

EXECUTIVE COMMITTEE – 10 OCTOBER 2005

LEISURE & COMMUNITY POLICY PANEL – 4 OCTOBER 2005

PART II - DELEGATED

**3B. WILLIAM PENN LEISURE CENTRE REBURBISHMENT –
DESIGN TEAM APPOINTMENT
(DLE)**

This report is NOT FOR PUBLICATION because it deals with information about the terms for supply of services and if the information was disclosed it would prejudice the Council's negotiating position (paragraph 9 of Schedule 12A).

1. Summary

1.1 This report recommends the appointment of a design team for the refurbishment of William Penn Leisure Centre.

2. Details

2.1 The Feasibility Study for the refurbishment of William Penn Leisure Centre (WPLC) was completed by Limbrick Ltd in October 2004. The study estimated the cost of the preferred Option B at £3,248,000. The proposal to refurbish WPLC was approved by Council on 8 February 2005. Provision has been made for the project in the Council's Capital Programme, including a £252,000 allowance for fitting out, as follows:

	£
2005/06	500,000
2006/07	3,000,000

2.2 Leisure & Community Policy Panel received a report on 5 July 2005 describing the proposed tender process for the appointment of the design team, and updating members on changes to its programme following the confirmation of the Leisure Facilities Management programme. This report included an updated cost estimate by Limbrick to account for inflation, as follows:

	£
Initial Construction costs	2,900,000
Initial Design & other fees (12%)	348,000
Initial Project Estimate	3,248,000
Inflation estimate (15.02%)	488,000
Revised Total Project Estimate	3,736,000

It was noted that these costs (which exclude fitting out and other standard exclusions) were draft estimates only, and officers were asked to bring a detailed project budget to the attention of members as soon as possible following the appointment of the design team.

2.3 TRDC Property & Facilities Management Group (P&FM) are acting as project managers for this scheme, including the selection of the Design Team. 27 firms returned pre-tender questionnaires, and eight of these were chosen for the select list. Tenders were sent out on 13 June, and returned by 15 July. Tenders were scored by officers against the following criteria:

Understanding of requirements	20
Design quality	15
Price	40
Wetside experience	25
Local authority experience	10
Financial stability/references	10
Company profile	10
TOTAL	130

2.4 Following a detailed desk evaluation of all bids, four companies were interviewed on 29 July and 9 August. Evaluation scoring was confirmed after interview, to produce the following scores:

WS Atkins	86.5
S&P	85.0
Limbrick Ltd	80.0
RH Partnership	75.5

2.5 As can be seen from (2.3) above price was a major factor in determining the appointment. Bidders were asked to submit their fee proposals as a percentage of the cost of construction. The four interviewed bidders submitted the following fee proposals.

	Fee Proposal
WS Atkins	8.060%
S&P	9.500%
Limbrick Ltd	11.775%
RH Partnership	12.750%

2.6 WS Atkins are a major multi-disciplinary firm, with extensive experience of local authority and leisure contracts, including swimming pools. Following the interviews, officers asked Atkins for further information on the following:

- Control procedure for dealing with variations
- Client information request schedules
- Confirmation of design team membership for the duration of the project

All of these queries have been satisfactorily addressed.

2.7 Officers have concluded that the bid from WS Atkins offers the best available combination of price and quality for this contract, and are therefore recommending that WS Atkins are appointed as the design team for the WPLC refurbishment. Atkins will make a short presentation to this meeting of the Panel on their company and work previously undertaken, including their approach to this project.

2.8 If this recommendation is accepted by the Panel and subsequently Executive Committee, Atkins will be immediately contracted, and will then begin reviewing the Limbrick Feasibility Study, including programme and cost schedule, and a detailed investigation of the existing pool tank. They will also commence consultations with users and the incoming Leisure Facilities Management operator. A detailed project budget will be brought to members for their consideration as requested by the 5 July 2005 meeting of Leisure & Community Policy Panel. Regular progress reports on the design stage of this project will also be brought to Panel.

2.9 Since Limbrick developed only outline designs within the feasibility study, there will be no duplication of effort or cost through not appointing Limbrick to this

contract. The project is still on time for a commencement on site in January 2007.

3. Reasons for Recommendation

3.1 To recommend the appointment of a design team for the refurbishment of William Penn Leisure Centre.

4. Policy/Budget Implications

4.1 The recommendations in this report are within the Council’s agreed policy and budgets, specifically the ‘Healthy Communities’ theme and “Providing a mix of Leisure For All Ages”.

5. Financial Implications

5.1 The current capital budget for the scheme in 2005/06 and 2006/07 covers the overall cost of the project, and is not broken down between construction costs and fees. The feasibility study estimates include a 12% allowance for design team and project management fees. The tender bid by Atkins, together with costed allowances for project management and other fees, can now be applied to the existing budget and updated Limbrick estimate as follows:

	Budget (12% all fees)	Updated Limbrick (12% all fees)	Revised Estimate (8.06% design fees)
Construction	2,900,000	3,335,580	3,335,580
Design fees	} 348,000	400,270 {	268,848
Project management			65,000
Sub Total	3,248,000	3,735,850	3,669,428
Fitting out	252,000	252,000	252,000
Total cost	3,500,000	3,987,850	3,921,428

5.2 Recommendations concerning the re-phasing and potential review of the existing design budget following more detailed work on the design and programme will be brought to future meetings of the Panel.

6. Legal Implications

6.1 None specific at this stage.

7. Website Implications

7.1 Design work progress will be reported through the Council website.

8. Equal Opportunities, Staffing, Environmental, Community Safety and Customer Services Centre Implications

8.1 None specific.

9. Risk Management Implications

9.1 The following table shows the risks relating to this recommendation that have already been identified within the Leisure Facilities Management Project Initiation Document (PID) and gives an assessment of their impact and likelihood in accordance with the Council’s Risk Management Strategy:-

Description of Risk	Impact	Likelihood
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			d
1	Failure to co-ordinate facility management and refurbishment programmes	IV	D
10	Loss of WPLC capital finance	IV	E
11	WPLC construction delays or cost overruns	IV	B

Note:

1. For the meaning of the assessment score see the key to the matrix in paragraph 13.2 below.
2. For the definitions of 'catastrophic', 'almost certain', etc, see the extract from the 'Risk Management Strategy Statement' at the end of the agenda.

9.2 The above risks have been prioritised in the matrix below. The Council has determined its aversion to risk. It is prepared to tolerate risks where the combination of impact and likelihood are shaded in the bottom left in the table below. The remaining risks require management and monitoring. Those combinations of impact and risk shaded centrally below are less time critical but those shaded to the right require immediate management and monitoring.

Likelihood	A						Impact V = Catastrophic IV = Critical III = Significant II = Marginal I = Negligible	Likelihood A = Very High B = High C = Significant D = Low E = Very Low F = Almost Impossible
	B				11			
	C							
	D				1			
	E				10			
	F							
		I	II	III	IV	V		
	Impact							

9.3 An action plan has been drawn up within the existing PID for each risk that requires management and monitoring and, depending on the recommendation adopted, will be included in the Leisure Service Plan. The impact and likelihood of Risk 11 above, and its action plan, will continue to be monitored by the project team.

10. Recommendation

10.1 That the Panel recommends to the Executive Committee the appointment of WS Atkins as the design team for the refurbishment of William Penn Leisure Centre, and that the Executive Committee notes the revised outline cost estimate as described in (5.1) above.

10.2 That officers continue to closely manage cost estimates, and that a further report be submitted to the Panel and Executive Committee on the rephasing and potential review of the capital allocation for the design work and construction stage.

10.3 That public access to the report be denied until Executive Committee minutes publication.

10.4 That public access to the decision be denied until Executive Committee minutes publication.

Committee Decision on Public Access:-

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|----|---------------------------|---|---|
| 4. | Public access to report | - | denied until Executive Committee minutes publication. |
| 5. | Public access to decision | - | denied until Executive Committee minutes publication. |

Background Papers

WPLC Refurbishment Feasibility Study (Limbrick Ltd, October 2004)
WPLC Refurbishment files

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