

## Members' Library Service Request Form

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Originator	Gary Fenwick
Originator's Ref (if any)	GF
Document Title	Proposed New Football Pavilion at Ormiston Football Club, Ormiston

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Additional information:

Authorised By	Douglas Proudfoot
Designation	Head of Development
Date	15/12/16

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**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Depute Chief Executive – Partnerships and Community Services

**SUBJECT:** Proposed New Football Pavilion at Ormiston Football Club, Ormiston

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## **1 PURPOSE**

- 1.1 To note the decision to award the contract for the Proposed New Football Pavilion at Ormiston Football Club, Ormiston, to Messrs Maxi Construction Ltd, Livingston

## **2 RECOMMENDATIONS**

- 2.1 Cabinet is asked to note the decision of the Head of Development in consultation with the Head of Council Resources and the Head of Infrastructure, to accept Messrs Maxi Construction Ltd's tender amounting to £651,332.00 after checking, correction and adjustment by Value Engineering, and noting that it is open for consideration until 16<sup>th</sup> December 2016, for the Proposed New Football Pavilion at Ormiston Football Club, Ormiston.

## **3 BACKGROUND**

- 3.1 A Capital Plan allocation has been identified to provide the community of Ormiston with a high quality changing facility to develop sport. The facility will allow the local football community to expand and will support the growth of junior and youth sections. In addition to this, the pavilion will benefit the wider community and support the growth of additional sports such as Tennis and BMX as identified in the Friends of Ormiston Park Development Plan. The facility will expand the opportunities for the primary school to further their enjoyment of physical activity and sport, as well as provide the community of Ormiston with a high quality changing facility for football training and matches at all levels. The project will contribute towards SOA 6

with the growth of local football and other sports providing further opportunities for people to be more physically active.

- 3.2 In December 2015 tender documents were issued to the Council's General Works Framework, Lots 2 and 3, contractors, (due to the anticipated works value straddling both these lots). In January 2016 it was evident that all but one Contractor had either declined to participate or had withdrawn from the process. In consultation with the Council's Corporate Procurement Department, it was agreed that this tendering exercise should be abandoned, as value for money through continuing with the process could not be demonstrated. It should also be noted that a proportion of the funding for this project is from an external source (see part 7.1 of this report), and it is a condition of this funder that more than one competitive tender must be produced by the procurement process.
- 3.3 In February 2016, in consultation with the Council's Corporate Procurement Department, tender documents were issued to the market using the Open Tendering procedure, and the following 3Nr offers were duly received.

Ref	Contractor	Tender Amount Before Checking	Tender Amount After Checking	Lowest Checked Tender Amount
1	Maxi Construction Ltd, Livingston	£734,983.00	£757,443.00	<u>£757,443.00</u>
2	Portakabin (Scotland)Ltd, Hamilton	£859,170.01	£859,258.25	
3	Luddon Construction Ltd, Glasgow	£964,409.62	£964,409.62	

- 3.4 As indicated at 3.3 above, Messrs Maxi Construction Ltd's tender amounting to £757,443.00 after detailed checking and correction remains the lowest offer submitted. The tender checking exercise identified that a number of items contained within the Employers Brief had been excluded by the Contractor, and these were added, resulting in the change to the tender noted above. The tender is competitively priced and complies with the employer's brief.
- 3.5 The lowest corrected tender was higher than anticipated and exceeded the available total budget for this project. A Value Engineering exercise was instructed and undertaken in order to reduce the tender amount, and in accordance with industry standard the Council entered into negotiations with the lowest Contractor, Maxi Construction Ltd, for the purposes of this exercise. The second and third placed contractors were notified accordingly.

- 3.6 In November 2016 the Value Engineering exercise was completed and the new reduced tender from Maxi Construction Ltd is in the amount of **£651,332.00**. This tender is compliant with the project brief and in line with the available funding, and can be recommended for acceptance.

In comparison to industry average and recent BCIS reports, construction costs of the pavilion, removing abnormal site costs, are competitive.

An options appraisal has been conducted on the project and found that all alternative options encounter the same increased costs due to required building location, drainage issues and the cost of incoming mains services etc.

- 3.7 Messrs Maxi Construction Ltd have yet to provide their list of proposed sub-contractors.
- 3.8 The Contract is prepared on a firm price basis in terms of the JCT Design and Build Contract for use in Scotland DB/Scot 2011 Edition incorporating Amendment Nr 1 issued March 2015, issued by the Scottish Building Contract Committee, and the Contractor has undertaken to complete the works within 20 weeks from the date of possession.

#### **4 COMMUNITY BENEFITS IN PROCUREMENT (CBIP)**

Maxi Construction Ltd have undertaken to comply with the contract requirements governing the Contractors Community Benefits responsibility.

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

#### **6 POLICY IMPLICATIONS**

- 6.1 None.

#### **7 RESOURCE IMPLICATIONS**

- 7.1 Financial – Together with the addition of external expenses and costs associated with the demolition of the existing building, the total project expenditure for the proposed New Football Pavilion at Ormiston Football Club, Ormiston will not exceed **£678,832.00**. After accounting for external grant funding (see below), the Council Contribution will not exceed **£568,832.00**. Costs are itemised as follows:

<b>Category</b>	<b>Estimated Costs (£)</b>
Construction Works: The Design & Build Tender – New Pavilion and Demolition of the Existing Pavilion	£651,332.00
External Structural Engineer and Site Investigation fees and costs	£18,000.00
Existing Pavilion: Asbestos removal and disconnection of services.	£9,500.00
<b>Total Project Costs</b>	<b>£678,832.00</b>
<i>Less External Funding – Sport Facilities funding from Sportscotland</i>	<i>(£110,000.00)</i>
<b>Council Contribution Required</b>	<b>£568,832.00</b>

This expenditure will be contained within the budget allocated for Pavilions in the ELC Capital Plan financial years 2016/2017. The budget allocation for Ormiston Pavilion referred to above does not fully meet the total anticipated project expenditure, and the shortfall of £87K will be re-profiled from the budget allocation for Polson Park Pavilion within the same cluster.

7.2 Personnel – None.

7.3 Other – None.

## **8 BACKGROUND PAPERS**

8.1 None

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