

## ALLIANCE LEISURE and the UK LEISURE FRAMEWORK

### UK Leisure Framework Procurement

The framework notices for procurement under OJEU are shown as below:

*Sell2Wales – PIN Notice:*

[https://www.sell2wales.gov.wales/search/show/search\\_view.aspx?ID=JAN117731](https://www.sell2wales.gov.wales/search/show/search_view.aspx?ID=JAN117731) – OJEU

*Reference: 2016/S 007-007518*

*Sell2Wales – Contract Notice:*

[https://www.sell2wales.gov.wales/search/show/search\\_view.aspx?ID=JUL144370](https://www.sell2wales.gov.wales/search/show/search_view.aspx?ID=JUL144370) – OJEU Reference:

*2016/S 137-246892*

*Sell2Wales – Contract Award Notice:*

[https://www.sell2wales.gov.wales/search/show/search\\_view.aspx?ID=FEB186452](https://www.sell2wales.gov.wales/search/show/search_view.aspx?ID=FEB186452) – OJEU

*Reference: 2017/S 031-055422*

*OJEU Notices – <http://ted.europa.eu/udl?uri=TED:NOTICE:7518-2016:TEXT:EN:HTML&tabId=4>*

- The Framework has been set up by the contracting authority with the power to establish
- Council is adequately identified in the description of those who can utilise the Framework
- Total value call off is identified within the scope advertised
- 4 year framework term commenced February 2017

### Call off Agreement and Process

Alliance are the Main Contractor (as relating to the Framework) and the process initially is that:

- Client (Council) completes a Project Questionnaire (PQ) which ALS would support and lodge
- Denbighshire CC are responsible for accepting projects to the framework (via questionnaire)
- Access Agreement is then entered into between Alliance and the Council once the project has been accepted by Denbighshire CC to the framework

There are, essentially, two contractual stages in the framework process:

1. The first is governed by the Access Agreement (AA)
2. The second by the relevant 'Call Off' Development Management Agreement (DMA) and associated Building subcontracts

Under the Access Agreement ALS can be committed to take a project through to cost certainty (the full extent of the scoping phase). There is no need for a JCT type preconstruction agreement where a builder is engaged to work up the scheme before a decision is made to proceed as the Access Agreement will define what will be produced.

This approach follows an agreed 'Gateway' that is jointly worked up between Alliance and the Council and can move at pace dependent upon client timeframes.

The Framework adopts its own approach to the stages of the development process, essentially laying down what ALS will do in the pre-construction contract stages in accordance with agreed requirements with the Council.

The Access Agreement is designed to enable Clients who are able to access the Framework to proceed through all the phases to the point where they can then make an informed decision to commit to construction.

*This also allows for all the scoping to be done PRIOR to having liability as until the project call off agreement (DMA) is effected, the framework access fee is not payable.*

There is a standard call off contract (Development Management Agreement - DMA) that enables use of various construction contracts, of which it is favourable as JCT for this type of leisure project but all contract forms are deliverable. By October 2017, the Framework will have adopted JCT 2016 (it is currently 2011).

#### **Contractor (Framework) and Contractors (Construction)**

Alliance Leisure are the singly appointed contractor (Development Partner) on the Framework as first line, but numerous builders, architects and suppliers are named within the Framework supply chain (<http://leisureframework.co.uk>)

Contractor (Construction) default/failures and governance are dealt with in the call off contract (Development Management Agreement) and this is a relationship between the Client and Alliance, with the Framework Agreement stipulating how Alliance have to conduct ourselves.

The Framework allows for direct appointment of construction contractors nominated on the framework and Collateral Warranties flow from the Delivery Agreement and construction contract.

#### **Value for Money and VFM Construction Contractor Market Testing**

Alliance have now taken several projects (including one with a value of c£15m and one at c£7m) through the Framework stages, and we could put the Council in contact with clients, who would hopefully reassure that the process is very thorough, very quick and that there was clarity with regard to fees and outcomes.

Through the Construction Contractor appointment, market testing of all major packages and components would be achieved with full visibility.

OHP's on the framework have a maximum value, but other than that, we would confidently be able to agree criteria to achieve VFM from the agreed building contractor's panel.

ALS only works with subcontractors who are proven as competitive in the market place through either competitive tendering processes or by the analysis of cost plans by a Chartered Quantity Surveyor.

Construction works are usually let on a design and build basis primarily for the following reasons:

- Achieving early appointment of the main contractor ahead of the completion of design, and potentially a quicker start on site and reduction in preliminary costs;
- Securing the involvement of a contractor for pre-contract services on a competitive basis, to obtain input on build-ability and design cost reduction and also for PI coverage;
- Retaining greater client involvement in the pre-selection and appointment of sub-contractors so as to maximise efficiency;
- Motivating the construction team to drive out cost and to drive in value;
- Transferring a greater degree of design and other construction risk to the contractor to protect client investment.

In regard to projects which reduce subsidy, early commencement speeds up the start of revenue benefits being achieved and the appointment of Alliance provides an expedient route which protects against construction industry inflation.

#### **Additional Alliance Framework Benefits – Added Value**

As Alliance have the ability under the Framework to present ‘added value’ that normal construction frameworks do not, Alliance would commit under negotiation for the DMA relating to the provision of added value services to help both the council and the operator be more confident in delivery of the business plan.

This may include the provision of impact sales teams, training, and marketing support under negotiation of desired input, as achieved successfully in Alliance project delivery with current clients.

Further, Alliance would deliver the following benefits:

- Equipment and Value Testing – Alliance have recently undertaken soft market testing of fitness equipment, CRM, CHP and other Energy Benefits that have resulted in best procurement of non-construction elements. Alliance would welcome the council contacting our current client authorities to validate the value added
- Marketing Support and Added Value
- Funding Potential and Risk Transfer (Guaranteed Maximum Price)
- Community Benefits Action Plan – Construction and Leisure Specific

**Construction:** Delivery and maximisation of value for money throughout construction is a priority:

- Programme - ALS establish whether the facility can stay operational to protect income where possible (for refurbishment projects) and have a track record in achieving phasing successfully as leisure specialists with an understanding of operational requirements
- Compliance - design interfaces and co-ordination of specialist installations with supply chain partners involved in the achievement of design and delivery efficiencies. All of these measures will reduce waste and inefficiencies in cost and time to contribute to the delivery of the best value solution for DCC.