

Item No:	Classification: Open	Date: 29 September 2016	Decision Taker: Strategic Director of Environment & Leisure
Report title:		Gateway 2 Contract Award Approval for the Refurbishment of Peckham Pulse Healthy Living Centre	
Ward(s) or groups affected:		Peckham	
From:		Director of Leisure	

RECOMMENDATION(S)

1. That the Strategic Director of Environment & Leisure approves and awards the Peckham Pulse Healthy Living Centre Refurbishment contract to Vincent Stokes Ltd.

BACKGROUND INFORMATION

2. The previously approved Gateway 1 report (18 August 2016), set out the procurement process for the appointment of Vincent Stokes to deliver the Peckham Pulse Healthy Living Centre building refurbishment project. The approved GW1 had recommended a single supplier negotiation with Vincent Stokes who is Sport and Leisure Management's (SLM) refurbishment contractor.
3. The works which will be undertaken at Peckham Pulse are summarised in the table below:

Council leisure capital investment	SLM contract
Relocated and new reception / entrance area	Improvements to the ground floor plan layout to make more efficient use of the space
Relocated and new poolside sauna / steam rooms	More extensive fitness suite
Refurbished wet-side changing rooms	New children's play frame / soft play area
Improvements to the ground floor plan layout to make more efficient use of the space	Improved spin studio
	Existing fitness suite will be given a cosmetic overhaul to bring it up to the SLM brand standard
	Refurbishment of fitness (dry) changing rooms

Procurement project plan (Key Decision)

- 4.

Activity	Complete by:
Forward Plan for Gateway 2 decision	2 October 2015
DCRB Review Gateway 1:	20 August 2016
Approval of Gateway 1: Procurement strategy report	25 August 2016
DCRB Review Gateway 2:	21 September 2016
Notification of forthcoming decision – five clear working days	3 October 2016
Approval of Gateway 2: Contract Award Report	14 October 2016
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	24 October 2016
Add to Contract Register	25 October 2016
Contract award	25 October 2016
Contract start	26 October 2016
Contract completion date	16 May 2017

KEY ISSUES FOR CONSIDERATION

Description of procurement outcome

5. As agreed in the approved GW1 the procurement route taken was a single supplier negotiation with Vincent Stokes who are SLM's refurbishment contractor.

Key/Non Key Decision

6. This report deals with a key decision based on the value of the contract.

Policy implications

7. The contract provides continued support for the council's priority to improve the quality of leisure provision within the borough.

Tender process

8. As agreed in the approved GW1 the procurement route taken was a single supplier negotiation with Vincent Stokes who are SLM's refurbishment contractor.

Tender evaluation

9. Following the approval of the GW1 the council has worked with Vincent Stokes and SLM to develop detailed budgets and plans for the works which will be undertaken. The costings from SLM have been externally reviewed and validated by SLM's quantity surveyors.
10. As stated in the GW1, three procurement options were assessed based on the key objectives of the procurement strategy. The appointment of Vincent Stokes through single supplier negotiations was the most advantageous option to meet the procurement objectives. Those objectives were:
- Best value for money – ensuring the works are undertaken to a high standard
 - Minimising disruption and inconvenience to customers

- c. Experience in leisure centre refurbishments
- d. Time to mobilise the contract and complete works

Plans for the transition from the old to the new contract

11. NA

Plans for monitoring and management of the contract

- 12. The contract will be managed by the Parks and Leisure Team who will ensure that the contractor complies with the specification of the contract. This will be achieved through regular site visits and site meetings, after which reports will be made back to the client.
- 13. A quantity surveyor will be appointed by the council as part of a separate, future procurement exercise.
- 14. Upon completion the new sports facility will be tested, and there will be a final site meeting with the contractor, project manager and the client representative to sign off the works.

Identified risks and how they will be managed

15. The following risks, and management solutions have been identified:

Risk	Risk Level	How Mitigated
Procurement challenge due to not going out to competitive tender	Medium	The contract is below the EU threshold and legal advice has been sought which advises that the proposed procurement route is justifiable due to the strong business case and pre-tender estimate developed by Faithful and Gould.
Project delivery delayed	Low	A construction programme will be assessed to ensure that the project is delivered against the proposed programme. Project progress will be reported to the parks and leisure programme board on a monthly basis
Overrun of costs	Low	The works will be undertaken in accordance with a robust specification and a fixed price contract that will be aligned to the allocated Peckham Pulse budget. The quantity surveyor will provide regular financial reports and advice, and a value engineering exercise will be carried out if required.

Community impact statement

16. Southwark leisure centres are primarily community leisure facilities that provide opportunities for local people to improve their health and well being by participating in sport and physical activity. Improvements to the environment within these facilities will have a positive impact on users as

they will have been refurbished and will be accessible to all. Reducing the carbon footprint of our facilities will have a positive impact on the environment as a whole.

Economic considerations

17. Vincent Stokes has the appropriate knowledge, experience and suitably qualified labour force.
18. A credit check has now been completed on Vincent Stokes to confirm that they are in a suitable financial position.

Social considerations

19. 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, 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.
20. 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.
21. The council's intention is to include London Living Wage in this contract.

Environmental considerations

22. In accordance with the council's Corporate Plan objectives to increase recycling rates, and reduce carbon emissions, the contract arrangement will include sustainability requirements that would complement the sustainability performance measures that have been incorporated into the design of the building itself.

Market considerations

23. Market considerations are as follows:
 - The successful tenderer is a private organisation
 - The successful tenderer has over 250 employees
 - The successful tenderer has a national area of activity

Staffing/procurement implications

24. There are no staffing implications as the client function will be funded from the parks and leisure team's revenue budget.

Financial implications

25. The award of contract for refurbishment works at Peckham Pulse Healthy Living Centre will be funded from the leisure projects capital budget.
26. The total expenditure and sources of funding for the project will be monitored and reported on as part of the overall Capital Programme for 2016/17.
27. 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 maintenance budgets held by the leisure business unit in the environment and leisure department.

Legal implications

28. The contract has been procured in line with the council's Contract Standing Orders and with all relevant statutory duties and powers.

Consultation

29. Consultation for this contract has been undertaken between SLM and leisure services, departmental finance, legal and procurement. SLM will be the on-site co-ordinator with regard to all communications with the users and other visitors to the site. Customers to the centre will be advised that the works will be undertaken and the centre will remain open during the works.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

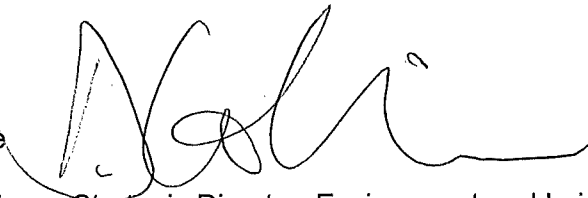
Director of Law and Democracy

Strategic Director of Finance and Governance (CAP16/046)

30. This report seeks from the strategic director of environmental and leisure to approve and award the Peckham Pulse Healthy Living Centre Refurbishment contract to Vincent Stokes Ltd.
31. The strategic director of finance and governance notes that the capital costs associated with this contract will be fully contained within the departmental capital budgets for "Peckham Pulse" and "Leisure Centre Lifecycle Maintenance".
32. Staffing and any other future maintenance costs connected with this contract will need to be contained within existing departmental revenue budgets.

FOR DELEGATED APPROVAL

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation contained in the above report.

Signature 

Date 14 October 2016

Designation Strategic Director, Environment and Leisure

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 – Procurement strategy for Peckham Pulse 18 August 2016	Parks and Leisure	David Nettleship 020 7525 1959

AUDIT TRAIL

Lead Officer	Fiona Dean, Director of Leisure, Parks & Leisure		
Report Author	Tim Walker, Programme Manager, Parks & Leisure		
Version	5 Final		
Dated	9 September 2016		
Key Decision?	Yes	If yes, date appeared on forward plan	2 October 2015
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments included	
Head of Procurement	No	No	
Director of Law and Democracy	No	No	
Strategic Director of Finance and Governance	Yes	Yes	
Cabinet Member	No	No	
Contract Review Boards			
Departmental Contract Review Board	No	No	
Corporate Contract Review Board	No	No	
Date final report sent to Constitutional Support Services			N/A