

Report to: Executive Board - 17th June 2002

SPORT CENTRES PLANNED PLANT MAINTENANCE CONTRACT

<p>Report of: Leisure Business Manager (Acting)</p> <p>Report Author: Mark Bowler Leisure Business Manager (Acting) Tel no. 01865 252621 Email: mbowler@oxford.gov.uk</p> <p>Lead Member Responsible: Councillor Peter Johnson</p> <p>Overview and Scrutiny Committee Responsibility: Finance & Performance Management.</p> <p>Key Decision: YES</p>	<p>WARDS AFFECTED ALL</p>
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SUMMARY AND RECOMMENDATIONS

This report seeks authority to extend the existing contract for 3 months as a minor project and seeks major project approval for the provision of the planned maintenance service for sport and leisure centre plant from March 2003.

The report indicates the future capital investment required in order to ensure that the sport and leisure centre plant is maintained in a safe and reliable condition.

The Executive Board is ASKED to:

- a) Authorise the variation of the existing contract to amend the specification and to extend it to March 31st 2003;
- b) Grant minor contract approval for the extended contract;
- c) Grant major project approval in respect of the provision of the planned maintenance of sport and leisure centre plant from March 2003.

1.0 Objectives of the project

- 1.1 The current plant maintenance contract expires in December 2002. This contract provides for both:
 - a. planned preventive maintenance of the operational plant, and
 - b. reactive repairs and replacements in respect of the operational plant.
- 1.2 The new contract will cover the planned preventative maintenance element as before but make the repair and replacement element of the existing contract an ad hoc arrangement. The Executive Board and Council will be asked in July 2002 to consider plans to put funds into the repair and replacement of plant at the centres.
- 1.3 The change in the proposed contract specification has arisen since the age and condition of the plant renders an inclusive contract impracticable after December 2002.

2.0 *Interim Arrangements to 31 March 2003*

- 2.1 In order to ensure sufficient time for a tendering process to take place and to synchronise the contract with the Council's financial year, it is proposed that the new contract will commence on 1 April 2003. To cover the period from December 2002 to 31 March 2003 it is proposed that the existing contractor be asked to extend its work on the planned maintenance element of the specification. The contract will be varied to delete the provisions relating to the repairs and replacements element of the contract so that the Council may use the existing contractor on an ad hoc basis where it agrees to do the work and the Council agrees to the price offered for that work.
- 2.2 The estimated cost of the contract extension for planned maintenance will be £22,500 for the three-month period. This will be funded from the existing plant maintenance budget.
- 2.3 The cost of any repairs and replacements required for this period will be funded from the existing plant maintenance budget and central emergency repairs budget. A contingency of £20,000 will be allocated for this purpose. This budget has already been authorised by the Council.
- 2.4 Minor contract approval is sought for this extension, as the potential cost of the contract could be £42,5000.
- 2.5 Given the specialist nature of the work to be undertaken and the relatively short time period, it is considered that there are no alternative options that are practicable for dealing with the contract extension.
- 2.6 There are no staffing implications as the contract supervision will be undertaken by existing in-house staff.

3.0 Longer-term Arrangements

3.1 The proposed contract is subject to EU procurement rules. The intention is to award a five-year contract from 1 April 2003 for the provision of planned maintenance of the major operational plant at:

- Temple Cowley Pools
- Ferry Sports Centre
- Oxford Ice Rink
- Blackbird Leys Leisure Centre
- Blackbird Leys Pool
- Hinksey Pools

4.0 Alternative methods of achieving the objective

4.1 The plant in the sport and leisure centres requires specialist maintenance. As the Council does not have the required expertise and resources to undertake this type of work in-house the only viable alternative, given the requirements of EU service procurement directive, is to procure the necessary services under the EU restricted procedure.

5.0 The response to the formal consultation process for key decisions, and how comments received have been dealt with as part of this reporting process

There has not, to date been any feedback received as a result of the project appearing in the forward plan. Wide public and stakeholder consultation is not considered appropriate for this project. The Leisure Unit has consulted the Property Unit who are undertaking the work to compile the tender documentation.

6.0 Staffing consequences

There are no immediate staffing implications in respect of the project. Following the contract award the Property Investment Business Unit will provide contract monitoring and to ensure the co-ordination of the repair and replacement work.

7.0 The amount and phasing of estimated capital and revenue expenditure for planned maintenance and any ongoing revenue consequences

There is currently an annual revenue budget provision of £125,520 to fund the plant maintenance contract. It is estimated that the new contract value will be in the region of £100k per annum. However, this will only cover the planned preventative maintenance costs with repairs and replacements being funded separately. It is estimated that the phasing of revenue expenditure to fund the contract will be as follows:

Year	2003	2004	2005	2006	2007	Total Value
Contract Price	£100,000	£100,000	£100,000	£100,000	£100,000	£500,000

8.0 Future Repairs and Replacement costs revenue expenditure and any on-going revenue consequences

- 8.1 The balance between the estimated contract price for planned maintenance and the available budget will need to be retained in future as a contingency to fund unforeseen repairs and replacements (approx. £25,000 pa) . This is separate to the planned repairs programme which officers will bring to members in the July report
- 8.2 In preparation for the contract renewal, Leisure has undertaken an independent survey of the condition of the plant to be covered under the new contract.
- 8.3 The survey has identified repair and replacement costing in the region of £575,000 which will be required in order maintain the plant to a safe and reliable standard. This amount does not include any provision for plant failure that may occur as a result of other causes that have not been identified within the survey. Full details of the investment requirements will be contained in a report to the Executive Board on 8th July 2002.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:
 Isobel Garner, Strategic Director
 Peter Johnson, Portfolio Holder – Leisure Facilities
 Claire Reid, Devolved Accountant
 Helen Liddar, Legal Services Manager

Background papers: Nil