out in the report

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION (IF APPLICABLE)*
The approach outlined in this report was presented to Councillor Anderson during a monthly leisure programme update at one of the lead member briefings.

*Contract standing order 4.5.1 states that for contracts with an Estimated Contract Value of over £100,000, the lead contract officer (LCO) must consult with the relevant cabinet member before a procurement strategy is implemented.

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

None

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.*

or

~~I declare that I was informed of the conflicts of interests set out in Part B4.*~~

(* - Please delete as appropriate)

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 – Refurbishment of Southwark Athletics Centre	Parks and Leisure 160 Tooley St. SE1 2TZ	Hemali Topiwala 020 7525 0530

AUDIT TRAIL

Lead Officer	John Wade, Group Manager Business Development	
Report Author	Hemali Topiwala, Project Manager	
Version	Final	
Dated	February 2018	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	No
Departmental Contract Review Board	No	No
Corporate Contract Review Board	N/A	N/A
Cabinet	N/A	N/A
Date final report sent to Constitutional/Community Council/Scrutiny Team	N/A	

BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE - GATEWAY 2

Contract Name	Southwark Athletics Centre – 1st Stage Tender
Contract Description	Pre-contract services agreement for SAC
Contract Type	Services
Lead Contract Officer (name)	Hemali Topiwala
Lead Contract Officer (phone number)	020 7525 0530
Department	Environment and Social Regeneration
Division	Parks and Leisure
Procurement Route	Single Source
EU CPV Code (if appropriate)	Not applicable
Departmental/Corporate	Departmental
Fixed Price or Call Off	Fixed Price
Supplier(s) Name(s)	Vincent Stokes Limited
Contract Total Value	£168,292
Contract Annual Value	£168,292
Contract Start Date	15 February 2018
Initial Term End Date	20 July 2018
No. of Remaining Contract extensions	None
Contract Review Date	N/A
Revised End Date	N/A
SME/ VCSE (If either or both include Company Registration number and/or registered charity number)	N/A
Comments	None
London Living Wage	Yes

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