

Report of Contract Administration Officer  
**Report to Chief Officer, Parks & Countryside**

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**Date: 23.10.2014**

**Subject: Tropical World Aquarium Refurbishment**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Roundhay	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

1. A procurement exercise was undertaken to appoint an appropriate contractor to refurbish the aquarium at Tropical World. A market sounding was undertaken prior to the tender being advertised, however despite 9 expressions of interest being submitted at the market sounding stage no tender bids to undertake the aquarium refurbishment work were received.
2. Extensive redevelopment work is being undertaken at Tropical World and works to the aquarium are a central aspect of the holistic redevelopment process. A period of closure has been agreed within which to undertake this work.
3. To allow this project to be completed on time and to a suitable standard, the Parks & Countryside service are going to assume the role of principal contractor. To undertake this role there is a requirement for external support to provide specialist knowledge to source materials, undertake bespoke specialist work elements and assist in the design process.

## Recommendations

The Chief Officer Parks and Countryside is requested to;

1. Note that after undertaking an extensive procurement process, no bids were submitted by companies wishing to undertake bespoke design and construction work to renovate the aquarium at Tropical World.

2. Approve that Contract Procedure Rule (CPR) 3.1.7, 8.1 and 8.2 be waived in order to appoint two external companies to support the Parks and Countryside Service, who are acting as principle contractor, to deliver the project as per the original programme and budget.

1. **Purpose of report**

- 1.1. This report requests authorisation to waive CPRs 3.1.7, 8.1 and 8.2 to allow deviation from standard procurement procedure and enable Parks & Countryside to act as principal contractor and utilise external subcontractors for specialist design consultation and construction.

2. **Background information**

- 2.1. In February and December 2012 reports were brought to Executive Board detailing proposals to enhance Tropical World in light of a generous donation towards enhancing visitor facilities at the site by the Ziff family. This report highlighted that the refurbishment of the site would take place in phases.
- 2.2. As part of the wider set of refurbishment works to be undertaken at Tropical World, the aquarium was identified as one of the features of Tropical World most in need of rejuvenation. The aquarium represents a key attraction within Tropical World and is an integral part of the visitor experience. The refurbishment of the aquarium space is by its nature a highly specialized project that needs to enhance and compliment the visitor experience at Tropical World.
- 2.3. To determine appetite in the market for taking on the refurbishment of the aquarium space at Tropical World, a Market Sounding document was published on Yortender in late January 2014 with a two-week deadline. Prior to, and as part of, the market sounding process, all companies that were deemed to be of a suitable quality to potentially undertake the refurbishment of the aquarium space at Tropical World were contacted directly to invite them to express their interest in the project. As a result, Parks and Countryside were confident that every effort had been made to contact the key market leaders in this specialist field to encourage the completion of successful tender moving forwards. This produced nine responses from companies interested in applying for a design and build tender, including those who are top organisations in the field having have worked at major tourist attraction sites such as The Deep, Hull, SEA LIFE aquariums and Chester Zoo.
- 2.4. The Market Testing attracted sufficient interest from the market to suggest that it would be appropriate to move forwards with the procurement process to recruit a suitable contractor.

2.5. Authority to spend to the value of £200k was provided to support the refurbishment of the aquarium space within capital scheme 16504 000 00 in July 2014. Following this, tender documents were produced and published in August 2014 in which it was clear that there was a fixed budget for the scheme and that proposals should be deliverable within this budget.

### 3. **Main issues**

#### 3.1. **Reason for Contracts Procedure Rules Waiver**

3.2. Despite extensive market testing and the submission of pre tender expressions of interest, at the conclusion of the procurement process no tenders were submitted. As a result of this outcome, it was necessary to quickly find an alternative solution to deliver the project.

3.3. It was therefore felt that the most appropriate way to move the project forwards was for Parks & Countryside to act as a principal contractor utilising the support of specialist subcontractors for specific design and construction elements that cannot be delivered by an internal service provider due to the specialist nature of the refurbishment.

3.4. Given that the standard procurement process had failed to produce a potential contractor, it is felt that waiving CPR 3.1.7, 8.1 and 8.2 is appropriate and essential to ensure the project is delivered in line with the original programme.

3.5. Given the requirement to progress the project with urgency to achieve the completion of the refurbishment without having extra negative impacts on revenue through extending the closure period of Tropical World, the Parks & Countryside service engaged specialist contractors already supporting in the maintenance of the aquatic environment at Tropical World to assist in sourcing suitable subcontractors to deliver necessary support for this project.

3.6. Emerging from this process Sustainable Sources Ltd was identified as a potential specialist subcontractor who could deliver the necessary support to facilitate the completion of refurbishment of the aquarium space. The company have previous knowledge of Tropical World aquarium, and had proposed designs in the past prior to the commencement of the open tender process.

3.7. They were able to undertake a condition survey and provide some concept design work for £2400. The value of this work has been included within the recommendations to award a contract in this waiver. Within this design work, it was assured that the project would still be able to delivered within the budget and timescale set out within the tender documents. Sustainable Sources Ltd also provide Parks & Countryside with the benefit of having established contacts within the aquatic infrastructure industry, and can therefore secure favourable delivery times. This shall assist in

ensuring that the project will be delivered in accordance with the planned holistic programme for the improvements to Tropical World. An established contact of theirs, DCR Theming has been proposed to be the subcontractor who can deliver the theming of the aquarium space to a high standard.

3.8. As the values involved in the construction contracts are well below the OJEU threshold for works and the consultancy element also falls under the services threshold, there is no impediment from a contracts procedure rule perspective providing a waiver of some of the contract procedure rules is granted allowing direct award of the necessary contracts without competition.

### 3.9. **Consequences if the proposed action is not approved**

3.10. If the proposed action is not approved, then this will result in the completion date of early February for this element of the refurbishment of Tropical World not being achieved. This will have significant adverse revenue impacts and will extend and protract the refurbishment of a valued and used visitor attraction

3.11. It is intended that to minimize the closure period of Tropical World whilst refurbishments are being undertaken, several elements of work shall be completed simultaneously. If these actions are not approved, then other planned works shall go ahead and the refurbishment of the aquarium shall follow at a later date, therefore prolonging the closure period and likely resulting in a closure over a school holiday causing significant consternation among regular visitors and having significant negative revenue impacts.

### 3.12. **Advertising**

3.13. A full and comprehensive procurement exercise was undertaken for this scheme and at the end of that process no tenders were submitted. In advance of procurement an extensive market testing process was undertaken and extensive dialogue was carried out and maintained with industry leaders in this niche field. A market sounding process was undertaken leading to 9 submissions of expressions of interest. This was considered an appropriate number to carry out a competitive and representative tender process which unfortunately did not yield a successful outcome.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 Previous reports to Executive Board highlighted that 98 % of people surveyed said that they support the proposals for improvement at Tropical World. The salient points from the consultation undertaken are highlighted below:

- 84% of people surveyed felt the range of visitor facilities that are available are 'good' or 'very good'.
- 66% rate the facilities and or services that are provided for children and their parents positively and 31% regarded them as 'fair'.
- 67% of people surveyed felt that they could identify areas for improvement that would encourage them to use Tropical World more often, or stay for longer.
- The main areas identified through consultation for improvement were as follows:
  - On site toilet facilities.
  - Improved attractions.
  - Improved children's facilities.
  - Enhanced café facilities.

4.1.2 The Executive Member for Environmental Services, Roundhay Ward Members and the Friends of Roundhay Park were briefed in 2013 regarding the full extent of the improvements to be made to Tropical World, and have positively endorsed these proposals.

## **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 A full EDCI Impact assessment has been undertaken for the facilities and infrastructure at Roundhay Park, including Tropical World. This is attached in Appendix 1.

4.2.2 This assessment identified that Tropical World is DDA compliant but there are built environment barriers that require addressing. Work undertaken in Phase 1 has addressed issues associated with the provision of accessible entrance and exit doors. The improvements to Tropical World that are proposed for implementation in the first tranche of works proposed in phase two will address identified equality issues relating to the requirement to provide accessible toilet facilities. The refurbishment of the aquarium space will have no impact on rectifying any issues addressed in the EDCI Impact assessment.

## **4.3 Council policies and City Priorities**

4.3.1 The Vision for Leeds 2011 to 2030 is to be the best city in the UK by 2030. The aspiration is that Leeds will be the best city to live where people can enjoy good quality places, green spaces and high quality buildings.

4.3.2 The Best Council plan sets out a new leadership style of civic enterprise, where the council becomes more enterprising, whilst businesses and partners become more civic. Parks & Countryside acting as principle contractor represents an example of a more enterprising council, through ensuring that it can continue to represent the

efforts of a civic enterprise by improving this visitor attraction and generating income through increasing visitor numbers.

- 4.3.3 The implementation of improvements at Tropical World will assist in meeting these objectives by providing a vastly enhanced visitor attraction for the enjoyment of Leeds residents.

#### **4.4 Resources and Value for Money**

- 4.4.1 During the procurement process we made clear to prospective tenderers that the proposed contract value for this work was £190k. The revised delivery proposal is within this spectrum and therefore complies with both the pre contract indicative value and the available budget to undertake this work.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 This report is not eligible for call in due to the proposed award value, and as a result is considered a 'Significant Operational' decision. Any alterations made during the refurbishment of the aquarium do not require planning consent due to being fully internal to the building.

#### **4.6 Risk Management**

- 4.6.1 The individual subcontractors Parks & Countryside wish to utilise are more than qualified to provide the services we need to deliver this scheme successfully. They have significant experience in pertinent disciplines and have appropriate insurances to cover their work. Sustainable Sources Ltd have successfully delivered projects at Flamingo Land and Knowsley Safari Park among many others. The work they provide will cover all the constituent elements necessary where no internal service providers have the knowledge or experience to deliver. Sustainable Sources knowledge of Tropical World due to having previously proposed designs for its refurbishment reduces the risk of this project due to their understanding of the nature of the site and its complexities. Their contacts within the aquatic infrastructure industry offer comfort through ensuring materials can be appropriately sourced according to the budget and programme of this scheme. DCR Theming have also successfully delivered projects at several high profile sites including SEA LIFE and Flamingo Land.

### **5 Conclusions**

- 5.1 Following the attempted completion of the procurement process to secure a suitable contractor, no tender bids were submitted, resulting in Parks & Countryside having to produce an alternative method to successfully deliver the project

- 5.2 It is proposed that Parks & Countryside act as principle contractor utilising the support of subcontractors who can assist in the delivery of specialist elements of work and provide high quality expert support throughout the duration of the project.
- 5.3 The method of project delivery has been deemed the safest, most appropriate way to deliver the project within the agreed budget, timescale and quality necessary for such a specialist element of work as this.

## **6 Recommendations**

6.1 The Chief Officer Parks and Countryside is requested to;

- Note that after undertaking an extensive procurement process, no bids were submitted by companies wishing to undertake bespoke design and construction work to renovate the aquarium at Tropical World.
- Approve that Contract Procedure Rule No 3.1.7 (Requirement to use an Approved Framework Agreement), and Contracts Procedure Rules No 8.1 and 8.2 (Intermediate Value Procurements) be waived in order to appoint two external companies to support the Parks and Countryside Service, who are acting as principle contractor, to deliver the project as per the original programme and budget.
- Place orders to:
  - Sustainable Sources in the sum of £75,966.
  - DCR Theming in the sum of £45,000.