

Cabinet

Wednesday, 15th December, 2021, 6.00 pm

Shield Room, Civic Centre, West Paddock, Leyland, PR25 1DH

Supplementary Agenda

I am now able to enclose, for consideration at the above meeting of the Cabinet, the following information:

10 Urgent Item - Delivery of Improvement works at Vernon Carus Sports Club

(Pages 3 - 6)

Report of the Director of Commercial enclosed.

In accordance with the Constitution, the Mayor and Chair of Scrutiny Committee have agreed the urgency of this report.

Gary Hall
Chief Executive

Electronic agendas sent to Members of the Cabinet

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| Report of | Meeting | Date |
|--|---------|--------------------------------|
| Director of Commercial (Introduced by the Cabinet Member (Finance Property and Assets)) | Cabinet | Wednesday, 15 December 2021 |
| Is this report confidential? | No | |
| Is this decision key? | Yes | |

Delivery of Improvement works at Vernon Carus Sports Club

Purpose of the Report

1. This report seeks approval to depart from Contract Procedure rules and delegate the award a contract up to the value of £250k to undertake refurbishment works at Vernon Carus Sports Club.

Recommendations to Cabinet

2. That a waiver of relevant contract procedure rules is granted in line with the South Ribble Borough Council Constitution.
3. That any changes to the scope of works or spend within the approved budget levels are delegated to the Director of Commercial Services in consultation with the Executive Member (Finance. Property and Assets)
4. That approval of the contract award is delegated to the Executive Member.

Reasons for recommendations

5. To meet the small window of opportunity for refurbishment of the club between January and April, following commitments to venue hire and prior to the start of the cricket season.
6. To reflect the current market conditions in the construction industry and the limited availability of contractors to undertake the works in the required timescale, which have been particularly exacerbated by the Covid pandemic.

Other options considered and rejected

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7. A formal tender process was considered but not pursued as this would not enable the works to be complete in the required closed season period.

Corporate priorities

8. The report relates to the following corporate priorities:

| | |
|--|---|
| An exemplary council | Thriving communities |
| A fair local economy that works for everyone | Good homes, green spaces, healthy places |

Background to the report

9. On 15 September 2021 Cabinet approved a number of recommendations in relation to Vernon Carus
- the transfer of the land and reservoir to South Ribble Borough Council and the receipt of the sum of £500,000
 - the principles of the outline Master Plan.
 - the funding of £150,000 plus a £25,000 contingency for the refurbishment of the existing Sports Club and Changing Rooms as phase 1A of the proposed Master Plan. The £150,000 is to be funded from s106 and £25,000 from the new Leisure Local budget.
10. On 17 November 2021, Cabinet approved an increase in the capital programme for the Vernon Carus Sports Club project of £75,000, with £50,000 externally funded and the remaining £25,000 from the Council's own funds.
11. This gives a total project budget of £250,000.
12. Officers and Members have had a series of meetings with representatives from the club and agreed a scope of works for the refurbishment of the clubhouse, changing rooms and scoreboard.
13. Ordinarily, works of this value would be let via a tender process. Given the current market conditions, Officers undertook a soft market testing exercise to establish the likely costs of the works and the availability of contractors to undertake the works in the required timeframe. An open tender process in line with the Council's contract procedure rules would have prevented the delivery of the works in the time available.
14. Two contractors engaged in the process, providing indicative costs and their availability to undertake the works. Commitment was sought to a start on site in early January with an April completion.

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15. A final price has been received from one of the contractors, with the other committed to providing a quote this coming Friday. It is intended that a contract will be awarded to the lowest bidder, with contract award delegated to the Executive Member. If the value of these works exceeds the £250k budget already approved, it is intended to value engineer the scheme accordingly in consultation with relevant Members and the Club.

Climate change and air quality

16. The scope of works includes a number of measures that will improve the thermal efficiency of the buildings. These include replacement of existing window units with double glazing and replacement of existing flat roof systems with warm deck roofing systems.

Equality and diversity

17. N/a

Risk

18. Completion of the formal transfer of ownership to the Council may not be complete prior to start on site. This will be mitigated by the use of appropriate license agreements.

Comments of the Statutory Finance Officer

19. As detailed this scheme is already within the approved capital programme. This waiver will enable the works to go ahead in a timely manner and the spend will be monitored through the regular normal budget monitoring and reporting.

Comments of the Monitoring Officer

20. The Contract Procedure Rules would usually require a high value contract (above £100k) to be awarded following an open tender process. Such a process would generally take a number of months from start to finish and would have prevented the commencement of the works in the desired time frame. Whilst this contract has a significant cost, in relation to construction works it is of relatively low value. The proposed market testing exercise, which provides comparative cost and confirmation of delivery of works in the required timescales, is reasonable in the circumstances and serves to provide assurance of best value being attained.

21. To be clear Waivers of Contract Procedure Rules (CPRs) may only be granted in exceptional circumstances (paragraph 39).

22. The grounds which can be relied upon here are:

- the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Rules is justifiable; or
- the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or

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- there are other circumstances which are genuinely exceptional and not of the Council's own making

23. The report alludes to why officers consider that there are special circumstances here. Particularly apposite is the sentence: "To reflect the current market conditions in the construction industry and the limited availability of contractors to undertake the works in the required timescale, which have been particularly exacerbated by the Covid pandemic" Taking this account – and the need for the works to be done as soon as possible – it is not considered that a tender exercise would be appropriate. It is considered that exceptional circumstances can be demonstrated here.
24. The rules which are being waived are all relevant CPRs – in particular those relevant rules which are set out in para 11.

Background documents

N/a

Appendices

N/a

| Report Author: | Email: | Telephone: | Date: |
|----------------|--------------------------------|------------|----------|
| Mark Lester | Mark.lester@southribble.gov.uk | | 15.12.21 |