



# East Northamptonshire Council

## Policy and Resources Committee - 15 June 2009

### Rushden Regeneration: Manor Park Leisure Centre Project

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#### Summary

The purpose of this report is to give a brief outline on the progress of the proposed Manor Park leisure centre project, and to seek authority for delegated powers to proceed with the proposed procurement strategy for the main contractor.

#### Attachment(s)

Indicative Timetable for the proposed Competitive Dialogue

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#### 1.0 Introduction

1.1 Members are aware that at its meeting held on 14 April 2008 (Minute 401 refers), the Policy and Resources Committee agreed the following:

1. That formal approval be given for:
  - a. the Council's existing wet and dry leisure facilities in Rushden to be combined onto a single site;
  - b. the project to proceed in partnership with Rushden Town Council;
  - c. setting aside the Council's usual Procurement Rules to enable procurement of specialist and technical advisors via the North Northamptonshire Development Company (NNDC).
2. That the Council's Business and Economic Development Champion and the Council's representative on the NNDC Board be appointed to serve on the Project Board.
3. That the Chief Executive, in consultation with the Council's two Project Board Members, be authorised to draw down the NNDC allocation to enable initial work to proceed.

1.2 Since that meeting the project has made good progress as follows:

- a number of technical site investigations have been carried out and these studies have confirmed that the site is suitable for redevelopment;
- a Leisure and Cultural Needs Assessment was also completed, which clearly identified the need for a new leisure facility to serve the southern part of the district;
- a provisional GAF 3 funding allocation of £2m has been confirmed by the NNDC and also a bid has recently been submitted to Northamptonshire Enterprise Limited (NEL) for £800k.
- additional funding of up to £7m to finance the project was agreed by the Policy and Resources Committee on 23 February 2009 (Minute 362 refers). This brought the Council's total commitment to £11m;
- design and project management teams have recently been appointed to take the project forward.

## **2.0 Progress on the first procurement phase**

- 2.1 In order to ensure compliance with the European Procurement Regulations, the procurement process followed for the appointment of the project management and design teams was supported by the Welland Procurement Unit.
- 2.2 Subsequent to the publishing of the contract notice in the Official Journal of the European Union (OJEU), the Council received 93 expressions of interest. 37 companies submitted their Pre-Qualification Questionnaire (PQQ), which included financial position, health and safety, technical capacity and capability, experience and performance of similar services. Following a PQQ evaluation the interested companies were reduced to a shortlist of twelve, from which six submitted full tenders for the design team, five for the project management team, and one did not submit a tender.
- 2.3 The Project Board then delegated powers to an Evaluation Panel (EP) of four Board members to evaluate the returned tenders. The EP carried out a robust two stage evaluation, assessing the tenders by using evaluation criteria with scorings and weightings.
- 2.4 Although the quality of all the submissions was very high, the EP selected only one bidder for interview, as its score was significantly higher than all the others. Following the rigorous evaluation process and the interview, the EP was satisfied that the selected candidate for the project management services (Mace) was the company that best met the needs of the service on both quality and cost.
- 2.5 For the design team, the EP agreed to interview four out of the six candidates from the shortlist. The selected company was FaulknerBrowns. The company has over 40 years of experience in the design of leisure facilities.

## **3.0 Proposed procurement route for the main contractor (Competitive Dialogue)**

- 3.1 Members will be aware that the invitation of tenders for the main contractor will need to comply with EU Procurement Rules and be published in the OJEU, in which all contracts from the public sector above a certain threshold must be published.
- 3.2 At its meeting on 20 April, the Project Board agreed that the EP would discuss the procurement route for the main contractor with the project management and design teams and the Head of the Welland Procurement Unit. The preferred procurement process was also discussed at the Project Board meeting on 18 May, where it was agreed that the 'Competitive Dialogue' approach should be used as the preferred procurement process for the construction phase.
- 3.3 Competitive Dialogue is a new EU procurement process introduced by the Public Contracts Regulations 2006. The benefits of the competitive dialogue process are as follows:
  - It allows affordable solutions to be identified that meet the Council's needs.
  - It permits bidders to put forward various options through the dialogue process which the Council may not have previously considered.
  - It allows the Council to consider all options before deciding on which approach will best meet the Council's needs.
  - It allows the Council to consider value for money options with tenders and for an affordable contract to be procured.
  - It enables the Council to engage in meaningful discussion with, and undertake a comprehensive evaluation of, potential contractors throughout the process.

- 3.4 The initial selection of bidders will initially follow the same process as the more usual open or restricted procurement processes. However, after the initial selection of possible bidders, the Council will invite potential bidders to participate in dialogue. There will be two phases to the Dialogue during which short-listed companies may continue to be eliminated, prior to inviting the final short-listed bidders to submit 'Best and Final Offers'. During the Dialogue process the Council and the bidders will discuss, clarify, and establish and agree, the key issues. The Council can examine with potential bidders possible solutions, and after completing that dialogue stage, the Council will be in a position to draft the contract documentation and proceed with the tender process. A copy of the indicative timescale for the proposed Competitive dialogue process is attached as the appendix.
- 3.5 As the Competitive Dialogue procedure is specialised in nature, it is proposed that specialist procurement advice is being provided by the Welland Procurement Unit.
- 3.6 Authority was sought under the Council's Urgency Procedure to publish the OJEU notice, to reflect the use of the Competitive Dialogue procedure. As a result, the OJEU notice was published on Monday 8 June 2009.

#### 4.0 Recommendations

4.1 It is recommended that the Committee:

1. notes progress made to date;
2. delegates authority to the Project Board to:
  - develop tender documents
  - evaluate tenders and recommend a preferred contractor to the Policy and Resources Committee
  - draft any necessary contractual documents and
  - approve the terms of the agreement.

<b>Implications:</b>		
<b>Corporate Outcomes or Other Policy/Priority/Strategy</b>		
Good Quality of Life	<input checked="" type="checkbox"/> Good Reputation	<input type="checkbox"/>
Good Value for Money	<input checked="" type="checkbox"/> High Quality Service Delivery	<input checked="" type="checkbox"/>
Effective Partnership Working	<input checked="" type="checkbox"/> Strong Community Leadership	<input type="checkbox"/>
Effective Management	<input type="checkbox"/> Knowledge of our Customers and Communities	<input checked="" type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours		<input type="checkbox"/>
<b>Other:</b>		<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval		<input type="checkbox"/>
<b>Financial</b>	There are no financial implications at this stage	<input type="checkbox"/>
	There will be financial implications – see paragraph 1.2	<input checked="" type="checkbox"/>
	There is provision within existing budget 1.2	<input checked="" type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date	<input type="checkbox"/>
	Decisions may have potential for income generation	<input type="checkbox"/>
<b>Risk Management</b>	An assessment has been carried out and there are no material risks	<input type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference – 353-359 inherent risk score - Primary residual risk score - Contingency	<input checked="" type="checkbox"/>
<b>Staff</b>	There are no additional staffing implications	<input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph	<input type="checkbox"/>

<b>Equalities and Human Rights</b>	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications				<input checked="" type="checkbox"/>
	There will be an impact on equality (see categories above) or human rights implications – see paragraph				<input type="checkbox"/>
<b>Legal</b>	Power: Local Authorities (Miscellaneous Provisions) Act 1976				
	Other considerations: Financial procedure rules and scheme of delegation				
<b>Background Papers:</b> Previous reports to Policy and Resources Committee. Rushden Regeneration Project Board papers.					
<b>Person Originating Report:</b> Tom Grozdoski, District Development Manager 01832 742195 tgrozdoski:east-northamptonshire.gov.uk					
<b>Date: 22 May 2009</b>					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 19)

**COMPETITIVE DIALOGUE PROCESS – INDICATIVE TIMETABLE**

<b>Stage 1</b>	
Agree selection and award criteria and weightings	3 June 2009
Submit OJEU Notice	8 June 2009
Issue the Pre-Qualification Questionnaire (PQQs)	5 June 2009
PQQs returned	13 July 2009
Evaluate and shortlist PQQs	31 July 2009
<b>Stage 2</b>	
Dialogue with short-listed bidders	From 3 August 2009
Progressively reduce shortlist	
<b>Stage 3</b>	
Bidders submit a detailed and costed solution	January 2010
Evaluation of submissions	February 2010
Make an award decision	February 2010
Issue 10 Day Award Notice	February 2010
Award contract	March 2010