

CITY OF PLYMOUTH

Subject: Life Centre construction contract award
Committee: Cabinet
Date: 19th January 2010
Cabinet Member: Councillor Bowyer
CMT Member: Director of Community Services
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Ref:
Part: I

Executive Summary:

Plymouth City Council has undertaken a Restricted Official Journal of the European Union (OJEU) procurement exercise for the selection of the Main Contractor for the Life Centre. The works being procured include the construction of the new facility, associated externals / highways and demolition of the existing Mayflower Centre & Central Park Pools. Whilst the demolition of the skatepark is included in the programme, the relocation of such to a new location is not within the contract works – this will be undertaken by others under the direction of the Life Centre Programme Board.

Facilities to be delivered include:

8 lane Indoor bowls	Leisure water	Catering
Sports Hall	50M Pool	Multi- purpose space
Fitness Suite	Diving Pool	Dryside Diving provision
Health Suite	Crèche/ soft play	Climbing Facilities

The Life Centre will be an impressive regional facility. It will be a magnet attracting not only elite performers of all disciplines but the public at large. It will be a place that will inspire, excite and engage people of all ages and encourage them to lead healthy lifestyles.

Tenders were issued on 21st July 2009 and, in accordance with instructions, all five bidders returned their bids on 2nd October 2009.

The agreed Plymouth City Council procedure for the OJEU process evaluation of 'Quality' and 'Cost' were undertaken and the exercise has identified Balfour Beatty as the successful bidder which best aligns with the stated requirements of Plymouth City Council as expressed through the tender evaluation criteria.

EC Harris has reviewed Balfour Beatty's Contractor's Proposals (Tender) giving further consideration to Commercial / Contract, Specification, Time and Risk profile elements of the bid. A copy of the Tender Report is attached to the Part II Cabinet Papers.

The EC Harris review of Balfour Beatty Commercial submission results in a current Assessed Contract Value which is within the Construction Contract Budget of £36,690,201. Based on the assessed figures the Contract would therefore be let within this budget.

Balfour Beatty has also submitted a detailed construction programme which identifies completion of the Life Centre facility can be delivered within the timescales anticipated and, as such the contract would be let on programme. It is therefore recommended that the contract for the construction of the Life Centre building be awarded to Balfour Beatty.

This decision is regarded as urgent on the basis that some of the funding requires expenditure by the 31 March 2010. Commencement of the contract at the earliest opportunity is critical in ensuring that this grant is able to be utilised and is not lost.

Corporate Plan 2009-2012:

The Life Centre is a key output required by the Corporate Plan and it's delivery is linked to a number of priorities and targets.

Our overall capital programme is vitally important to supporting and developing Plymouth's economy during the recession. Many projects will help create and sustain local jobs and are essential to ensuring the City remains competitive and well placed to attract further investment in the future. The building of the Life Centre will not only create local jobs, but it is essential to the plans to develop Millbay and open up the City Centre to the waterfront. As a high profile regional centre it will also play a significant role in attracting more people and investment to the City.

CIP 1 'Improving Customer Service' – The facility will provide a better environment for both internal and external customers and much improved facilities than those currently available within the City

CIP 4 'Reducing inequalities between communities' – Addressing aspects of health inequality

CIP 6 'Providing more and better culture and leisure activities' - Provide excellent culture, sport and leisure services to enhance the quality of life in the City. A key deliverable for this CIP was to 'open new regional sport and leisure Centre –The Life Centre, by Winter 2011'

CIP 9 'Developing high quality places to learn in' – the 'state of the art' facility will be available for use by the City's schools and University

CIP 10 'Disposing of waste and increasing recycling' – maximizing use of recycled materials in the construction will reduce waste and landfill

The development of flag ship initiatives like the Life Centre is also a key focus of the Corporate Asset Management Plan and Capital Strategy

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The contract costs can be contained within the approved budget for the Life Centre Project of £46.5m within the overall approved capital programme. The funding breakdown is as follows:

Life Centre Capital Programme Funding		
Capital Receipts	£	13,769,021
Supported Borrowing	£	4,650,000
Unsupported Borrowing	£	19,525,319
Grants	£	6,328,000
Other contributions	£	2,227,660
Total	£	46,500,000

The funding sources will be kept under constant review as part of the ongoing review of the capital programme to ensure that any funding changes as they become known can be contained within the overall programme. The timing of capital receipts and any temporary borrowing which may need to be taken as part of the existing capital strategy will be kept under review and we will continue to look at further options to help minimize the borrowing requirement.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

The details of any proposed scheme will address any current Health and Safety issues.

The other issue that will be addressed by implementing the Life Centre project will be that of full compliance with the requirements of the Disability Discrimination Act.

The project provides for improvements to the park that are aimed to increase the numbers of people participating in sporting activity, bring more visitors to Central Park and therefore improved natural surveillance improving community safety.

The project implementation document includes for a full risk management exercise.

Recommendations & Reasons for recommended action:

To award the contract for the construction of the Life Centre building to Balfour Beatty.

Alternative options considered and reasons for recommended action:

Failure to award the contract would mean that the facility could not be delivered and the benefits that it would bring could not be achieved. There would also be significant abortive costs resulting from the design development that has been required to bring us to this position.

In addition, construction of the Life Centre would facilitate the future development at Millbay due to the ability to provide boulevard access to the development site in the future.

Background papers:

None

Sign off: Representatives

Head of Fin	CDR/ CAPF 91000 13/24. 12.09	Head of Leg	AT108 7	Head of HR	09122 2KB- TH e- mail refers	Head of AM	09122 4_TH	Head of IT	24/12/ 2009/ CT/00 46NJC	Head of Strat Proc	234
Originating SMT Member: Carole Burgoyne – Director of Community Services											