

**PROCUREMENT GATEWAY 3 -
CONTRACT AWARD REPORT**

Tinside Main works – Ref 25555



PLYMOUTH
CITY COUNCIL

I. INTRODUCTION

This contract award report is in relation to the procurement of a Main Works package. The scope of the main work elements requirement includes:

- Building A first floor: refurbishment, repair and fit out of whole floor as a multipurpose space
- Building A roof terrace: re-decking and re-purposing of terrace including coffee pod, integrated seating, new balustrading
- Building B: refurbishment, repair and fit out of internal space as a youth outreach hub
- M & E: New works to serve upgraded facilities
- M & E 'End of Life' Replacement of life expired plant throughout building

- Renovation: External and internal repairs; reinstatement of architectural features

Contract Duration: 276 working days including mobilisation required for PCC Tinside Enabling / Construction Programme (16 February 2024 – 28 March 2025).

2. BACKGROUND

Following on from the Enabling Works package (which enabled public safety and protection whilst investigating the scope of repairs to Tinside Lido including the replacement of roof coverings to the Upper Sunbathing Terrace prior to the pool opening at the end of May 2024), the next steps are described below.

It is proposed that a portion of the Main Works items will be transferred into the Enabling Works contract resulting in a lower proposed Contract Sum for the main Works and higher final forecast cost for the Enabling Works. For the purposes of this Contract Award report, whilst the scope and cost are being agreed, all the above works described above will remain in the Main Works until an instruction is issued by the Contract Administrator.

This approach is to safeguard the spend deadline of March 2025 determined by the YIF funding requirements.

3. PROCUREMENT PROCESS

A further competitive procedure was undertaken in accordance with Pagabo 'Refit & Refurbishment' framework (Lot 3-South West) utilising a two-stage approach. Under this procurement process, Nevada Construction were identified as the highest scoring supplier and were awarded an initial Pre-

Construction Service Agreement contract. As part of this award and in accordance with the framework PCC reserved the right to direct award the main construction contract and any other identified works to Nevada Construction for this project.

The pre-construction services agreement that is currently in place with Nevada Construction is based on a total pre-construction fee basis, with agreed overhead and profit. Nevada were appointed to initially work alongside the project team to develop the watertight works to RIBA 4, prior to main construction contract award. This was authorised under a separate contract award briefing. However, the constraints mentioned above in relation to the need to fully investigate the repair works scope, design solutions and to drive forward works delivery ahead of the YIF deadline mean that an additional package of works has become an essential way to progress. It should be noted that during the funding development stage, the repair works were expected to be carried out by the Council's FM team. However, this has not been possible and so the scope is now part of the Nevada scope and must be progressed immediately.

Nevada and Currie & Brown have worked together to establish the Main Works scope and budget costs for all the activities. These costs will be added to the range of enabling works described in the earlier contract award report which have now crystallised following investigations.

4. TENDER EVALUATION CRITERIA

A procurement process has already been undertaken with a price/quality/social value evaluation criteria, as outlined in previous contract award briefing.

Explicit social value commitments aligned to the Council's Social Value Policy, National Skills Academy Client Based Approach and Plymouth Charter will be agreed between the project team and Nevada and subsequently become a formal contract obligation. Nevada will be required to demonstrate progress and delivery of their commitments throughout the term of the Contract.

Enabling works packages will be tendered on an open book basis. Open book can be defined as the contractor giving full transparency to costing process this, this can include:

- o The client team having visibility of the packages of work being sent out to sub-contractors.
- o Usually, 2-3 sub-contractors will be engaged with on each package.
- o That team having visibility of the balanced prices coming back from sub-contractors

Currie & Brown have provided a Commercial Tender Report dated 17 September 2024, as appended. They conclude that the tender received is bona-fide and the Contractor, Nevada has submitted a well-considered, market tested response in accordance with the information supplied.

Currie & Brown recommend that Nevada is appointed as the Main Contractor to carry out the Main Works contract for the reconfiguration and refurbishment of the Tinside Lido Renewal project.

There were a number of items which have been identified as provisional allowances by Nevada and these have now been converted into fixed sums in the proposed Contract Sum. In addition the client has identified separate packages of work including CCTV, WiFi, IT & furniture, kitchen/bar equipment. It is important that these provisional allowances are also included as fixed sums in the proposed Contract Sum

5. SUMMARY OF EVALUATION

Currie & Brown's Commercial Tender Report sets out comparison of rates to comparable prices for market-tested works packages; however, some packages such as waterproofing, flooring, blinds, balustrading and heritage works have been priced by one subcontractor. No other tenders were submitted. This lacks the benefit of competition, but the tender report analysis of the prices presented reflect market rates.

6. FINANCIAL IMPLICATIONS

Financial provision has been made for this contract within the baseline project budget of **£3,148,149**. This is split as below and included in the Council's approved Business Case.

Cost	Construction	Professional Fees	Surveys	Risk Allowance (% Varies based on works)	Inflation @ 5%	Total costs
Hoe & Foreshore (Tinside)	1,530,900	153,090	20,000	170,000	94,159	1,968,149
Hoe & Foreshore (Tinside Abnormal Costs)	1,180,000					1,180,000

Funders

The following funding sources have been secured since Business Case approval.

- Youth Investment Fund £ 1,803,034
 - Improvement to the Corporate Estate fund (FM) £ 1,180,000
 - National Lottery Heritage Fund construction £ 165,115
- £ 3,148,149**

Additional Funds sourced

- | | |
|---|------------------|
| • Additional Fundraising target LUF3) | £ 1,390,000 |
| • NHLF contingency (£314,815 – 165,115) | <u>£ 149,700</u> |

Total funded project **£ 4,687,849**

Additional Fundraising target (LUF3) – It was announced that Plymouth City Council had been awarded £19.96m LUF funding in February 2024. However, we are still awaiting formal announcement for it to be allocated to specific PCC projects. Since the February announcement there has been a change in Central Government, so the LUF funding is likely to be replaced by an alternatively named fund. It is hoped that £1.390m will be available, to be added to the Tinside project. In the event this funding is not secured the funding required for the Tinside project will need to be diverted from an alternative approved capital project within the National Marine Park programme of works. This will enable this works contract to proceed without causing delays to the Tinside project. This approach does carry a risk for the PSNMP, later projects will need to obtain replacement funding if the LUF funding isn't secured.

NHLF Contingency - The NHLF agreed to release of the contingency sum at a meeting with the funder on 16 August 2024.

Comparison of tender to funded project	Commercial tender report	Total funded project
ITEM	£	£
Schedule of works	1,741,745.33	
Preliminaries	191,825.50	
Provisional sums	427,655.00	
Day works	Excluded	
Contingency	125,000.00	
OH & P	223,760.32	
Pagabo fee	32,519.83	
TOTAL Main Works Contract Sum	2,742,505.98 see notes below	
Enabling works contract	348,041	
PCC Additional costs inside RIBA 4 and outside RIBA 4	371,700	

scope of works including 10% professional fees		
TOTAL of all Works	3,462,247.33 see notes below	3,569,122 see notes below
Professional fees	553,912	553,912 see notes below
Surveys	incl	incl
Client Contingency	564,815	564,815 see notes below
Inflation	incl	incl

Grand Total	Total projected cost: 4,580,973.98	Total agreed budget: 4,687,849
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Notes:

- The £2,742,505.98 is the Proposed Main Contract sum as recommended by Currie & Brown in their Commercial tender report.

- The £3,462,247.33 is the sum of all the main & enabling works, ‘additional costs’ making up the construction works excluding fees, contingency and inflation.
- The £3,569,122 is the available budget for the total cost of the construction works (excluding fees, contingency and inflation).
- The £553,912 is the available budget for professional fees.
- The £564,815 is the available budget for contingency and inflation.
- Preliminaries equate to 13% - within the range presented by the BCIS for works over £1,400,000 and not exceeding £3,000,000
- Contractor Contingency allowance is 5%. It is recommended that a client contingency is held outside of the contract. NB £250,000 of the client contingency is within the £1,180,000 FM budget
- Overheads and Profit allowance is 9% reflecting the allowance included in the Enabling Works contract already reported.
- Pagabo charge a 1.2% framework levy fee for using their framework, which Nevada is directly responsible for paying, and is incorporated in Nevada’s costs for works contracts.

7. RECOMMENDATIONS

1) To approve main contract be awarded to Nevada Construction on the JCT Intermediate Form of Contract with a design portion supplement. The value of the contract is £2,742,506

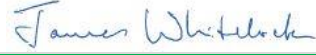

2) To approve a Purchase Order for £3,114,206.33 that includes £371,700.35 for the additional cost items that currently sit outside the contract sum but need to be added in as Contractor Administrator’s instructions including 10% professional fees.

Note: If LUF3 funding is not secured, PSNMP will fund the Tinside project from one of the other NMP projects, within the approved Capital Programme, to allow works to proceed with the Tinside project in a timely manner. Alternative funding will need to be obtained to allow the later capital projects to proceed, if LUF funding is not secured.

8. APPROVAL

Authorisation of Contract Award Report

Author (Responsible Officer / Project Lead)	
Name:	James Whitelock
Job Title:	Head of Oceansgate Infrastructure

Additional Comments (Optional):			
Signature:		Date:	19 September 2024
Service Director [Signature provides authorisation to this award report and award of Contract]			
Name:	David Draffan		
Job Title:	Service Director for Economic Development		
Additional Comments (Optional):	Kat Deeney signing on behalf of David Draffan (Service Director for Economic Development) as per delegation		
Signature:		Date:	26 September 2024