

Report to: **Cabinet**

Date of Meeting: 11 February 2015

Public Document: No

Exemption: Para 3 Schedule 12A Information relating to the finance or business affairs of any particular person

Agenda item: 23



Subject: **Appointment of Interpretation Contractor for Seaton Jurassic**

Purpose of report: The purpose of this report is to advise members of the current position regarding the appointment of the Interpretation contractor for Seaton Jurassic and to update on progress with the project and the current fundraising efforts.

Recommendation:

- 1. That Cabinet approves the appointment of Ecological Construction Solutions under a pre-construction agreement up to a sum of £40,000 to undertake the final design work for the interpretation works.**
- 2. That Cabinet approves that delegated authority is given to the Deputy Chief Executive in conjunction with the Portfolio Holder to confirm the appointment of Ecological Construction Solutions for the Interpretation Contract subject to the final contract sum being within the budget set out in paragraph 1.1 of this report.**

Reason for recommendation:

The Project Team has undertaken a tender process to select the Interpretation Contractor who will construct and fit out the exhibits for Seaton Jurassic.

The Team wishes to appoint the Interpretation Contractor to commence work on constructing the exhibits off-site from April 2015 and then on-site from July 2015 once the main construction work has been completed by Kier.

The Project Team has submitted a bid to the Coastal Communities Fund for additional funds to support the project. We are currently awaiting the outcome of this application. Devon Wildlife Trust also has outstanding funding applications in place.

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Financial implications: Financial details contained in the report.

Legal implications: The report identifies that the correct process has been followed as required by our Contract Standing Orders. The report identifies the budget for the project costs and the recommendations ensure that the complete project costs are quantified before the full contract appointment occurs. While ECS will be appointed on a 'pre-construction contract' (valued at £40,000), if they cannot demonstrate that the project will come in on or under budget then the matter will need to be returned to Cabinet for a further decision. Legal will assist with the preparation of the pre-construction contract and the full construction contract assuming ECS are

able to deliver the project on budget. Other than as noted above and in the report, there are no other legal implications arising.

Equalities impact: High Impact. The delivery of Seaton Jurassic will have a high impact on delivering opportunities for work and leisure activities for all sections of the community.

Risk: Low Risk
 There are low risks associated with the selection of this contractor. These relate to the size of the commission which has not been undertaken by the contractor previously in his capacity as a limited company. The Contractor is working with a number of other contractors who will sub-contract to him. This is a structure that most of the parties involved have used before and has worked well on other projects.

Links to background information: Cabinet report from Sept 2014.

Link to Council Plan: Enjoying this Outstanding Place

Report in full

1. Appointment of Interpretation Contractor

- 1.1 The project team undertook a procurement exercise to identify the Interpretation Contractor following the Council's tendering requirements during autumn 2014. The expected budget for the Interpretation Contract works is £905,000 with a contingency of £50,000 (excluding overheads and profit).

Budget Breakdown	Amount (£)
Interpretation works (includes contractors preliminaries)	905,000
Hotspot works	57,568
Inflationary allowance	30,384
TOTAL	993,640
Contingency at 5%	49,682
TOTAL (including contingency)	1,043,322
Pre-construction (design) costs (includes overheads and profit)	40,000
TOTAL (including pre-construction costs)	1,083,322

- 1.2 Tender documents for the works were prepared by WWA and uploaded to the EDDC website on the 12 November 2014. Advertisements detailing the opportunity were placed in the Western Morning News (paper and website) and Museums Association website. The stated tender return date was 8 December 2014.
- 1.3 Thirteen Contractors registered an interest and downloaded the tender information from the EDDC website. A week before the original tender date, 9 of these pulled out. The tender date was extended, but a further 2 pulled out. The reasons for not submitting were current workload, number of existing tenders being prepared and capacity to undertake the project.

- 1.4 Two bona fide tenders were received from; Ecological Construction Solutions and Tenderer 2. Due to the reduced number of tender returns WWA contacted both EDDC and HLF to ensure that the tender process would be accepted. WWA informed them on 11th December that only two tenders were likely to be received. On the 15th December on behalf of the HLF, Roy Steel and Tom Brewer confirmed that they accepted that the tender was valid subject to receiving a full tender report.
- 1.5 The evaluation process is set out in the attached tender report. This involved an evaluation of their price, written proposals and an interview.
- 1.6 The tender price provided a fixed price for the pre-construction stage and then details of the preliminaries and overheads and profits for the construction stage. These were as follows:

Tenderer	Pre-Construction Stage		Construction Stage		
	Fee	Nr of days	Prelims	Overheads & Profit	Nr of days
Pre-tender estimate	£ 40,000.00	40 days	£100,000.00	-	35 weeks
Ecological Construction Solutions	£4,200.00	15 days	£102,105.00	1.8%	37 weeks
Tenderer 2	£66,497.20	45 days	£196,284.00	10.0 %	50 weeks

- 1.7 The tender process did not seek to identify a fixed price for all of the interpretation works (the construction stage) as the pre-construction stage (further detailed design work) will influence this cost. However, indicative costs were provided by the two tenderers. Ecological Construction Solutions (Lloyd Turner Ltd) confirmed that they could deliver the interpretation works within the current budget of £994,000. Tenderer 2 confirmed that they currently would require an additional £200k to deliver the interpretation construction works.
- 1.8 The preliminary costs and overhead and profit costs will form part of the final contract sum.
- 1.9 Following the interviews which were held on 18 December 2014, it was decided that Ecological Construction Solutions were the preferred contractor but should be approached for further information to clarify a number of points relating to the following:
- the financial stability of the Contractor.
 - the management backup available to the Contractor.
 - The ability of the Contractor to ensure that decisions are made in a timely manner and that they can drive the project.
- 1.10 These points were clarified to the satisfaction of the Project Team at a meeting with Ecological Construction solutions on Wednesday 7 January. A credit check has been undertaken by the Finance Team which has shown a positive result. We have requested a bank reference and are currently awaiting a response from the bank.
- 1.11 We also discussed the appointment process. We would like to appoint the contractor under a pre-construction agreement in the first instance in order to finalise the design work. Although Ecological Construction Solutions only allowed £4,200, we would like to commit £40,000 to the pre-construction work which will bring forward key items such as the steel work design for the infinity pool. This pre-construction stage will finalise the design for all items and ensure that the contract sum is within the existing budget of £994,000. If the final contract sum is not close to this amount (bearing in mind the contingency of approximately £50,000), then further value engineering work will be required.

- 1.12 The Project Team will confirm that the appointment is acceptable to the Heritage Lottery Fund, in line with their funding conditions.
- 1.13 The tender report has identified some further requirements that should be made of Ecological Construction Solutions (evidence of PI cover and development of more detailed QA, Environmental and Equality Statements. These will be picked up by the Project Team.
- 1.14 It is therefore proposed that the Council proceeds with the appointment of Ecological Construction Solutions under a pre-construction agreement for the amount of £40,000. Following completion of this pre-construction stage, and finalisation of the contract sum, it is proposed that the Deputy Chief Executive in conjunction with the Portfolio Holder be given delegated authority to enter into the contract for the interpretation works.

2. Update on Project Progress

- 2.1 Works are progressing well at Seaton Jurassic and the Contractor is continuing to report that they remain on programme for the contract completion date of June 2015. All substructure works are complete, the erection of the steel frame is nearing completion and drainage works are continuing. Through the course of the next four weeks the scaffolding will be erected around the building and works will commence on the roof, external walls and windows and external doors.
- 2.2 There are no issues to report on quality of works and we are advised that Building Control visited site in December and had no adverse comments.
- 2.3 The Interpretation Design Consultant, Wildlife Murals has been appointed and is working on the designs for the interpretation exhibition materials and garden area.
- 2.4 The Centre Manager, Mike Ruiter has now been appointed and will commence work for the project in February 2015 in order that he can be involved in the final internal design works, staff recruitment and management set up of the Centre in the lead up to the opening of the cafe and shop area in summer 2015. Mike currently works for the Youth Hostel Association and has experience of managing youth hostels and visitor centres in the past.
- 2.5 A Seaton Jurassic Information event was held in November 2014 and was attended by 300 people, the overwhelming majority of whom were in support of the project. Another event will be organised in the next few months.
- 2.6 Proposals for the overspill car park on the Underfleet are progressing and it is expected that this will be heard at the March Development Management Committee.

3 Update on Project Funding

- 3.1 The total cost of the project is £4,195,980. Of this, funding from external sources to date is £1,923,450 with the EDDC capital programme funding £1,847,900. This leaves a balance of £545,910.

The Project Team has submitted a bid to the Coastal Communities Fund for additional funds amounting to £494,000 to support the project. We are currently awaiting the outcome of this application and expect to hear from the DCLG during February 2015. If the Coastal Communities bid of £494,000 is successful, the funding shortfall will be £51,910. Devon Wildlife Trust also has outstanding funding applications in place which it is hoped will cover part of this, with any remainder being sourced from other interested parties.