



Leicester
City Council

WARDS AFFECTED: North Braunstone, City Wide

CABINET

8 MAY 2001

NEW LEISURE FACILITY - PROCUREMENT OPTIONS

Joint Report of the Director of Environment, Development & Commercial Services and the Director of Arts & Leisure

1. PURPOSE OF REPORT

- 1.1 To advise Members of the procurement options being considered for the design and construction of the Wycliffe project and seek approval to any necessary waiver of Standing Orders.

2. SUMMARY

- 2.1 The Council has decided to proceed with the construction of a new leisure facility on the Wycliffe site at Braunstone. There has been considerable public pressure for this project to be completed as soon as possible as a replacement for other facilities already closed. Alternative procurement routes are therefore being examined alongside the traditional design and tendering route to ensure the right balance between the earliest possible completion date and all other relevant factors. A fuller report detailing the risks associated with each of the procurement options, together with a strategy for the letting and management of this contract has been discussed with the Leader of the Council and the Cabinet Lead with responsibility for The Arts (including Museums), the Environment, Public Health & Leisure.

- 2.2 Three procurement options are being assessed:

- (1) Traditional design and tendering;
- (2) Design and build package;
- (3) Project specific partnership arrangement.

- 2.3 There are various factors for and against each option and the third is a relatively new approach which is starting to find favour in other parts of the Country. It is based on mutual objectives, an agreed method of problem resolution and an active search for continuous measurable improvements. It is less confrontational than the other methods and the greater flexibility involved should provide high standards of aesthetic and functional performance. Of course, all three methods have their individual risks, which must be balanced against the particular advantages.

- 2.4 Assuming legal and financial issues can be resolved satisfactorily, the project specific partnership appears to be the most appropriate method for this particular project. As this has not been pursued by the Council before, it is not allowed for in Standing Orders and a waiver would be required to go down that route.

3. LEGAL AND FINANCIAL IMPLICATIONS

- 3.1 Current projections for the total capital costs of the facility are in the region of £11m. This will be funded through a variety of sources, the main elements of which are anticipated to include the Council, Sports Lottery and European Objective 2 Funding. The procurement route chosen should not affect this estimate, although the ability to control costs within this figure is one of the factors which has to be taken into account in choosing the procurement method.
- 3.2 All of the procurement options need to comply with EU Procurement rules, both for the selection of designer and of contractor. The rules permit the use of a negotiated procedure where appropriate, but care will need to be taken over the drafting of notices and competition procedures and during the course of subsequent negotiations. The Council must be able to show transparency and compliance with rules throughout the process, as well as complying with its own procedures.
- 3.3 It will not be possible to gain any precise view as to the shape of the legal arrangements for delivery of the facility under the partnership method until preliminary partnership discussions have taken place. These will take place with the contractor after the design competition, which is programmed for September or October of this year on the current timetable. Uncertainty will remain until immediately before a start on site, up to which point it remains possible for no formal agreement to be reached.

4. RECOMMENDATIONS

- 4.1 That the likely choice of an alternative procurement method for this scheme be noted.
- 4.2 That in the event of the project specific partnership being chosen, Standing Orders 84, 85 and 86 be waived in so far as it is necessary to comply with the partnership process and to allow acceptance of the most economically advantageous tender overall.
- 4.3 That the Director of Environment, Development & Commercial Services, in consultation with the Director of Arts & Leisure, Head of Legal Services and Chief Financial Officer, determine all matters in relation to the choice of procurement method and the tendering of both the design and construction up to, but not including, the appointment of the successful design and construction organisations.