

Report of	Record of	Date
Cabinet Member (Finance, Property and Assets)	Executive Member Decision	21 September 2021

Is this report confidential?	No
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Is this decision key?	No
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Savings or expenditure amounting to greater than £100,000	No
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## Leisure Centre Painting

### Purpose of the Report

1. To agree to the appointment of a Contractor to paint the Council's Leisure Centres to the value of 97K. The work will involve an overall re-paint of the Leisure Centres with a focus on the Leisure Centre frontages. The rear elevations will be painted in-house

### Recommendations

2. To agree to the appointment of Contractor Bagnalls to paint the Council's 4 Leisure Centres to the value of £97K following a ITQ Tender process carried out under the Council's procurement rules which involved a direct approach to 4 chosen tenderers. .

### Reasons for recommendations

3. In accordance with the Council's procurement rules we need to have a signed EMD to appoint a suitable contractor to carryout required painting work at the Council Leisure Centres

### Other options considered and rejected

4. The Council could choose not to do the work which would mean the Leisure Centre Frontages and associated elevations / elements would continue to worsen and further degrade

### Corporate priorities

5. The report relates to the following corporate priorities: (Please bold all those applicable)

An exemplary council	Thriving communities
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## **Background to the report**

6. The capital programme includes a total budget of £2.1m for the refurbishment of the Council's 4 Leisure Centres. There is also a reserve to fund one-off costs associated with bringing the leisure service in-house and then transferring to a local authority trading company.
7. With the budget approved in the Capital programme and the reserve available for one-off revenue costs, a Project Initiation document (PID) has been developed which outlines a number of key refurbishment schemes which will be taken forward at our Leisure Centres.
8. The PID has been taken through the programme board structure of the Council and been approved as a corporate project of the Council
9. The first of the refurbishment schemes is the painting of the Council's 4 Leisure Centres. This is a revenue cost and will be funded from the reserve.
10. A brief was developed for the repainting work of the Leisure Centres. Four companies were invited to submit a quote through the Council's procurement process which is done through the Chest. Initial estimates of the work were around £80k but concerns were raised by the tenderers on the quickly rising costs of raw materials
11. Prior to the commencement of the Tender process the four selected companies all showed an interest in completing and returning tenders. However only one company returned a tender. The supply and delay in accessing raw materials were cited by the companies for their choosing not to submit a tender
12. The Company that returned a tender are Bagnalls who are based in Ellesmere Port but have a satellite office in Preston and do a lot of local work. Their original tender price was £129k. This rise in costs from the original estimates were put down to the world-wide increase in raw material prices due to delays in supplies
13. Our interim Building survey who is also a Qualified Quantities Surveyor has reviewed the tender price submitted and reviewed all the rates. He has worked with the Tenderer and agreed a final price and has agreed a final cost of £97k which we regard as best value for the work
14. The work taken out of the original quote will be picked up internally by the Facilities Officer service to ensure best value
15. Consideration was given to going back out to the market. It has been agreed not to do this as there would be a real risk of the costs going up further as raw material prices are continuing to rise on a weekly basis.

## **The Proposal**

16. To agree to the appointment of Contractor Bagnalls to paint the Council's Leisure Centres (4nr) to the value of 97K
17. The cost will be treated as a revenue expense against the leisure set-up costs budget and be funded from the leisure reserve.

**Climate change and air quality**

18. The work noted in this report will have a marginally positive impact on the Carbon Footprint of the Leisure Centres. The re-painting work will reduce the possibility of leaks in the building which improves energy efficiency.

**Equality and diversity**

19. There are no Equality and diversity impacts from this report

**Risk**

20. The main risk is that we only received one Tender return when the project went on the Chest. The Chest process involved requesting tenders from 4 particular companies. The reasons given as to why we only received one tender was an inability of tenderers to access raw materials. As a means of mitigating this risk a qualified quantity surveyor has reviewed the prices and work rates and believes that the tender achieves best value. We could have chosen to go back out to open Tender on the project. However, with raw material prices rising significantly world-wide due to their short supply retendering the scheme would not only slow the scheme up but is also likely to increase the price of the scheme. The risk of an increased price would sit with the council

**Comments of the Statutory Finance Officer**

21. These costs were part of the initial set up costs expected when the Council brought the Leisure Service back in house and formed part of the budgets agreed by Council in May 2021. The costs will be funded from the reserve as detailed above.

**Comments of the Monitoring Officer**

22. T A procurement exercise was carried out, but the results were less than satisfactory – hence further discussions took place with the contractor concerned to reduce the scope of the works and renegotiate the price. We do not want to go through another tender exercise – hence a waiver will be sought via our electronic waiver system.

**Background documents**

There are no background papers to this report.


**Appendices**

There are no appendices to this report

Report Author:	Email:	Telephone:	Date:
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Neil Anderson (Assistant Director of Projects and Development)	neil.anderson@southribble.gov.uk	01772625540	21 <sup>th</sup> September 2021
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Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained within this report in accordance with my delegated power to make executive decisions.

Signed:	
	<i>Cabinet Member (Finance, Property and Assets)</i>
Date:	21.9.2021
Publication Date (DSO use only):	21.9.2021

This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.