

**Report of:** Head of Property Maintenance

**Report to:** Chief Officer, Civic Enterprise Leeds

**Date:** 27<sup>th</sup> April 2016

**Subject: To seek Approval for a Procurement Exercise - John Smeaton Leisure Centre pool re-tiling, associated pool water circulation and decorating works**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Crossgates & Whinmoor	<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:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. The pool at John Smeaton Leisure Centre has an urgent need for tiling repairs. The pool was over-tiled as part of the centres re-building works which took place in 2005/6. This over-tiling is now separating from the original base pool tiling in a number of areas which has resulted in partial pool closures and restrictions on the pools use.
2. The pool has remained in satisfactory operating condition up until late 2014 when large areas of the over-tiled pool started to separate from the original pool tiling which resulted in the need for urgent specialist underwater tiling repairs i.e. to negate the draining of the pool.
3. Following the completion of the tiling repairs a full underwater survey of the pool tiling was commissioned by CPM and this survey identified further areas where the over-tiling were separating from the original tiling. The cost of carrying out underwater repairs is not sustainable on a large scale repairs and further recent problems with the tiling has resulted in partial closures of the pool for customer safety reasons.
4. At the request of CEL's management NPS were commissioned to provide an Options Report (copy attached) which would fully evaluate and compare the repair options available, these included the option to reline the pool with a specialist resin lining system and the option to fully re-tile using traditional tiling methods.
5. Following circulation of the NPS Options Report and further consultation with Sport and CEL management, taking into consideration NPS recommendations on cost, warranties, finishes etc. the consensus decision to re-tile the pool was confirmed.

6. It is planned to procure a contractor through the Yorbuild2 Framework contract for the full re-tiling of the pool and NPS are producing a specification including the full removal of the existing over-tiling and the removal original tiles so as to ensure the new tiling has a satisfactory base material for adhesion.
7. A full closure of the wet side facilities at the centre is planned for July/August/September 2016, a period of approximately 12 weeks.
8. Whilst the pool is empty some additional investigative works are also planned to the pool water circulation system, as there have been previous ongoing problems with poor water circulation and suction from the pool water sumps, this may require further works and having the pool drained for re-tiling presents us with an ideal opportunity to undertake this work. Sport management have also requested that some additional internal decorating works are undertaken during the pool closure and these will be incorporated into the tiling contract.
9. NPS have provided a RIBA Stage 3 estimate detailing the cost of the works (see supporting documents) including an estimate of their project management fees, a separate fee cost estimate of £4,410 has been obtained from LCC Projects Programmes and Procurement Unit (PPPU), these costs are included in the overall scheme pre tender estimate of £138,192.70. Note: This estimate excludes any asbestos survey and removal costs should this requirement arise, at this stage it is not anticipated that asbestos will be an issue on this scheme. Prior to works starting on site and following the drain down of the pool an asbestos refurbishment survey will be commissioned through LBS.
10. This report seeks the authority from the Chief Officer of Civic Enterprise Leeds for Corporate Property Management (CPM) to carry out the afore mentioned procurement exercise to carry out urgent and immediate repairs to the pool tiling and associated works at John Smeaton Leisure Centre.
11. The report also seeks to approve the tender evaluation methodology mentioned in this report and the weighting score of 80% price and 20% quality split.

## **Recommendations**

The Chief Officer of CEL as required by CPR 3.1.8 is recommended to approve a procurement exercise via the use of the Yorbuild2 framework to put in place a contract to re-tile the pool and carry out the associated pool water circulation and decoration works at John Smeaton Leisure Centre.

The Chief Officer of CEL is recommended to approve the tender evaluation methodology mentioned in this report and that the evaluation scoring will have a weighting of 80% price and 20% quality.

### **1 Purpose of this report**

- 1.1 The purpose of this report is to seek authority for CPM to conduct a procurement exercise to put in place a contract for the re-tiling of the pool and associated pool water circulation and decoration works at John Smeaton Leisure Centre. The contract will be procured through the Yorbuild2 Framework contract and it is

anticipated that the value of the scheme will be circa £138,192.70 (including NPS's and Procurement fees).

- 1.2 It is also the purpose of this report to approve the tender evaluation methodology mentioned in this report and the weighting score of 80% price and 20% quality split.

## **2 Background information**

- 2.1 John Smeaton Leisure Centre was opened in 2006 following the demolition and rebuilding of the original centre on the same site. The new centre retained the original tiled swimming pool, balance tank, plant room and main pool circulation pipe work for re-use in the new centre.
- 2.2 Approximately 3 months prior to the new centre opening a decision was taken by the project team to over-tile the existing pool, costs were obtained for the 'over-tiling' of the pool and the works were progressed as a variation instruction to the main contract. The cost of this work was circa £90,000
- 2.3 The pool has remained in satisfactory operating condition up until late 2014, when large areas of the over-tiled pool started to separate from the original pool tiling, requiring urgent specialist underwater tiling repairs.
- 2.4 Following the completion of the recent tiling repairs a full underwater survey of the pool tiling was commissioned by CPM and this identified further areas where the tiles were separating from the original tiling.
- 2.6 The cost of underwater repairs is not sustainable for large scale repairs and further recent problems with the over-tiling have necessitated partial closure of the pool for customer safety reasons.
- 2.7 Alternative methods of repair to overcome the current tiling problems have been considered, including lining the pool tank with a membrane, however such method of repair require the pool tiling to be structurally sound. Given the current situation with lifting tiles this was not considered to be a viable option
- 2.8 It is planned to procure a contractor through the Yorbuild2 Framework contract for the full re-tiling of the pool. NPS are producing a specification for the full re-tiling of the pool tank. This work will include the full removal of the current over-tiling and the removal original tiles to ensure that the new tiling has a satisfactory base material for adhesion.
- 2.9 Additional investigative works are also planned to the pool water circulation system whilst the pool is empty, past problems with poor suction from the pool water sumps have been encountered which may require further works. Internal decoration works to the pool hall have also been requested by Sport management, these will be incorporated into the contract.
- 2.10 Provisional program dates have been agreed with Sport management for the closure of the pool facility (wet side) for the work to commence mid July 2016 with a completion date being set for late September 2016.

- 2.11 This report seeks the authority from the Chief Officer of Civic Enterprise Leeds for Corporate Property Management (CPM) to carry out the afore mentioned procurement exercise to carry out urgent and immediate repairs to the pool tiling and associated works at John Smeaton Leisure Centre.
- 2.12 The report also seeks to approve the tender evaluation methodology mentioned in this report and the weighting score of 80% price and 20% quality split.

### **3 Main issues**

- 3.1 CPM require a contract for the re-tiling of the pool at John Smeaton Leisure Centre, the estimated value of the scheme is £138,192.70 (including NPS's and Procurement fees).
- 3.2 NPS have been commissioned to produce the specification and tender documents which will be used to procure the contractor through the Yorbuild2 Framework contract.
- 3.3 The Yorbuild2 framework is the Council's approved default framework to be used. All of the organisations appointed a place on this agreement have already been through a robust procurement exercise. This means the Council can simply carry out an Expression of Interest (EOI) exercise with the 10 prequalified contractors on the relevant framework lot for a scheme of this size and then issue a tender to those who have responded positively to the EOI.
- 3.4 The estimated contract value is below the OJEU Works threshold of £4.1m European Regulations for works contracts and is therefore not subject to Public Contract Regulations. However, the Council's Contract Procedure Rules as well as the principles of the regulations in terms of fairness, transparency and best value will apply.
- 3.5 By utilising the YORbuild2 framework the Council can engage with the market swiftly and ensure that proposed construction works can be carried out to schedule. As the contractors have already been prequalified there is no need to carry out a Pre-Qualification Questionnaire, further enhancing the agility of this option.
- 3.6 When it comes to evaluation of the tender submissions, the pricing documents will carry 80% of the overall score.
- 3.7 The quality questionnaire will consist of a number of questions that will identify those contractors who have the experience and capacity of meeting the specification of such a contract. The evaluation of the quality questionnaire will carry 20% of the overall score.
- 3.8 The tender evaluation of the submissions will identify the highest scoring contractor.
- 3.9 LCC Procurement framework manager has approached contractors on the Yorbuild2 Framework for expressions of interest (EOI) and five contractors have expressed interest in tendering for the works.

## **4 Corporate Considerations**

It is anticipated the contract, once awarded, will be fully compliant, offering value for money and will provide the following benefits:

- Support for the local economy through encouragement of SME contractors in the procurement process and within the awarded contract.
- The outcomes will contribute towards the quality of living within Leeds in that it will ensure that the provision of leisure facilities are maintained.

### **4.10 Consultation and Engagement**

4.10.1 Discussions have been held with LCC's procurement section and Sport and NPS.

4.10.2 LCC's PPPU have consulted with NPS regarding the intention of carrying out a procurement exercise to determine the optimum procurement options.

4.10.3 The decision to tender the contract has been discussed and the contract scope agreed with both PPPU and Sport Management who manage the site facilities.

4.10.4 Ward member notification of the project has been made through the Councils Forward Plan.

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

4.11.1 An equality, diversity and cohesion screening document has been undertaken and it is not considered that the content of this report or the recommendations made will have any impact on any specific group or individuals.

### **4.12 Council policies and City Priorities**

4.12.1 The contract provided under this report will contribute to the Councils business plan through spending money wisely and any saving realised through the tender exercise.

4.12.2 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such this proposed procurement exercise will be carried out in line with Leeds City Council's policies and procedures.

### **4.13 Resources and value for money**

4.13.1 The contract is to be formally tendered thus enabling market testing to take place and ensure best value is achieved.

4.13.2 It is proposed the project costs estimated at £138,192.70 (including NPS's and PPPU fees) will be funded from CPM's Capital Program.

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

4.4.1 Contract Procedures requires the contract to be tendered in accordance with CPR's utilising the Council's Yorbuild2 Framework.

### **4.15 Risk Management**

- 4.15.3 The Council has a responsibility to maintain and operate its buildings in a safe and usable condition.
- 4.15.4 Risk Assessments – All to LCC policy requirements
- 4.15.5 Design Issues – All to be agreed with NPS, Corporate Property Management and Sport.
- 4.15.6 Financial Issues – Frequent monitoring will ensure the project keeps within its allocated budget
- 4.15.7 Service Delivery Issues – All issues to be discussed and implemented by management and contractor to ensure continual safe delivery of services during all construction works
- 4.15.8 Programme Issues – To be fully monitored to ensure start on site and completion dates are on time.
- 4.15.9 Liquidated and Ascertained Damages (LAD's) will be applied to the contract at £6,500 per week to protect the Council from any financial revenue loss should the contractor fail to complete the works within the agreed pool closure program dates.
- 4.15.10 Other - All work will be risk assessed and carried out using approved methods of working, and will be programmed as far as possible to minimise Health & Safety risks.

## **5 Conclusions**

- 5.1 A full tender exercise should be undertaken for the procurement of the contract to re-tile the pool and other associated works at John Smeaton Leisure Centre.

## **6 Recommendations**

- 6.1 In accordance with the requirements of CPR 3.1.8 the Chief Officer CEL is recommended to approve the tender process for the contract to re-tile the pool at John Smeaton Leisure Centre together with associated pool water circulation works and internal decorating works. The estimated cost of the scheme is £138,192.70 (including NPS's and PPPU fees).
- 6.2 The Chief Officer of CEL is recommended to approve the tender evaluation methodology mentioned in this report and the weighting score of 80% price and 20% quality split.

## **7 Background documents<sup>1</sup>**

- 7.1 Underwater pool survey report.
- 7.2 NPS Options Report
- 7.3 NPS RIBA Stage 3 estimate

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.