

# Cabinet

21 February 2018



<b>Title</b>	Exemption to contract standing orders for the appointment of a construction project manager and design team.		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Victoria Statham		
<b>Cabinet Member</b>	Councillor Ian Harvey	<b>Confidential</b>	No
<b>Corporate Priority</b>	Economic Development; Clean and Safe Environment		
<b>Recommendations</b>	<b>To exempt contract standing orders to delegate the selection of a construction project manager and the construction design team to the Group Head of Regeneration and Growth in consultation with the Deputy Chief Executive and the Leader of the Council.</b>		
<b>Reason for Recommendation</b>	<b>To ensure the development project is progressed as swiftly as possibly.</b>		

## 1. Key issues

- 1.1 Following the appointment of consultants to undertake a feasibility exercise for a replacement for the ageing Spelthorne Leisure Centre, (subject to a future report), the next appointments that needs to take place to move the project forward is the construction project manager together with the design team (comprising such disciplines as architects, quantity surveyors, structural engineers and mechanical and electrical engineers). This design team alongside the construction project manager will work together both before and after the appointment of the main construction contractor. Due to the scale of the project, a construction project manager is prudent and will act as the client adviser, construction lead, contract administrator and project lead. They might even fulfil the role of clerk of works depending on the design team/contractor structure.
- 1.2 The model of having the construction project manager and the design team is the approach that the Council has adopted for the redevelopment project at Benwell House and is working well.
- 1.3 Officers have undertaken considerable research and have highlighted a number of framework agreements that are robust in terms of suppliers and the terms and conditions of appointment and which can be utilised for the appointment of a construction project manager and the design team. The frameworks are all divided into lots which allows the Council to decide

whether to choose a large multi-disciplinary practice a 'one stop shop' or to use the individual lots for the individual disciplines. The preferred approach is for us to use individual lots as this approach has worked well on other projects.

- 1.4 For the appointment, a mini competition will be run under the terms of the framework agreement to establish the suppliers who demonstrated the most economically advantageous tender for the Council.
- 1.5 Due to the likely value of the contracts, Contract Standing Orders state that it is the function of the Cabinet to approve the selection of the suppliers following a mini competition. It was only once the feasibility work had been undertaken could this appointment be considered. If the mini completions are run and then the committee cycle timings are factored in for Cabinet to approve the appointments, this has a knock-on effect on the project timetable. Officers want to avoid delay at the beginning of the project to ensure timely start for construction so completion can be co-ordinated before the end of the current leisure centre management contract. Whereas if Cabinet were in agreement to agree an exemption to Contract Standing Orders the process can proceed at pace.
- 1.6 The framework agreements themselves set out how the mini competition is to be run and sets out criteria for the evaluation of the tender returns in terms of both cost and quality. The frameworks that have been explored are national frameworks set up for use by public sector organisations for construction.
- 1.7 All of the suppliers on the frameworks are organisations that have been checked in terms of financial stability and their technical ability to undertake the services required to be included on the framework. The suppliers are all recognised organisations.

## **2. Options analysis and proposal**

- 2.1 Not to agree the exemption. Officers would then run the mini competition and return to Cabinet with a recommendation for the appointment of the construction project manager and design team. This will impact adversely on the project timetable.
- 2.2 Agree to the exemption so the appointment can be made as soon as possible so that the project can proceed to the next stage in a timely manner.

## **3. Financial implications**

- 3.1 The budget report also before Cabinet this 21 February 2018 sets out the budget for the construction project manager and design team for this financial year at £1.8 million. The final costs of the team cannot be determined until the overall costs of the construction have been established. The requirement for any additional costs will be subject to future budget reports. The budget is subject to Council approval on the 22 February 2018.

## **4. Other considerations**

- 4.1 The framework route has been chosen as it allows the Council to contract with suppliers who have been through a vigorous tender process to get onto the framework. It is a process that is fully compliant with the Public Contracts Regulations 2016 and allows the Council to appoint without running an OJEU tender from the beginning which would not be time efficient and is likely to attract bids from those already selected to be on the national frameworks.

## **5. Timetable for implementation**

- 5.1 Following the decision on what framework to use, it is the intention that the mini completion documents will be issued to the market in the second week of February and the appointment being made as soon as possible thereafter.

**Background papers: There are none**

**Appendices: There are none.**