



Appointment of the Contractor for the Multi Use Sport Arena

SUMMARY

- 1.1 On 21 February 2012, Cabinet were informed of the EU compliant competitive tendering exercise that was being used to procure the contractor to build the multi use sport arena. This started with an OJEU advert for expressions of interest the replies to which were used to draw up a short list of five contractors. These were reported verbally at the meeting on 21 February and were:
- BAM (Solihull)
 - Bowmer & Kirkland (Derby)
 - Galliford Try (Wolvey, Leics)
 - Interserve (Birmingham)
 - Morgan Sindall (Solihull)
- 1.2 All five shortlisted companies have been invited to submit tenders by 13 April and all the compliant bids that are returned will be evaluated against the quality and price criteria. The outline results of this evaluation will be provided in a confidential Appendix 2 that will provided at the Cabinet meeting on 17 April. The contractor that scores the highest overall will be recommended to be appointed as the preferred contractor.
- 1.3 It is proposed to delegate authority to award the contract to the Strategic Director of Neighbourhoods in consultation with the relevant Cabinet Member once the contract details have been finalised. It is hoped this will enable work to start on site during the London 2012 Olympics.

RECOMMENDATION

- 2.1 To approve the appointment of the building contractor identified at the Cabinet meeting on 17 April by the Strategic Director of Neighbourhoods as the preferred contractor for the multi- use sport arena.
- 2.2 To give delegated authority to the Strategic Director of Neighbourhoods in consultation with the Strategic Director of Resources and the relevant Cabinet Member to finalise the contract details and award the contract to the preferred contractor.

REASONS FOR RECOMMENDATION

- 3.1 To progress the construction of the multi use sport arena.
- 3.2 To continue to progress the approved Leisure Facilities Strategy as part of Derby's Olympic legacy.

SUPPORTING INFORMATION

- 4.1 On 21 February 2012, Cabinet approved capital scheme commencement of the multi use sports arena scheme at a total estimated cost of £28 million, with £21.9 million estimated for the actual building. The bid price will be part of the outline results that will be provided in the confidential Appendix 2 that will be provided at the Cabinet meeting.
- 4.2 The key facilities included in the design of the iconic multi use sport arena will be a 250m indoor cycling track, a 120 station health and fitness facility, a spinning room, multi function rooms, 12 badminton size sports hall, café and reception area. The unique design will also create a 5,000 capacity concert venue and will accommodate events and exhibitions.
- 4.3 The planning application for the multi use sports arena was approved at the Planning Committee meeting on 15 March 2012. The planning consent conditions have been shared with the bidders so that they can be considered as part of their tender submission where possible.
- 4.4 Funding for the strategy is from the £50 million already approved by Cabinet, plus £4 million external contributions plus £4 million anticipated capital receipts from the sale of Queens Leisure Centre and some of the land at Moorways Sports Centre.
- 4.5 Subject to the outcome of a future planning application, there is an estimated cost of £600,000 for an external cycle track which is proposed to be adjacent to the multi use sports arena. This will be funded from additional external funding subject to satisfactory, ecology impact assessments, planning consent and final agreement from the external funding providers.
- 4.6 The four broad operational options for the governance and operational management of the facility were contained in the Cabinet report of 21 February, which are currently being explored.

OTHER OPTIONS CONSIDERED

- 5.1 If after the tender submission are evaluated there are two contractors that are very close, more detailed evaluation will be required and a maximum value for the project will be recommended for approval.

- 5.2 If the tender submission price is higher than the estimated amount then consideration will need to be given to the reallocation of funds, the mechanisms for attracting additional external funding or a reduction in the items that will be selected from the optional list within the tender specification.

This report has been approved by the following officers:

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| Legal officer Financial officer Human Resources officer Service Director(s) Other(s) | Stuart Leslie Michael Kirk Jayne Stutt Claire Davenport |
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| For more information contact: Background papers: List of appendices: | Derek Jinks, Corporate Project Manager 01332 255919 e-mail: derek.jinks@derby.gov.uk Council Cabinet 19 July 2011, 18 October 2011, 21 February 2012 Appendix 1 – Implications |
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| IMPLICATIONS |
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Financial and Value for Money

- 1.1 On 21 February 2012, Cabinet approved the estimated costs of £28m to be allocated to the multi use sports arena. The preferred contractor bid price for the multi- use sports arena will be compared against this amount.
- 1.2 Funding for the strategy is from the £50 million already approved by Cabinet, plus £4 million external contributions plus £4 million capital receipts from the sale of Queens Leisure Centre and some of the land at Moorways Sports Centre.
- 1.3 The procurement route chosen has enabled the Council to achieve value for money.

Legal

- 2.1 The use of the OJEU procedure for the selection of the building contractor for the multi use sports arena is compliant with E.U. Procurement Directives.

Personnel

- 3.1 None

Equalities Impact

- 4.1 There are no equalities implications arising from this report.

Health and Safety

- 5.1 There are no Health & Safety implications arising from this report.

Environmental Sustainability

- 6.1 The facility will be built with the aim, as far as possible, to minimise the carbon footprint.

Asset Management

- 7.1 The building of this iconic facility will add to the Council assets replacing some older facilities not fit for purpose.

Risk Management

- 8.1 A risk log has been developed for this project which will be updated as events and decisions are made.

Corporate objectives and priorities for change

- 9.1
- Creating a thriving sustainable economy
 - Contributing to good health and well being
 - Providing an active cultural life
 - Developing good quality services that meet local needs
 - Leading Derby towards a better environment
 - Providing excellent services and value for money
 - Significantly contributing to the Derby and Council plan objectives