
CHORD CAMPBELTOWN BERTHING FACILITY – PROGRESS UPDATE

1.0 EXECUTIVE SUMMARY

This report outlines progress to date in the delivery of the CHORD Campbeltown Berthing Facility Project with specific information on the approach to procuring a satisfactory operator. The approval of the Full Business Case by the Council was a significant milestone as the focus is now on delivering the project.

The key milestones that remains to close of project includes procurement of capital works, procurement of an operator, construction of the facility and handover of operations to the new operator.

Completion date for the project is for the handover in April 2015 to allow the facility to be fully operational and open for business in April/May 2015.

The primary risks relate to cost submissions from tender returns and ensuring that an appropriate operator is in place.

Resources have been approved and allocated for the delivery of this project which is currently on track.

RECOMMENDATIONS

That Members note the contents of the report.

2.0

2.0 INTRODUCTION

The purpose of this report is to update Members on progress to date in the delivery of the CHORD Campbeltown Berthing Facility Project.

3.0 RECOMMENDATIONS

3.1 That Members note the contents of the report.

4.0 DETAIL

4.1 The Full Business Case (FBC) was approved by the MAKI Area Committee on the 04 June 2014 and the Council on the 26 June 2014. This decision is a significant milestone for the project which allows the Project Team to progress to the delivery stages of the project which the key stages and timescales are as follows;

- September 2014 - Complete procurement process for capital works.
- October 2014 - Transfer of Assets
- November/ December 2014 - Capital Works; Steel Piling only
- November/ December 2014 - Operator appointed.
- January to March 2015 – Capital Works
- April 2015 – Snagging and Handover
- April/May 2015– Open for new season

4.2 Key areas of work over the next period relate to the outstanding issue of securing suitable and appropriate foul drainage for the onshore facility, securing the Build Warrant for onshore works, identifying lay down space for piles and pontoons, and completing the tender documents for capital works.

4.3 With regards to the appointment of an operator, as agreed by the Area Committee and the Council, the Project Team will undertake a competitive tendering exercise to secure an operator that is not the Council. Nonetheless, in the event that a satisfactory operator cannot be found, the safe guard position is that the Council will run the facility under its existing Harbour Authority with additional human resources funded through the income received from the new facility.

4.4 The approach to the selection of an operator will be open and flexible with sufficient periods of time to allow for expressions of interest to be received, sufficient time to review the associated documentation, a tender open day which is standard good practice to allow interested parties to ask questions face to face in addition to the normal process of asking online via the procurement portal and finally, as per existing practice, tenderers are open to propose amendments to the contract as part of their submission.

4.5 Tenders are assessed against price and quality of submissions; in this instance quality will be the primary criteria against which submissions will be assessed. The Operation Manual will be updated before being issued to formally interested parties and will be a key document to assess tender submissions with regards to the key criteria of project organisation, key personnel and execution.

4.6 The tender documentation will specify a range of sub criteria asking specific questions that assesses tenderers detailed understanding of the Operational Manual, methodology, wider socio-economic rationale, community/stakeholder engagement, innovations and above all, their approach to growing the businesses for the wider benefit of Campbeltown, Kintyre and Argyll and Bute.

- 4.7 With regards to pricing i.e. what the operator will pay the Council to run this facility, this is being considered further by the Project Team and whilst this is an important criteria of the formal assessment, it is secondary to the quality submission as the early years will be focused on growing the business. The contract will be for a 5 year period and may include an option to extend for an additional 2 years.
- 4.8 The timescale for this tendering process is directly linked to the capital works and therefore the issue of tender for the operator will be directly after the award of contract for capital works. The issue of the tender will be widely promoted in a manner to generate interest in Kintyre and the wider Argyll and Bute to encourage as many satisfactory submissions as possible.
- 4.9 Key risks relate to ensuring satisfactory foul drainage arrangements are identified, cost submissions from tender returns for capital works are too high, and ensuring an agreed, robust and sustainable management organisation to operate the facility.

5.0 CONCLUSION

The approval of the Full Business Case is a significant milestone for the project and all efforts are now towards delivery of the project. The primary areas of focus over the next period is procurement for the capital works and ensuring that the sourcing strategy for securing an operator is open and remains flexible with regards to time and approach but also is orientated towards the socio-economic growth and benefit of Campbeltown, Kintyre and Argyll and Bute.

6. IMPLICATIONS

POLICY	The delivery of this project fits with the Council's Corporate Plan, Single Outcome Agreement and approved Development Plan key actions and policy for safeguarding our built heritage and town centre regeneration. The economic outcomes from this project will contribute to the Council's Economic Development Action Plan at a strategic and area based level.
FINANCIAL	Financial resources have been approved and allocated.
LEGAL	Any issues will be dealt with through the Contract.
HR	Personnel commitment across relevant departments for duration of project
EQUALITIES	No equal opportunities implications
RISKS	As outlined in 4.9 above.

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