


## Appendix G PROCUREMENT BUSINESS CASE

 <b>ABERDEEN</b> <small>CITY COUNCIL</small>	For proposed procurements where the total estimated expenditure exceeds £50,000 (supplies/services) or £250,000 (works)
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<b>Procurement / Contract Title and start date</b>	Northfield Swimming Pool – Extension and Refurbishment Project November 2019		
<b>Procurement Ref No.</b>	RES028		
<b>Current contract in place?</b>	No		
<b>Function</b>	Resources	<b>Cluster</b>	Corporate Landlord
<b>Lead Officer</b>	Alastair Reid	<b>Date prepared:</b>	13 Sep 2019

### 1. Recommendation

Approve the use of the Alliance Leisure Framework to progress the project from RIBA Stage 4, Technical Design and Cost Certainty through to the delivery of the extension and refurbishment project. With a projected contract start date of November 2019.

### 2. Compliance with Demand Management Gateways

<p><u>Gateway 1:</u> Is the spend from a national or regional framework and if not, what is the justification for the spend to be off contract?</p>	<p><del>Tender / Framework Call Off Competition / Direct Award / Contract Extension.</del></p> <p>The UK Leisure Framework exists for the delivery of leisure related construction projects. Through this, Alliance Leisure were appointed to take the project to Royal Institute of British Architects (RIBA) Stage 4. That covers surveys, design, cost plans and statutory consents.</p> <p>Alliance Leisure have significant experience in delivering a range of leisure based projects including swimming pools. This will be hugely beneficial as the project progresses. The initial appointment to progress design proposals and cost plans, came at a time when resources within the internal design team were allocated to other projects. Having carried out the initial phase of the project, Alliance are primed to take the project forward. It remains an option to use a different procurement route, however this would lead to a significant delay in the project as new Design resources are identified and an alternative procurement route followed.</p> <p>Design fees included in the contract are in line with the Council's internal design team fees. Having reviewed the cost plan provided by Alliance Leisure, officers are comfortable the estimated costs are within anticipated parameters. The construction cost estimates are based on a contract sum being established with a Main Contractor in competition by means of a single stage tender process using a design and build Form of Contract.</p>
<p><u>Gateway 2:</u></p>	<p>No – Northfield Swimming Pool is owned by the Council and operated by Sport Aberdeen. The pool was closed in March 2018 following critical plant</p>

<p>Is this spend connected with an identified budget option/service redesign? If not what is the justification for the contract?</p>	<p>failure. Without significant capital investment it will not reopen. Following discussion with Sport Aberdeen it was apparent that there was an opportunity to provide an enhanced facility. Which would provide greater opportunities for physical activity and the maximisation of the facility's commercial effectiveness.</p> <p>At the Full Council budget meeting of 6th March 2019, Co-Leader Cllr Lumsden announced the following:-</p> <p>“As Co-Leaders Cllr Laing and I recently signed the Activate the City pledge and we took that opportunity to underline the importance of health and wellbeing in supporting our wider aims. Today we can announce that we propose to demonstrate that priority by working in partnership to enhance facilities, specifically the refurbishment of Northfield swimming pool.</p> <p>With Sport Aberdeen we make a firm commitment to invest in a multi-million pound extension and enhancement of the facility through the Condition and Suitability budget.”</p> <p>This project will result in refurbishment of all mechanical and electrical plant to provide Northfield Pool with a up to 20-year serviceable lifespan. In addition, an extension will provide the following:-</p> <ul style="list-style-type: none"> <li>• 60-station fitness suite</li> <li>• Multi purpose studio</li> <li>• Dry changing facilities</li> <li>• Non-clinical space for use by partners</li> <li>• Increased changing accommodation, including group changing and family changing.</li> <li>• Additional bike and car parking.</li> </ul> <p>The refurbishment to existing areas covers:-</p> <ul style="list-style-type: none"> <li>• New sanitaryware</li> <li>• Redecoration</li> <li>• Retiling</li> <li>• New flooring</li> <li>• New internal doors</li> <li>• Replacement fixtures and fittings</li> <li>• New suspended ceilings</li> </ul>
<p><u>Gateway 3:</u> Does the spend support outcomes associated with the LOIP and/or the Council's associated commissioning intentions?</p>	<p>Prosperous People: the inclusion of non-clinical space, fitness suite and multi-purpose studio as part of the proposed extension to Northfield Pool supports the primary and secondary drivers in relation to health and wellbeing, specifically contributing to the achievement of the specified improvement measures, namely the reduction in the number of inactive people in Aberdeen. The enhanced facilities combined with the services delivered from the facility will support this improvement measure by providing local opportunities, targeted towards those who would benefit the most.</p> <p>Prosperous Place: Using the enhanced facility, Sport Aberdeen will work with key partners/stakeholders to provide opportunities for young people from within the Northfield community. This will help young people to access positive activities within a sport and physical activity environment, building on work undertaken to date with partners in this area. Through partnership working, Northfield Pool will be able to provide opportunities for engaging with disenfranchised young people, with the aim of reducing anti-social behaviour by young people and increasing the number of young people engaged in diversionary activity programmes who take on a volunteering role within their communities.</p>

	<p>Additionally, the proposal at Northfield Pool specifically addresses the secondary driver of ensuring that all areas of the City and everyone in our communities have access to opportunities to participate in a range of health and fitness activities. The combination of facilities proposed as part of the enhanced facilities will support the improvement measures of reducing the % of inactive adults and children, increase the % uptake of recreational walking through targeted walk programmes within the local community. The new facilities will obviously also be fully compliant with accessibility/equality legislation, providing equality of access to both the activities and the programmes delivered within them.</p> <p>Specific benefits and measures will be considered in due course.</p>
<p><u>Gateway 4:</u> Have officers concluded all processes to avoid the demand associated with the external spend?</p>	<p>Demand classification – Failure</p> <p>The pool was closed in March 2018 following critical plant failure. Without significant capital investment it will not reopen.</p>
<p><u>Gateway 5:</u> Are the performance measures to assess the impact of the associated external spend robust and appropriate?</p>	<p>The project business case details the benefits of the project.</p>
<p><u>Gateway 6:</u> Are the managerial and governance reporting arrangements against these performance measures robust and appropriate?</p>	<p>A medium level of contract management is required.</p>
<p><b>3. Risk</b></p>	
<p>What risks are associated with this procurement?</p>	<p><u>Agreeing</u> Frameworks rely on certain contractors, which could create issues around availability. This is considered a low risk.</p> <p><u>Not agreeing</u> The project would be stopped and the pool would not reopen. Alternative procurement could be considered but as the design has been procured through the framework, this would lead to a significant delay to the project and abortive costs of design fees.</p>
<p><b>4. Consultation</b></p>	
<p>Details of consultation undertaken</p>	<p>City Growth &amp; Resources Committee – Project will be considered as part of Condition &amp; Suitability Programme Update at September 2019 meeting.</p> <p>Sport Aberdeen have been fully involved in the project and are supportive of the proposal.</p>
<p><b>5. Legal</b></p>	
<p>Does the proposal comply with all relevant legal provisions?</p>	<p>Yes</p> <p>Commentary: It is proposed to use a Framework which is open for use by Scottish local authorities. Provided that the Council complies with the terms of the Framework Agreement this is a compliant route.</p> <p>Name: Alison Watson</p>

	Date: 13 Sep 2019
<b>6. Finance</b>	
Budget including all revenue and on costs	£x already allocated. A further £x will be required to deliver the project at a total cost of £x. With Sport Aberdeen funding £x. £x of the total budget is to cover internal fees associated with managing the project, which will not form part of the contract.
Budget Type	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Common Good
Budget Code(s)	NHCP294 - Condition and Suitability Programme
Estimated Spend	Annual contract value: n/a  Total contract value: £x
Reviewed by	Name of Finance Officer: Scott Paterson  <b>Recommendation</b> The funding mechanism to support this contract is in place, and the proposal can be approved.  Date of review: 12 September 2019
Is budget sufficient for procurement?	Yes / <del>no</del>
<b>7. Governance</b>	
Approved by Director / Chief Officer	Name / date: Stephen Booth, Corporate Landlord / 13 Sep 2019
Approved by Legal:	Name / date: Alison Watson / 13 Sep 2019
Approved by Finance:	Name / date: Scott Paterson / 12 Sep 2019
Approved by Commercial and Procurement:	Name / date: Allison Gallacher / 13 Sep 2019
Approval by Demand Management Control Board	Date: 13 Sep 2019
Presented to Committee:	Name of Committee: City Growth & Resources Date: 26 September 2019