

Report of Head of Projects and Programmes

Report to Chief Officer Culture and Sport

Date: 16 August 2019

**Subject: Tender evaluation and proposed award of contract for an extension
Middleton Leisure Centre to form a new Gym**

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| Are specific electoral wards affected? If yes, name(s) of ward(s): Middleton Park | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Has consultation been carried out? | <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 |
| Will the decision be open 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: 10.4 (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information) Appendix number: Appendix 1 | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

Summary

1. Main issues

- The Council has undertaken a competitive procurement exercise for the delivery of a new gym at Middleton Leisure Centre.
- This report details the tender evaluation process and seeks approval to enter into a contract with the identified preferred contractor R H Fullwood and Co Ltd.
- The Council's Executive Board on the 13th February 2019 approved the injection of £1.146m into the Capital Scheme 33055 to fund the new gym at Middleton Leisure Centre. In a separate report to the same meeting Executive Board provided Authority to spend £1.146m to fund the same

2. Best Council Plan Implications

- The award of this contract and the following works will contribute to the Best Council Plan 2018/19 – 2020/21 with health and physically active lifestyles.

3. Resource Implications

- The scheme will be funded from the Capital Scheme 33055 for which £1.146m was injected after Executive Board approval to use these funds to extend Middleton Leisure Centre. This figure included fees, fit-out and contingency.
- The proposed construction value of the contract is £811,968.41, which is within the pre tender estimate of £854,953.00

Recommendations

It is recommended that the Chief Officer Culture and Sport

- a) Approves the tender evaluation process and award of a contract for the extension of Middleton Leisure Centre to R H Fullwood & Co Ltd for the value of £811,968.41.
- b) Notes that Appendix 1 should be designated as exempt from publication.

1. Purpose of this report

- 1.1 The purpose of this report is to document in detail the procurement processes undertaken, including how tenders were evaluated, to identify the preferred contractor to be appointed for the works to Middleton Leisure Centre.
- 1.2 To obtain approval from the Chief Officer Sport and Culture to award the contract to R H Fullwood & Co Ltd.

2. Background information

- 2.1 On February 13th 2019 Executive Board approved an injection of £1.146m, inclusive of fees and contingency into capital scheme 33055 and authorised expenditure of the same amount for the construction of a new gym at Middleton Leisure Centre.
- 2.2 The proposal is to develop a new 75 station Gym and re-model the entrance area at Middleton Leisure Centre.
- 2.3 The Leisure Centre is ideally located within the Middleton Park Ward which is an area of high population density, including a new private housing development within 10 minutes travel time. The proposal to construct a new gym and re-model the leisure centre entrance is based on learning/insight about the benefits of physical activity.

3. Main issues

- 3.1 An Expression of Interest (EOI) was carried out in February 2019 via the Yorbuild2 framework and this resulted in 7 contractors showing an interest in the works. Further to the initial EOI, contact was made with the contractors who expressed an interest in June 2019 before the tender was published. One contractor no longer wished to tender for these works due to their existing workload.
- 3.2 A tender was issued on the 24th June 2019 to 6 contractors via YORtender with a submission date of 7th August 2019. By the deadline 4 contractors submitted a tender with 2 deciding not to submit a bid for these works and they made the Council aware of this decision via YORtender due to being fully committed on other works.

- 3.3 To ensure the council was operating in an open and transparent way all clarification questions and answers were circulated to all bidders.
- 3.4 Tenders were submitted from Bermar Building Co Ltd, F Parkinson Ltd, R H Fullwood & Co Ltd and S Voase Builders Limited.
- 3.5 The 4 bids received were evaluated on 100% cost basis, the QS Commercial team in NPS Leeds carried out the price verification and evaluation, the approach was overseen by Procurement Officers. As required, the priced tender documentation was provided with the tender submission and an arithmetical check of the lowest tender return revealed no errors.
- 3.6 Full details of this price evaluation can be found in the Tender Analysis Report (Appendix 1).
- 3.7 As a result of the tender evaluation analysis the preferred contractor is:
 - R H Fullwood & Co Ltd
- 3.8 NPS recommended the acceptance of the tender from the lowest priced bidder.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Executive member for Environment and Active Lifestyles was consulted on the 17th December 2018 and is supportive of the proposals for a new gym at Middleton Leisure Centre.
- 4.1.2 Ward members for Middleton Park were consulted on 21st December 2018 and are supportive of the proposals for a new gym at Middleton Leisure Centre.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An equality screening exercise has been carried out. The outcome is that an Equality Impact Assessment is not appropriate for the approvals requested in this report.
- 4.2.2 The impact on equalities characteristics was considered during the development of the tender brief.

4.3 Council policies and the Best Council Plan

- 4.3.1 Best City Plan (2015-20) – one of the 20 priorities is “promoting physical activity”.
- 4.3.2 The proposal also contributes to the Health and Wellbeing strategy by tackling health inequalities.
- 4.3.3 Sports Leeds Strategy (2013-2018) – tackling health inequalities is firmly embedded as a key concern, their aim to support “the inactive” to become active.
- 4.3.4 Health and Wellbeing strategy (2016-2021) – physical activity is one of only 12 priorities for the Leeds Health and Wellbeing Board (and the only lifestyle risk factor identified individually within a specific priority) – “more people, more physically active, more often”.
- 4.3.5 Spending money wisely through competitive tendering.
- 4.3.6 Working with communities and Best City for communities.

4.3.7 The works contribute to the climate emergency agenda by providing a new more efficient entrance to the building reducing the heat loss experienced through the existing entrance.

4.4 Resources, procurement and value for money

4.4.1 The procurement has been carried out in an open and transparent manner in line with the Contract Procedure Rules, whilst ensuring competition was sought to identify best value throughout the works and contract term.

4.4.2 The contractor will have relevant skills, technical expertise and knowledge that will ensure all works are completed with regards to Health and Safety and environmental consideration. The works will operate on the agreed tender price and clear costs and ways of working laid out in the tender process.

4.4.3 The proposed 100% price evaluation ensured that value for money was prioritised and quality was safeguarded through the completeness of the design and tender documentation and the selection of a contractor from the Yorbuild2 framework.

4.5 Legal implications, access to information, and call-in

4.5.1 The recommendations contained in this report constitute a Significant Operational Decision under articles 13.4.b and 13.5.b of the Council's constitution as they are the consequence of a previous key decisions and are not eligible for call-in.

4.5.2 The information in Appendix 1 of this report has been identified as exempt/confidential under the Access to Information Rules 10.4 (3). The public interest in maintaining the exemption in relation to the confidential Appendix outweighs the public interest in disclosing the information and financial details which, if disclosed would adversely affect the business of the Council and the business affairs of a number of individual companies.

4.5.3 In making their final decision, the Chief Officer Culture and Sport should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

4.6 Risk management

4.6.1 A risk register for the project is in place and will be managed throughout the contract to mitigate risks.

5. Conclusions

5.1 The procurement process has been undertaken in accordance with the Council's Contract Procedure Rules, with full guidance and support from the Procurement and Commercial Services Team.

5.2 The process has resulted in competitive tenders been received and considered in the evaluation process resulting in the recommendation of a contract award for a sum that is within the available approved budget.

6. Recommendations

It is recommended that the Chief Officer Culture and Sport:

- 6.1 Approves the award of the contract for extending Middleton Leisure Centre to R H Fullwood & Co Ltd for the value of £811,968.41.
- 6.2 Recognises that Appendix 1 should be designated as exempt from publication.

7. Background documents¹

- 7.1 None.

8. Appendices

- 8.1 Appendix 1 – Tender Analysis Report (confidential)

¹ 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.