

ITEM No ...7.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 12 MARCH 2018
REPORT ON: MENZIESHILL COMMUNITY PROJECT
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 96-2018

1 PURPOSE OF REPORT

1.1 This report describes the procurement and tendering process utilised for the new Menzieshill Community Project and seeks a decision on the acceptance of the tender price and allowances

2 RECOMMENDATION

2.1 It is recommended that the Committee

- a approves the acceptance of the tender price submitted by Wilmott Dixon Construction Limited in the amount of £9,095,762 with allowances amounting to £4,154,238 giving a total cost of £13,250,000.
- b note that the start date for the project is currently April 2018 with a construction completion date of April 2019 with the facilities operational in April 2019.

3 FINANCIAL IMPLICATIONS

- 3.1 The total projected cost of the new Menzieshill Community Project has been tendered at £13,250,000 including allowances. The Executive Director of Corporate Services has confirmed that funding is available within the Building Stronger Communities section of the Capital Plan 2018-2023, funded from a combination of borrowing and Scottish Government Regeneration Capital Grant.
- 3.2 From 2020/21, it is expected that the annual property revenue operating costs will be £272,000 per annum higher than existing budget. Provision for this will be included in the Revenue Budget from 2020/21 onwards.

4 BACKGROUND

- 4.1 Reference is made to Article III of the meeting of the City Development Committee of 23 February 2015 when the Committee agreed to procure the construction of the new Menzieshill Community Project from Wilmott Dixon Capital Works Limited under the Scape Framework with the performance obligations of the contract sub-contracted to Robertson Construction Group Limited. It was subsequently confirmed that Wilmott Dixon Capital Works Limited has changed its name to Wilmott Dixon Public & Commercial Limited and that the Project Delivery Agreement should be entered into with Wilmott Dixon Construction Limited, its wholly owned subsidiary.
- 4.2 The works comprise the construction of a new multi-use community centre comprising two games halls, fitness suite, library and community multi-purpose rooms and areas, complete with cafe, designed over 2 storeys. The building will have a total area of approximately 3100m². Vehicular access to the community facility and car park will be from Dickson Avenue.
- 4.3 Using the Scape Framework, the specification and design for the new community project building was produced by Robertson Constructions design consultants and the Council's in-house Structural and Civil Engineering teams and the tender price built up using open book tendering for all work packages, with contractually fixed management fees, overheads and profit for the lead contractor. The lump sum tender price was 100% market tested, with 61 individual work packages issued to 609 potential sub-contractors.

4.4 In this contract Robertson Construction and all sub-contractors (and the sub-contractors' sub-contractors) will pay the Scottish Living Wage as a minimum to all employees actively employed on site. The Scottish Living Wage, as recognised by the Poverty Alliance is currently £8.75 per hour (from 1 November 2017) and will increase annually, each year in the first week of November.

4.5 The total projected cost of the new Menzieshill Community Project is made up as follows -

Lump Sum Tender Price	8,665,762	
External Professional Fees	430,000	£ 9,095,762
Allowances for	£	
Internal Professional Fees	682,008	
Site Acquisition	840,000	
IT Installation/Equipment	50,000	
Decant and Commissioning	50,000	
Public Art	20,000	
Loose Furniture & Equipment	130,000	
Planning, Warrant and Surveys	125,000	
Demolitions	235,000	
Off-site Highway Improvements	275,000	
Utility Diversions	175,000	
Enabling Works and Community Gardens (previously approved and complete)	1,222,230	
Contingency Provision	350,000	£ 4,154,238
		<u>£13,250,000</u>

4.6 The Executive Director of Corporate Services has confirmed that funding is available within the budget in the Building Strong Communities section of the Capital Plan 2018-2023.

4.7 Dundee City Council's Community Benefits Through Procurement Policy seeks to maximise economic and social benefits from Council procurement within the current legal framework through the inclusion of Community Benefits on all applicable contracts. The Scape Framework also requires Community Benefits to be realised, and has achieved the following commitments for this contract:

Community Benefit Area	Target	Source
<i>Supplier Development</i>		
Percentage of Spend (allocated locally)		
Contract Spend within 10 miles	20%	Scape
Contract Spend within 20 miles	40%	Scape
Contract Spend within 40 miles	75%	Scape
Supplier Development Events	2	DCC
<i>Employment and Skills</i>		
Local Labour Monitoring	Monitor Only	DCC
New Start Employment Opportunities	2	DCC
Apprentices (Project Initiated)	2	DCC
Work Experience (School & Post School)	2	DCC
Awareness Raising/Curriculum Support Events	2	DCC
Awareness Raising – Individuals Supported on site (ie. visits)	401	Scape
Awareness Raising – Individuals supported on offside activity	267	Scape

- 4.8 Additional community benefits targets have also been agreed with the Council and these include supplier development, employment and skills activities, community awareness activity and workforce skills development. Monitoring of the above commitments and targets will be carried out with the lead contractor by Dundee City Council's Community Benefits Officer and will be reported as part of the overall Community Benefits updates to Committee on a regular basis.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

- 6.1 All members of the Council Management Team have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 None.

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FW/NM/MS

1 March 2018

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