

NORTH LINCOLNSHIRE COUNCIL

**LEADER OF THE COUNCIL –
REGENERATION, MARKETING AND
STRATEGIC FINANCE CABINET MEMBER**

**NEW ENTERTAINMENT VENUE – APPOINTMENT OF PRINCIPAL
CONTRACTOR/CONSTRUCTOR**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 Contract Procurement Rules state that Cabinet Member approval is required for all major procurement projects. The construction of the New Entertainment Venue meets the criteria of a major procurement project.
- 1.2 A decision is urgently required to approve a procurement exercise for the appointment of a Principal Contractor/Constructor for the construction of the New Entertainment Venue.
- 1.3 This report summarises the information available to support the proposal.

2. BACKGROUND INFORMATION

- 2.1 On 20th February 2008 Full Council approved an allocation of £15m within the capital programme 2008/11 for the redevelopment of the Baths Hall site.
- 2.2 Subsequently a programme to design and construct a New Entertainment Venue was agreed. A project team of construction professionals (in-house and external) was appointed and design work has progressed.
- 2.3 The target date for completion of construction of the New Entertainment Venue is October 2010. In order to safely construct the new building a period of at least 67 weeks (just over 14 months) is required. This timescale is very challenging and allows no time contingency.
- 2.4 The current estimated construction cost of the New Entertainment Venue (excluding VAT and professional fees etc) is around £13.5m.

Due to the value of the project, an EU compliant procurement exercise is required to appoint a Principal Contractor/Constructor.

2.5 From initiating this process to starting on site (including agreeing a price for the construction of the New Entertainment Venue) will take at least 32 weeks. As with item 2.3, this is time-scale is very challenging and allows no time contingency.

2.6 Approval to commence a procurement exercise for the appointment of a Principal Contractor/Constructor for the construction of the New Entertainment Venue is therefore required by no later than 14th November 2008. As a result, an urgent decision is required by the Cabinet Member on this matter

3. **OPTIONS FOR CONSIDERATION**

3.1 The cabinet member has the following two options:

Option 1: Approve a procurement exercise for the appointment of a Principal Contractor/Constructor for the construction of the New Entertainment Venue.

Option 2: Do not approve a procurement exercise for the appointment of a Principal Contractor/Constructor for the construction of the New Entertainment Venue.

4. **ANALYSIS OF OPTIONS**

4.1 Option 1: Approving a procurement exercise will enable the council to progress the decision to redevelop the Baths Hall site in accordance with the target completion date of October 2010.

4.2 Option 2: Not approving a procurement exercise will prevent achieving the target completion date of October 2010. An alternative means of constructing the New Entertainment Venue will prove necessary.

5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 Financial – as noted at 2.1 above, an allocation of £15m for this project is included within the capital programme 2008/11.

5.2 Staffing – there are no direct staffing implications.

5.2 Property & IT – there are no direct Property and IT implications.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 Statutory – the procurement process will fully comply with the requirements of The Public Contracts Regulations 2006.

6.2 Environmental & Other – the tender evaluation process will include issues relating to environmental sustainability.

7. OUTCOMES OF CONSULTATION

7.1 Relevant officers within the Finance Service were consulted on this matter. Their comments were incorporated into this report.

8. RECOMMENDATIONS

8.1 That the Cabinet Member approves taking forward a procurement exercise for the appointment of a Principal Contractor/Constructor for the construction of the New Entertainment Venue.

SERVICE DIRECTOR ASSET MANAGEMENT AND CULTURE

Hewson House
Station Road
BRIGG
North Lincolnshire DN20 8XY
Author: Nolan Bennett
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Background Papers used in the preparation of this report:

- Report to Council on 20 February 2008, titled “The Baths Hall”