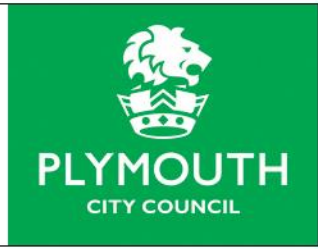


BRIEFING NOTE

Plymouth Life Centre – Life Cycle Maintenance & Improvement



I. INTRODUCTION

Since August 2020 the Plymouth Life Centre (PLC) has been undergoing significant remedial works. These works are being undertaken by Balfour Beatty Construction Limited (BBCL). These works will address a number of issues from the original build of the Life Centre.

As part of the Business Case and Executive Decision L26 20/21, a capital budget was allocated for enhancement works to the Life Centre. These works are in addition to the remedial works being undertaken by BBCL. The Business Case also delegated access to the Life Cycle Maintenance Fund reserve to the Strategic Director for People to undertake any necessary maintenance and repair works.

2. BACKGROUND

Plymouth Life Centre was designed and constructed by Balfour Beatty Construction Limited (BBCL) and opened in March 2012. Since its opening it has been managed by Sports & Leisure Management Ltd (SLM). The leisure management contract was awarded for 10 years with an expiry date of March 2022. Responsibilities for the maintenance of the PLC, is a part repairing lease, with clearly defined areas of responsibility for SLM and PCC. PCC has responsibility for the replacement of end of life assets (life cycle).

BBCL are on site carrying out remedial works, with the programme scheduled for completion in April 2021.

In addition to the remedial works being undertaken by BBCL, the Council has identified a number of enhancements that it would like to make to the building. In consultation with SLM, Arcadis, PLC stakeholder groups, a schedule of enhancement works has been developed, which are summarised in the table below:

| Works Description | Business Driver | | | | | | Budget |
|--|------------------|-----------------|-------------------|----------------|----------------|------------------------------|----------|
| | Covid Compliance | Health & Safety | Income Generation | Invest to Save | Carbon Neutral | Enhanced Customer Experience | |
| Upgrade to ventilation and air conditioning systems for the whole building (ionisation filter system) | X | X | | | | | £535,805 |
| Upgraded lighting to LED in pool hall, change village and male and female gym change | | X | | X | X | X | £510,000 |
| Replacement of all cubicles, lockers and decoration in male and female gym change | X | | X | | | X | £117,232 |
| Decoration and upgrades to fixtures, furnishings and equipment e.g. Additional pool hoists for disabled access | | X | X | | | X | £221,548 |

| | | | | | | | |
|---|--|--|---|--|--|---|-------------------|
| Creation of new yoga studio beside 1 st floor gym area | | | X | | | X | £20,000 |
| Contingency at 10% | | | | | | | £175,459 |
| Total Betterment Budget | | | | | | | £1,930,044 |
| Professional fees and costs attributable to completion of works, forecasted to the end of the project | | | | | | | £545,461 |
| Total Capital Requested | | | | | | | £2,475,505 |

PCC has the opportunity to undertake a number of key life-cycle and enhancement works whilst the main contractor is on site and the facility is closed. The funds will be drawn down from the Life Cycle Maintenance Fund, and will be informed by a condition survey and Pre-Planned Life Cycle Schedule.

3. PROCUREMENT PROCESS

The enhancement and maintenance works will be treated as a contract variation to the original building contract, which is compliant with procurement law.

The justification for this exemption is summarised in the following bullet points:

- The time constraints of the BBCL remedial programme. The 34 week programme means that should the Council wish to complete any maintenance or enhancement works concurrently, it is not possible to run a new competitive tender process within these timescales
- The decision to undertake works during the period of closure due to the COVID-19 government restrictions meant it was impossible to specify the necessary enhancement and maintenance works in time to run a normal competitive process and dovetail these with the BBCL remedial programme
- BBCL built the Life Centre and have extensive knowledge of the building and its operating systems. BBCL are one of the UK's largest and most experienced building contractors and therefore have the knowledge, expertise and resources to complete the necessary works to the time, quality and budget requirements
- If the enhancement works are not completed in conjunction with BBCL's remedial programme, the outcome would be further closure of the facilities in the future, impacting on customer experience and wellbeing

The procurement represents value for money for the following reasons:

- It avoids the financial and resource costs required to run a competitive tender process of this scale and complexity
- BBCL mobilised on site at their own cost to complete the remedial works. Therefore avoiding the need for the Council to pay the full preliminaries and insurance costs that would ordinarily have been charged
- The Council has employed Arcadis LLP as its Employer Site Representative to provide programme management and cost control services. These include scrutinising design

proposals, quotations and quality of completed enhancement and maintenance works. This provides an additional layer of challenge and scrutiny to the costs being incurred

- BBCL are completing the enhancement and maintenance works on an open book basis, therefore quotations and costs are openly shared with the Council and approval sought prior to incurring any expenditure
- Detailed enhancement and maintenance schedules have been prepared by BBCL and Arcadis based upon clear requirements

Other options considered included:

1. Allow BBCL to complete its remedial works and undertake any necessary maintenance and enhancement works at a later date. This was discounted because the Council wished to take advantage of the facility being closed to minimise future disruption to customers and the people of Plymouth. This would also pose additional financial pressures on both the site operator SLM and the Council through potential loss of income
2. Do nothing. Only undertake maintenance works on a break / fix basis and do not undertake any enhancement works. This was discounted because the Council would miss the opportunity to improve the overall customer experience at the Life Centre, create income generation, increase COVID compliance, reduce carbon emissions and improve health and safety. Investing in the future of such an iconic asset brings many health and wellbeing and financial benefits to Plymouth

Therefore, the recommendation is to appoint BBCL to complete the enhancement and maintenance works as specified in the appropriate works schedule using a variation order to the existing build contract.

4. FINANCIAL IMPLICATIONS

The Life Cycle Maintenance works will be funded from a distinct reserve of £1,500,000, which has been established since the PLC was built and accumulated over the first 10 years of the leisure management contract.

The enhancement works will be funded through corporate borrowing and added to the Council's capital programme. The allocated funds for these works are £2,475,505.

The aggregated total expenditure is a maximum of **£3,975,505**.

5. RECOMMENDATIONS

It is recommended that BBCL are appointed to complete the enhancement and maintenance works as specified in the appropriate works schedule as a variation to the existing build contract.

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