

**Cabinet Member delegated decision**

**Decision due: 19 July 2016**

**Report title:** Archbishops Park Sports Facilities Upgrade

**Wards:** Bishops

**Report Authorised by:** Sue Foster Strategic Director Neighbourhoods and Growth

**Portfolio:** Councillor Jack Hopkins, Cabinet Member for Regeneration, Business and Culture

**Contact for enquiries:**

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**Report summary**

This report seeks to obtain authority to award a contract to Blakedown Sport & Play Ltd, to undertake specified renovation works at Archbishops Park, following the completion of the procurement process.

This report is a Gateway 3 and complies with the tender requirements outlined in Lambeth's Standing Orders for procurements of contracts valued £100,000 and greater.

It also provides a summary of the two staged restricted procurement process undertaken with the outcome, in which Blakedown Sport & Play Ltd emerged as the preferred bidder and are to be appointed to renovate the current Redgra Sports pitch and changing rooms located within Archbishops Park.

**Finance summary**

The majority of the funds allocated to this project is from Section 106 Obligations. £250,000 of the budget is in the form of a Grant from Sport England.

The Sport England grant is dependent on the appointment of an operator to manage the sports facilities once the renovations are complete. Due to a delay in the appointment of the operator the grant has not been finally signed off. However a short term loan of £250,000 from the £9million allocation for Parks Capital Projects has been obtained. This amount will be recovered once the Sports Operator is appointed and the Grant from Sport England is released.

**Recommendations**

1. To award a contract to Blakedown Sport & Play Ltd to carry out the renovation works to the changing rooms and the sports pitches at Archbishops Park for the contract sum of

£1,181,405.00. The contract is to be awarded for a period of three months to commence in August 2016.

**Reason for Exemption from Disclosure**

The attached part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph 3: Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

## **1.0 Context**

### **Background and Current State of Facilities**

- 1.2 The Redgra sports pitch in Archbishops Park has become dilapidated and uneven over time, which has led to drainage problems. It is currently being used as a non-standard sized football pitch (approximately 9 a side) and the line markings are no longer visible. The cricket nets are non-standard size, degraded, and the enclosure is metal fencing instead of netting.
- 1.3 There is no lighting to the existing sports facilities, which means that in winter months the pitches can only be used during daylight hours, and the netball court has been removed from its original position, as it has become dangerous due to tree roots protruding through the surface.
- 1.4 A strategic sports analysis carried out in conjunction with Sport England has identified the sports facilities as a strategic site for investment. Findings show there is demand for seven additional artificial grass pitches across the borough. The recommendation to address this shortfall is to replace the Redgra pitches with Artificial Grass Pitches (AGPs) to meet this demand. It is considered that improvement of this site will have a significant impact in terms of addressing needs and delivery benefits to the local community.
- 1.5 Bishops Ward currently consists of 4,570 households (2011 Census) with potentially another 1,900 dwellings expected to be developed between 2011 to 2031. The ward has been identified as a growth and opportunity area by the council and the Greater London Authority (GLA) that requires significant investment in sports and recreational facilities due to the pressure and demand in this neighbourhood.

## **2.0 Proposal and Reasons**

- 2.1 The upgrade will provide a 3G pitch capable of accommodating football matches for 9, 7 and 5 a side football teams. Also included in the development is a Multi-Use Games area and enhanced cricket nets facility. The changing rooms will also be developed and upgraded to provide a community room and improved changing facilities, as well as a dedicated management office. The public toilets for the park will also be relocated to this building.
- 2.2 The requirement to redevelop the sports facilities in Archbishops Park has been highlighted in a range of reports and strategic analysis documents. The Green Flag Judges' Guidance recommends that the Redgra pitch is improved to further enhance its status as an award winning park.
- 2.3 The procurement option considered for this contract was the two staged restricted process, which comprised of the pre-qualification and tender exercises. This option was selected due to the specialist nature of the required construction works, although below the OJEU threshold, it was considered that this route would open up competition in the market, innovation and encourage the participation of local contractors.

### 3.0 Finance

- 3.1 The budget allocated to deliver the works outlined in this project is £1,240,475.50. This is made up of the contract sum of £1,181,405.00 plus a 5% contingency £59,070.50, giving a total works budget of £1,240,522.50.
- 3.2 All the funds are Capital with the majority of the funds (£994,000) allocated from S106 obligations. £250,000 is in the form of a grant from Sport England. This grant funding will be approved when certain criteria are met which includes the appointment of a sports operator to manage the facilities. Due to a delay in the appointment of the operator, the allocation of the £250,000 will be advanced from the Parks Capital Investment programme and drawn down through the Asset Investment Management Group process.
- 3.3 Currently £804,301 of S106 funds are in the Council's bank account, plus the £250,000 temporary funding in lieu of the Sport England grant. The remainder of the funds will be triggered for deposit at various dates. All the funds are expected to be available for the project delivery. If the remaining S106 funds are not received in time to pay the contractor with, the council will need to find alternative sources of funding, including allocating the unfinanced cost to revenue.

| Deed Reference              | Amount £          | Status of Funds                      |
|-----------------------------|-------------------|--------------------------------------|
| 561/L/S106A                 | 2,032.00          | Banked                               |
| 721/L/S106                  | 681,038.00        | Banked                               |
| 136/L/S106D                 | 57,905.00         | Banked                               |
| 567/L/106                   | 39,692.00         | Banked                               |
| 559/L/S106                  | 10,693.00         | Banked                               |
| 13/04541/FUL                | 77,872.00         | Due in July                          |
| 13/02618/FUL                | 20,096.00         | Date to be confirmed                 |
| 619/L/S106C                 | 12,941.00         | Banked                               |
| 811/L/S106                  | 6,368.00          | Date to be confirmed                 |
| 859/L/S106                  | 16,462.12         | Due in June 2016                     |
| 606/L/S106A                 | 45,119.00         | Due in July 2016                     |
| 795/L/S106                  | 24,052.00         | Due in July 2016                     |
| <b>Total S106 Funding</b>   | <b>994,270.12</b> |                                      |
| Sport England Grant Funding | 250,000.00        | Loan allocated from Capital Reserves |

|   |                     |  |
|---|---------------------|--|
| <b>Total Funds available for this project</b> | <b>1,244,270.12</b> |  |
|---|---------------------|--|

- 3.4 The contract is expected to last for 13-14 weeks, with a 12 month defects period. The payments are made to the contractor in stages and at practical completion the payments will be made up to 97.5% of the contract sum. The remaining 2.5% is withheld until the final account is agreed at the end of the 12 month defects period.
- 3.5 The monies already banked with the addition of £250,000 loan from Capital Reserves, amounts to £1,054,301.00. With a total works budget of £1,240,522 it leaves a shortfall of £186,221. This shortfall will be covered by the £189,969 S106 income expected to be paid to the council by August 2016.

**Table 1- Expected cash flow of Archbishop's Park Sports Facility Improvement Programme**

| <b>Progress</b>            | <b>Period</b> | <b>Month</b> | <b>Typical Monthly Expenditure</b> | <b>Cumulative Expenditure Total</b> |
|----------------------------|---------------|--------------|------------------------------------|-------------------------------------|
| Start on site              | 0             | July 16      | 0                                  | 0                                   |
| W. I. P.                   | 1             | August 16    | 284,000                            | 284,000                             |
| W. I. P.                   | 2             | September 16 | 500,000                            | 784,000                             |
| Completion + 1/2 Retention | 3             | October 16   | 367,870                            | 1,151,870                           |
| End DLP                    | 4             | October 17   | 29,535                             | 1,181,405                           |

- 3.6 Table 1 shows the expected cash flow payments of the scheme. It can be seen that the currently unreceived S106 funding should be received by August 2016, before the equivalent expected outlay in October.

#### **4.0 Legal and Democracy**

- 4.1 The authority to make this contract award is delegated to the Cabinet Member for Regeneration, Business and Culture who may exercise it following the recommendation of the Procurement Board.
- 4.2 The Council's Contract Standing Orders require that contracts with a value in excess of £100,000 should be competitively tendered.
- 4.3 The Public Contracts Regulations 2015 apply to the proposed works contract, and the Council is obliged to publish a contract notice in the Official Journal of the European Union if the value of the contract exceeds £4,104,394. There is no such duty in this case because the estimated value falls below this threshold, but the Council should abide by European

Procurement principles of fairness, transparency and non-discrimination where there might be cross-border interest. It should be noted that transparency would extend to a description of the evaluation criteria and the evaluation methodology, setting out the relevant weightings, showing the range, minima and maxima or if not applicable the criteria in descending order of importance. Contracts should be awarded to the most economically advantageous tender.

- 4.4 When identifying the suitable procurement route the Council may take into account the value of the contract, likely market interest, and industry specific proven procurement methods, which will inform how widely the contract should be publicised. In view of the matters set out in this report, the tendering process complies with the Council's Contract Standing Orders and satisfies the principles of public sector procurement, and the requirement of the Regulations to advertise the contract opportunity in Contracts Finder.
- 4.5 Lambeth is funding this procurement with s106 developer contributions and, in due course, grant funding from Sports England. S106 agreements under the Town & Country Planning Act 1990 provide for developer obligations to reduce or offset any harmful impacts of a development. These can include contributions to facilities at a local level. Any money paid over for such a purpose must be applied for the agreed purpose/s set out in the agreements. The Council will also need to satisfy Sports England that it has conducted a competitive and lawful procurement exercise, and that it has robust procedures in place for prudent contract management and the proper disbursement of the funds.
- 4.6 The Council will enter into a JCT Intermediate Building Contract, which has been identified from a range of industry standard contracts as appropriate to the nature of the proposed works. The project is notifiable under the Construction (Design and Management) Regulations 2015, and requires the appointment of a Principal Designer to advise and assist the commissioning Employer/Client in performing its duties under the Regulations. The Contract Administrator may perform this role.
- 4.7 This proposed key decision was entered in the Forward Plan on 18 September 2015 and the necessary 28 clear days notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

## **5.0 Consultation and co-production**

- 5.1 Full consultation was carried out on the development of the sports facilities in Archbishops. A steering group was formed consisting of the key stakeholders including internal stakeholders, Councillors and Officers, external stakeholders, the landowners, the Chair of the Friends Group, and the Designers.

5.2 Formal consultation on the various proposals was undertaken employing a variety of methods to engage the public in the consultation exercise. The public was encouraged to give feedback on the proposals by :

- feedback form and return via a freepost.
- Online via the Council's website

In addition to the feedback forms people were able to submit their comments by :

- Sending an email to [archbishopsarkconsultation@lambeth.gov.uk](mailto:archbishopsarkconsultation@lambeth.gov.uk)
- By calling Freephone 0800 0131 497 to give comments over the telephone or request assistance with completing the feedback form
- Drop in sessions in the Park
- South Bank Forum – invitation list sent by SBEG
- Event in the park for nearby residents of York House and Lambeth Road.

5.3 Officers attended the park and carried out on site surveys at various times during the consultation period.

5.4 The Consultation period ended on 7<sup>th</sup> July 2014 and the results of the consultation is summarised in the attached **Appendix A - Consultation Report,**

- **Option A** was the preference of the Friends and offered increased grass areas/reduced sports footprint. This was discounted as being a non-financially sustainable option.
- **Option B** is most similar to the current use of the pitch and presents a slightly decreased pitch size. This was the preferred option, being a more viable compromise between the smaller and larger pitch options.
- **Option C** involves a slight increase to the current pitch size. It was the preferred option by many sporting operators but was discounted given the consultation feedback and local opposition.

5.5 The conclusion was that Option B was the best fit for the scope to take forward to planning stage. This option offered a mid-ground. It was financially viable for an operator to manage, it did not take up any more space in the park and it also included the mix of sports activities to meet the demands outlined in the outdoor sports strategy.

5.6 The preferred scheme was developed and taken forward to planning. Full Planning approval was granted on 13<sup>th</sup> July 2015.

## 6.0 Risk management

Risk will be managed through a risk register and reported on a monthly basis through the project overview report. Risks and issues will be kept under control by the project manager and reported upwards to the officer with responsibility for project assurance. The process will be monitored through the Programme Management Office.

The current known risks are:

| Risk  | Mitigation   | Rank   |
|---|--|--------|
| The appointed contractor could go into receivership whilst on this contract.  | This risk is being controlled by carrying out thorough business and financial checks on the shortlisted contractors.   | Low    |
| Weather conditions need to be dry and warm for the majority of pitch works to take place.   | Contractor will be required to keep a check on the weather conditions and plan the various activities based on the predicted weather. The main works will be completed during the summer months with the hope that the weather is predominantly warm and dry throughout this period. | Low    |
| Unforeseen works are uncovered during the opening up of the changing rooms that will impact on the cost and timescale of the project. | A range of surveys have been carried out reduce the risk of unknown construction issues. Drains have been surveyed, asbestos has been identified and removed, structural survey has been carried and findings recorded.  | Medium |

These risks are highlighted in the risk register with the identified risk level and mitigating response.

## 7.0 Equalities impact assessment

An Equalities impact assessment was carried out, which indicates mostly positive or no impact on each characteristic listed. The improved facility will be positive for all current users who have been actively campaigning for the facility to be upgraded for some time. It will also allow the facility to be used by more participants as the improved surface will allow for more use of the pitch, without the worry of causing additional damage.

## 8.0 Community safety

- 8.1 Archbishops Park's sports facilities are located in the centre of the park. The location is visible from most area and does not have any hidden or secluded areas that would attract anti-social behaviour. The inclusion of new lighting along the pathway leading to the sports pitches and the floodlights around the sports pitches will give a safer access route during evening use of the facilities.
- 8.2 During the construction phase of the development, the contractor will be required to provide a method statement to outline how they will work safety while the public still have access to the park. These measures will be monitored throughout the construction.

## **9.0 Organisational implications**

The organisational implications have not been confirmed. Options for the facility management are being considered, including the appointment of an external agent or an in house delivery team. The operator will need to provide value for money and deliver a financially sustainable facility at no cost to the council. The programme of activities at the facility will need to support the delivery of the outcomes within the Active Lambeth Plan and the conditions for the Sport England funding.

## **10.0 Environmental**

The winning contractor was required as part of the tender submission to demonstrate in a method statement how they would dispose of waste materials in a sustainable way and protect the surrounding environment from oil spillages, dust and other hazardous materials.

The contractors were also required to outline in their submission how they would include social value in their construction. The winning contractor outlined added Social benefits by intention to

- Buy materials locally where possible
- Hire any plant required locally
- Pay the “London Living Wage” as a minimum to all people on site
- Offer work placements/apprentiships/training whilst we are on-site by talking to the local agencies
- Offering some funding or help with resources to the Friends of the Park on other current schemes.

## **11.0 Staffing and accommodation**

Staffing and accommodation have not been confirmed and will be considered when appointing the facility management.

## **12.0 Procurement**

12.1 The Contract Standing Order requirements for procurements above the value of £100,000 was followed in order to procure the services of a main contractor for this project, and a rigorous procurement exercise was undertaken in line with Lambeth’s procurement guidelines. Which consisted of a two staged competitive tender exercise comprising

- Pre-Qualification exercise
- Competitive tender exercise

This exercise commenced on 12 January 2016 with a Pre-Qualification exercise which included the issue of a Business Questionnaire. In which a contract notice was published via TED (Tenders Electronic Daily) and Contracts Finder, to which 12 contractors registered expressions of interest electronically on Eu Supply by the due date 3<sup>rd</sup> February 2016.

The criteria used to assess the Business Questionnaire responses, was as follows:

### **Business Questionnaire Mandatory Questions**

Pass or Fail

#### **Part of Business Questionnaire - Scored**

1. References (scores from Referees) – 15%
2. Evaluation of references by Evaluation Panel – 30%
3. Evaluation of responses to supplementary questions – 55%

- 12.2 Following the evaluation of the submissions of the six highest scored contractors were short listed to proceed to the tender stage.

The tender process was initiated on 15<sup>th</sup> March 2016, in which three of the contractors short listed to participate in this exercise submitted bids on 22nd April 2016, whilst the other three declined.

The tenders were evaluated by the Project Manager, Lead Consultant (quantity surveyors) and supervised by 2 members of the procurement team, using the tender evaluation methodology that was set out in the tender documents. Which was 70% price and 30% quality.

Following the initial evaluation for quality and price, some discrepancies were found in the pricing submissions, and thus followed the post tender clarifications process which included the clarification of certain areas in the specification that had been omitted by the contractors which included utilities and the normalisation of the pricing submissions.

- 12.3 Quality

As well as providing a priced schedule of works, contractors were asked to complete as part of their quality submission a method statement and answer questions under the following categories:

| <b>Items</b>                                   | <b>Maximum Number of points out of 100</b> |
|--|--|
| Methodology                                    | 30   |
| Programme                                      | 15   |
| Customer/Client relationships and Social Value | 15   |
| Health & Safety                                | 20   |
| Resource Structure                             | 20   |
| Total No Points Achievable                     | 100  |

Each of these categories were scored out of a total of 100 points and then weighted by 30%

## 12.4 Price

The prices were evaluated based on the lowest bid achieving full marks (70%)

12.5 At the conclusion of the evaluation process Blakedown Sport & Play Ltd's bid provided the Most Economically Advantageous Tender and, therefore emerged as the preferred bidder.

## 13.0 Health

The completion of this project will support the key objectives for Neighbourhoods:-

- People are healthier for longer
- People take greater responsibility for their neighbourhoods
- All Lambeth Communities feel they are valued and part of their neighbourhoods

## 14.0 Timetable for implementation

| Activity               | Proposed Date              |
|------------------------|----------------------------|
| Tender evaluation      | 12 <sup>th</sup> May 2016  |
| Procurement Board date | 30 <sup>th</sup> June 2016 |
| Decision date          | 19 July 2016               |
| Contract award         | 26 July 2016               |
| Contract commencement  | July 2016                  |

## 15.0 Contract Management

15.1 The standard JCT Intermediate Building Contract with contractor's design (ICD) will be used for these works. The contract will be monitored by the Contract Administrator, whose role includes regular site visits and supervision of the works, including compliance with Construction and Design Management Regulations.

15.2 Pre-start meeting will be held, which will outline the expected behaviours during the project for all parties.

15.3 Monthly contract progress meetings will be held to keep stakeholders informed of progress. These will be chaired by the Contract Administrator. The CA will also provide the client with cost updates, review the construction programme, and issue instructions to the contractor.

15.4 A Clerk of Works will be appointed to manage the quality aspects of the build: they will report to the Contract Administrator and the Council any aspects of the build that are non-compliant or below expected quality.

- 15.5 The Contract Administrator will also be responsible for issuing valuation certificates during the works and conducting the final inspection and snagging of the works on completion.
- 15.6 The Project Manager will be responsible for verifying the valuations and approving payments for contractors and consultants at relevant stages of the contract.
- 15.7 Upon completion the newly installed pitch will be inspected and certified by an independent National Governing Body testing organisation.
- 15.8 Contract Review report will be completed at the close of the project.

| <b>Audit trail</b>                 |   |                  |                      |                          |
|------------------------------------|---|------------------|----------------------|--------------------------|
| <b>Consultation</b>                |   |                  |                      |                          |
| <b>Name/Position</b>               | <b>Lambeth cluster/division or partner</b>              | <b>Date Sent</b> | <b>Date Received</b> | <b>Comments in para:</b> |
| Sue Foster                         | Strategic Director, Neighbourhoods and Growth           | 1/7/2016         | 8.7.16               |                          |
| Adrian Smith                       | Director Neighbourhoods, Environment and Growth         | 6/6/2016         | 20.6.16              |                          |
| Ian Speed                          | Business Partnering                                     | 20/5/2016        | 6 June 2016          |                          |
| David Thomas                       | Legal Services, Corporate Affairs - Corporate Resources | 20/5/2016        | 24/05/2016           | 4                        |
| Raj Mistry                         | Assistant Director for Neighbourhoods                   | 31/5/2016        | 7/6/2016             | Summary and 3.2          |
| Victoria Diah                      | Head of Capital Neighbourhoods Programme                | 20/5/2016        | 14/6/2016            |                          |
| Sandra Roebuck                     | Assistant Director Strategic & Neighbourhoods           | 31/5/2016        | 7/6/2016             |                          |
| Henry Langford Democratic Services | Corporate Resources                                     | 10/6/2016        | 13/06/2016           | 4                        |

|                               |  |           |           |  |
|-------------------------------|--|-----------|-----------|--|
| Greg Knight                   | Commissioning  | 20/5/2016 | 26/5/2016 |  |
| Florence Ahiente              | Procurement  | 6/6/2016  |           |  |
| Councillor Jack Hopkins       | Cabinet Member:<br>Regeneration,<br>Business and Culture | 1.7.16    | 11.7.16   |  |
| Councillor Ben Kind           | Ward Councillor  | 6/6/2016  | 7/6/2016  |  |
| Councillor Jennie Mosley      | Ward Councillor  | 6/6/2016  |           |  |
| <b>Internal Officer Board</b> | <b>Date of meeting</b>                                   |           |           |  |
| Procurement Board             | 30 June 2016   |           |           |  |
| <b>External</b>               |  |           |           |  |
| Liz Tipping                   | Thomas & Adamson   | 20/5/2016 |           |  |

|   |  |
|---|--|
| <b>Report history</b>   |  |
| <b>Original discussion with Cabinet Member</b>                          | 16 December 2014   |
| <b>Report deadline</b>  | N/A  |
| <b>Date final report sent</b>   | N/A  |
| <b>Report no.</b>   | N/A  |
| <b>Part II Exempt from Disclosure/confidential accompanying report?</b> | Yes/   |
| <b>Key decision report</b>  | Yes  |
| <b>Date first appeared on forward plan</b>                              | 18.9.15  |
| <b>Key decision reasons</b>   | Expenditure, income or savings in excess of £500,000                                     |
| <b>Background information</b>   | Outdoor Sports Facility Strategy<br>Lambeth Council's Community Plan 2013-16             |
| <b>Appendices</b>   | Archbishop's Park Sports Facilities<br>Upgrade Community Consultation<br>Analysis Report |

**APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION**

**I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Post**            **Caroline Streeks**  
                     **Project Manager Neighbourhoods**

**I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Post**            **Jack Hopkins**  
                     **Cabinet Member for Regeneration, Business and Culture**

**Any declarations of interest (or exemptions granted):**

**Issue**

**Interest declared**