STAGE 2

SPORT NEW ZEALAND

Introduction

Once it has been determined that there is a need for a sports facility, the proposed or preferred mix and components within the facility has been agreed, a viable business case has been developed and a suitable location has been selected, the next step is to start detailed planning for the project. At this stage there are generally further questions that need to be answered, including:

- What are we trying to do?
- Are there any planning restrictions for the proposed site?
- When will we start?
- What do we need?
- Can we do it alone, or do we need help?
- How long will it take?
- How much will it cost?

A successful project is one that has been planned properly and has had strong project management by an experienced person. Structured project management means managing the project in a logical, organised way, following defined steps.

It is essential that someone is responsible for organising and controlling the project. This person is called the project manager and can be either an internal or external resource. Either way, this person needs to have sufficient experience to perform the task professionally, efficiently and effectively.

The project manager will be responsible for selecting people to do the work on the project and ensuring the work is done properly and on time. This person will prepare the project plans that describe what the project team will actually be doing and when they expect to finish.

Design Brief

A facility design brief is a scoping document whose purpose is to describe the client's requirements for the development of a built asset. It is required to communicate to the consultant design team the values, investment objectives, quality and vision of the facility.

It is important to refine and capture the information and decisions that have been made during the initial concept and plan stages of the project so that they can be communicated effectively and concisely to the designers. The design brief is a live document that will be developed, refined and tested by the design team during the design process in consultation with the client.

The project brief is the key document upon which the design will be based. It will evolve through the project brief stage and the concept design stage, with the benefit of information gained from consultation with the client and other stakeholders and ongoing design development. The preparation of the project brief is likely to be coordinated by the lead consultant. It may be developed based on:

- Existing information such as the business case, investment objectives and needs analysis
- Site surveys, site information and site appraisals
- An analysis of existing accommodation
- Workshops with champions and user panels to establish needs, expectations and priorities
- Input from other stakeholders
- A wider consultation process
- Interviews
- User surveys
- Input from statutory authorities such as the fire service, statutory utilities, local authority and heritage organisations.

The project brief is developed from the investment objectives and needs analysis and should describe and quantify the following aspects of the facility:

- A description of the client:
- The client's brand, culture and organisation
  - The client's vision, mission and objectives
  - The client's priorities and the criteria that will be used to measure success
  - The client's organisational structure and decision-making processes

  - Changes to the client's operation that the project will bring about
  - Interfaces with other projects
  - Client policies that may be applicable to the project (eg, transport policy, energy policy, natural ventilation policy, sustainability policy)
  - Client preferences for the project (eg, image, use of local materials, use of landscape) and quality expectations (including health and safety (H&S), sustainability and design quality)
- A description of the principles that will be adopted in the development of the design
- Site information
- Building surveys
- Site surveys
- Information about ground conditions
- The location and capacity of utilities
- Access and other constraints
- Legislative constraints
- Existing planning consents
- Spatial requirements:
  - Schedules of accommodation areas and special requirements
  - Schedules of users (including external users) and their numbers, departments, functions, organisational structure and operational characteristics
  - Spatial policies (eg, open-plan or cellular offices, daylighting requirements, temperature ranges and acoustic standards)
  - Required adjacencies, groupings and separations
  - Zoning
  - Circulation guidelines and major circulation flows
  - Phasing
- Technical requirements:
  - Structural strategy (columns and gridlines to be adopted, special loads, floor-to-ceiling heights)
  - Servicing requirements, including specialist requirements
  - Comfort conditions and levels of user control
  - Acoustic requirements
  - Equipment requirements
  - Specialist requirements for furniture, finishes, fixtures and fittings
  - Information and communications technology (ICT) requirements
  - Requirements for specialist processes and plant
  - Fire compartments
  - Maintenance and cleaning requirements
  - Likelihood of future change (eg, staff numbers) and flexibility required
  - Sustainability objectives and energy use targets
  - Safety and security requirements
  - Resilience to potential hazards and threats
  - Waste and water management
  - Pollution control
  - Flexibility and future uses
  - Durability and lifespan
  - Other performance requirements
  - Benchmarking information
- Component requirements:
  - Long-lead items
  - Potential requirement for specialist design or specialist contractor design
  - Cladding strategy and material selection procedures
- Project requirements and other issues
- Planning requirements:
  - Outcome of any consultation processes
  - Budget
  - Project programme and key milestones
  - Known risks
  - Targets for post-occupancy evaluation (POE) outcomes and other performance targets.

The project brief will become increasingly detailed throughout the project brief and concept design stages, and may ultimately include very specific information such as data for each room.

The project brief should be frozen at the end of the concept design stage, and change control procedures introduced to prevent further changes without appropriate justification and authorisation.

The project brief is likely to be presented as a report. However, where possible, information and requirements should be scheduled in a database or spreadsheet format that will be easy to expand and easy to use to test whether proposals satisfy requirements later in the project.

Procurement

Introduction

The procurement strategy considers the procurement options for community sport and recreation facilities through design, construction and operation to deliver affordable solutions.

It is considered best-practice for public sector clients to use approved procurement frameworks. Approved frameworks can significantly reduce the time taken to select and appoint the consultant team.

The choice of procurement route is critical to the success of any construction project. Every project has unique requirements and therefore all viable procurement options need to be appraised at the beginning of the project.

A crucial role in the procurement process will be the senior responsible owner (SRO). This person will require adequate authority to approve the steps of procurement.

The business case should define the investment objectives of the project. Specifically defined project objectives should align with these investment goals and the strategy of the holistic project. For local government agencies, this should align with the better business case model.

Guiding policies and frameworks should be outlined in the business case development.

There are a variety of methods for tendering, which include open, pre-selected, closed, negotiated and sole-source tendering.

The contracting type establishes the framework for the life-cycle delivery of the project. There are several delivery models available, which represent varying degrees of complexity, risk, innovation, client involvement and programme influence.

Consultants can be selected by tender or from an existing panel, which will be based on pre-established criteria. Typical selection criteria include the previous experience of the company and people in the design of facilities, as well as price. These criteria will be weighted based on certain sub-criteria.

Contractors are selected through tendering, and excluded against key performance indicators (KPIs) that encourage them to do a good job and treat the contract as repeat business. Local authorities may have their own contractor frameworks in place. It is important, however, that the contractors who are on a framework have suitable experience.

Some contract frameworks provide an opportunity to involve a contractor earlier in the design process and this should also be considered during the procurement review process.

A 'design, build, operate and maintain' contractor will be typically selected based on a minimum period of 15 years, while externally contracted facility operators will usually have a duration of 10 years with the possibility of a five-year extension.

The contract form will typically be a single contract, but there may be scenarios where multiple contracts or a management contract are better suited.

Payment mechanisms will typically be lump sum, but measure and value, cost reimbursement or a combination of payment types may also be suitable.

Specialist procurement input from the project manager, architect or quantity surveyor should be sought in the decision-making process.

Procurement Strategy

The procurement strategy defines the procurement process for the project. This may be prepared internally of externally (project manager or architect).

It is recommended that the procurement strategy consist of the following elements:

1. **Investment objectives** – definition of the project objectives, risks and constraints and their effects on the procurement process. For local government agencies, these should align with the better business case model, which is centred on an approach to provide solutions to a business need and meets the following requirements:
    - Strategic (compelling case for change)
    - Economical (optimal value for money)
    - Commercial (viable)
    - Financial (affordable)
    - Management (achievable)
    - Uses a staged approach to the development of the business case.
2. **Policy frameworks** – definition of the guiding policies and frameworks that relate to the scope of the project.

3. **Project scope** – a clear description of the project scope required to achieve the objectives.
4. **Tendering approach** – open, pre-selected, closed, negotiated, sole-source.
5. **Contracting type** – the delivery method that is best suited to achieve the project objectives and mitigate project risks.
6. **Selection of consultants** – the process for consultant selection and the criteria for selection.
7. **Selection of contractor** – the process for contractor selection and the criteria for selection.
8. **Selection of operator** – the process for operator selection and the criteria for selection.
9. **Contract form and payment mechanism** – the most appropriate contract form to manage the project risks, and how the payment mechanism will be defined within that contract.
10. **Specific contract mechanisms** – specific contract mechanisms for this type of facility.
11. **Roles and responsibilities** – delegations and clarity of authority and responsibility.
12. **Key requirements and documents** – specific documents for this type of facility.

Roles and Responsibilities

There are a number of roles required for the procurement of a project.

The project manager will typically prepare the procurement strategy, tender documentation and scope, and manage technical inputs to the procurement documentation.

A critical role is the SRO who has suitable delegation and authority to approve the procurement steps.

Another critical role is the interface between design a and operations. This role should focus on providing clarity for approvals to handover the facility to the owners and operators.

Other key roles include technical and consultant support:

1. Project management and reporting.
2. Sport and leisure facility planning and operating advice.
3. Technical advice (architect/cost consultant/other technical disciplines).
4. Financial advice.
5. Legal advice.

Investment Objectives and Project Objectives

Clear investment objectives will drive decisions on the type of facility (eg, high performance, health, education, fitness, social, recovery) and are critical for the development of the project objectives and selection of the project team. The investment objectives will also have critical success factors that need to be summarised to allow the project team to focus on the right outcomes.

It is crucial to the success of the project that these are signed off by the SRO.

Typical areas for which project objectives could be developed are identified in the table below.

Project Objectives Summary

EXAMPLE OBJECTIVE AREAS	DESCRIPTION
Health and safety	This should be centred on the operational Health and Safety objectives, not just construction H&S
Operations	This should be centred on the operational outcomes that are sought from the project, and include intended use and any other use requirements
Programme	This should focus on the timing of the benefits' realisation (completion of the facility)
Quality	This should focus on the output quality required for the facility, including where to focus investment in plant, facility and infrastructure, and will be guided by the type of facility selected
Cost	Including CAPEX, OPEX or whole-of-life costs
Social, environmental or cultural	This could describe potential benefits for the community or group that is targeted and the qualitative outcomes
Economic	This will demonstrate the wider value to the public of the investment spend

Procurement Phases

The typical phases in the procurement of a project are shown in the table below.

MILESTONE	DESCRIPTION	PURPOSE
PRE-PROCUREMENT		
Prepare strategy and documentation	Preparation of all tender documentation including: • Agreed procurement strategy • Consultant request for proposals • Contractor request for tenders • Tender evaluation criteria	Clarify the scope and requirements of the procurement process
PROCUREMENT		
Industry briefing	Meeting with consultants/contractors/ operators to present project scope and objectives	Consult parties prior to tender with the intent that planning for the preparation of a tender can commence
Request for tenders/proposals	Invitation to tender to select group of contractors/consultants/ operators	Formal tender process to a select group of contractors/consultants/ operators to bid competitively for the relevant contract
Receipt of tenders	Close of tender period	
Tender evaluation	Process implemented to assess the preferred contractors/consultants/ operators	Determine the most suited contractors/consultants/operators to achieve the project objectives
Tender interviews	Interviews of preferred and next preferred contractors/consultants/ operators	Understand proposition in more detail and discuss key points of tender
Contract negotiation	Final negotiations once preferred contractors/consultants/operators selected	Agree on terms of contract
Contract award	Award of consultant/construction/ operator contracts	Enables preferred party to organise resources
Contract execution	Signing of contracts	Official start date
Early operator involvement	Approach implemented to include operator in design	Supports improved teamwork, innovation and delivery

Procurement Route

The procurement strategy is an important document for outlining the proposed tender approach (open, closed or other type) and the procurement route, eg, two step (pre-qualification) or single step. This should be defined for the consultant procurement and the contractor procurement.

Tender Approach

The table below outlines the different types of tender approach. A combination of tender approaches can be used. Local government procurement policies will inform the tender approach.

Tender Approach

APPROACH	SUMMARY
Open tender	The open procedure is suitable where the contract is straightforward, with a limited requirement for specific skills/technical capacity, and where there is a limited number of potential contractors/consultants. It allows for a combined pre-qualification and tender assessment
Pre-selected tender	The pre-selected tender is suitable when specific skills/technical capacity are needed and there is a limited number of potential contractors/consultants. Advice should be sought from specialists in procurement or sports facilities
Existing procurement panel	Typically, an existing procurement panel will have a pre-qualification for specific skills/ technical capacity. This is a potential approach if access to an existing panel, with a specific facility skill-set, is demonstrated
Competitive dialogue	This procedure should only be used for complex contracts where the local authority does not have defined service requirements or is not able to identify clearly its legal and/or financial requirements. This procedure is most commonly used for high-value and innovative contracts
Closed tender	Similar to the pre-selected tender and suitable for when specific skills/technical capacity are needed and there is a limited number of potential contractors/consultants. Advice should be sought from specialists in procurement or sports facilities
Negotiated tender	Subject to relevant procurement policies, a negotiated tender between no more than two parties may be a suitable procurement approach when specific skills/technical capacity are needed and there is a limited number of potential contractors/consultants. Both parties would need to have specific sports facility experience
Sole source tender	Subject to relevant procurement policies, a negotiated sole source tender may be a suitable procurement approach when specific skills/technical capacity are needed and there is a limited number of potential contractors/consultants. The party would need to have specific sports facility experience.

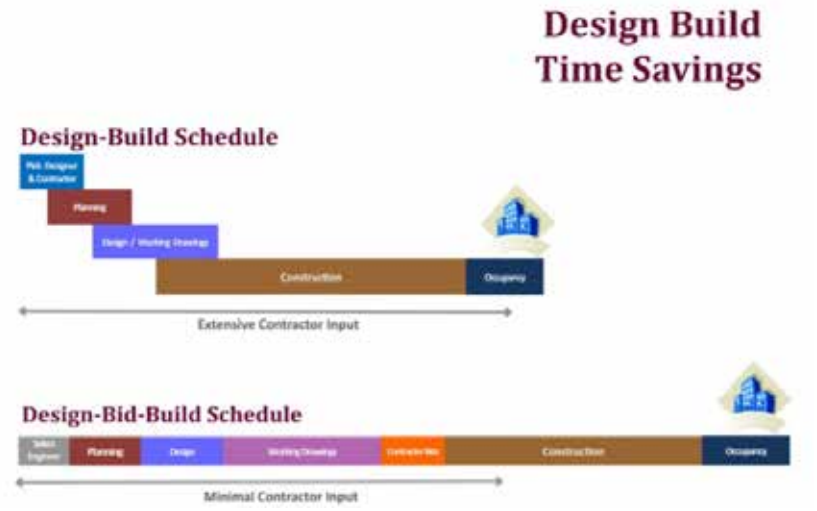
For open tenders, TenderLink and the Government Electronic Tenders Service (GETS) are common methods of advertising. Print media may also be used to support this, or alternative networks such as local government tender systems that can access the right market participants.

Delivery Models

The table below outlines the different types of delivery model; a combination of models can be used. The type of project (wet or dry facility), complexity, scale and location will be key inputs to this decision.

The procurement lead or SRO should be involved in and provided with information to support the selected delivery model.

Delivery Model Comparisons

CONTRACT TYPE	COMMENTS
Alliance	Typically used for larger projects, it is very unlikely to be used for the development of a community sport and recreation facility. Specialist skills would need to be procured for developing this delivery model
Design and build	Suitable where parties are seeking innovation in the build and they do not require significant control over the final design. Requires clear performance requirements to work well, especially for an aquatic facility Requires the additional procurement of an operator, service providers and maintenance
Design and build with operate and maintain	Suitable where parties are seeking innovation in the build and they do not require significant control over the final design. Requires clear performance requirements to work well – especially for an aquatic facility – and may provide greater price certainty Design and build procurement can be undertaken in different ways: • Competitive two-stage process: 1. Main contractor selected on preliminary and general and margin basis. 2. Main contractor selected on 'preferred status' with open-book approach for provision of sub-trades • Design consultant engaged (by client) then novated to the selected contractor Advantages include: time and cost savings, streamlined project delivery, less administration, greater contractor participation in the design phase, and a more collaborative team approach, which may minimise litigation
	
Design and build with leisure contract	Single-entity delivery of the design, build and operations. Limited capability in the market at present
Traditional	Suitable where parties are seeking control over the final design Requires the additional procurement of an operator, service providers and maintenance if not undertaken by the local authority
Traditional with operate and maintain	Suitable where parties are seeking control over the final design Requires the additional procurement of service providers and key performance requirements to link contract requirements to service providers' needs
Traditional with leisure contract	Suitable where parties are seeking control over the final design. Assumes contracting party will take up leisure contract. Limited capability in the market at present

Consultant Procurement Process

The procurement of consultants is outlined below and covers:

- The procurement process
- The selection of consultants
- Scope of work
- Typical consultants required
- Specialist activities
- Contract form and payment mechanism
- Evaluation criteria (selection criteria and weightings).

Consultant procurement can be undertaken via a two-step (pre-qualification via expressions of interest or a pre-approved panel and a request for proposals or a single step (a request for proposals) process. Local governments may have suitable pre-approved panels instead of a separate pre-qualification process.

The important factor to consider is that the respondents to a request for proposals have the ability to undertake the work, and have specific sports' facility experience.

Consultant Procurement Route Options

APPROACH	SUMMARY	COMMENTS
Expression of interest and request for proposals	**Documentation** 1. Expression of interest issued (by the party leading the project) to open market 2. Response to the expression of interest (prepared by the consultant) 3. Evaluation and shortlist (typically 2-4 parties) 4. Request for proposals issued (typically 2-4 parties) by the party leading the project 5. Response to the request (prepared by the consultant) 6. Evaluation and selection	• Typical timeframe including evaluation and selection 10-14 weeks • 70% of the time will be consultant preparation • 30% of the time will be assessment, evaluation and selection of consultant
Request for proposals only	**Documentation** 1. Request for proposals issued (by the party leading the project) 2. Response to the request (prepared by the consultant) 3. Evaluation and selection	• Typical timeframe including evaluation and selection 4-6 weeks • 60% of the time will be consultant preparation • 40% of the time will be assessment, evaluation and selection of consultant

Selection of Consultants

Once a procurement process and preferred contracting type have been selected, the project team can be procured to provide advice or undertake the design or project management of the facility. The important steps in the selection of consultants are:

- Agree the procurement process
- Develop the scope of the consultants' work
- Select the contract form and payment mechanism.

Approach to Selecting Consultants

Typically, consultants are selected through either a pre-selected tender or an existing procurement panel.

Scope of Consultants' Work

The scope of consultants' work should align with the following policies and guidelines of the:

- New Zealand Institute of Architects
- New Zealand Construction Industry Council (NZCIC).

www.nzia.co.nz
www.ncic.co.nz

The above documents provide a clear scope of works, outline the timing of when the scope is required, and define the outputs required for the drawings and technical specifications/reports at each design stage.

Specialist scope may need to be developed to address the particular requirements of each project.

Typical Consultants Required

The following table provides an overview of a typical project team and the consultants that may be required to deliver a community sport and recreational facility.

Typical Consultants Required

TYPE	BROAD SCOPE
Project manager	Responsible for delivery of the project scope, cost, time and quality, including procurement of the team to achieve the outcomes. Reports to the SRO. Involved from initiation through to handover to operations. Can be an internal resource or externally procured. Can sometimes include design management to support the design coordination role
Engineer to the contract	Responsible for the administration and management of the construction contract
Quantity surveyor	Responsible for developing and agreeing the capital cost estimation methodology. Also updating the project control budget and providing assessments for variations and progress claim certificates. Scope to include whole-of-life costs for plant selection
Architect	Typically lead consultant, and responsible for the provision of detailed design drawings and technical specifications and monitoring the construction in accordance with New Zealand Institute of Architects observation levels 1-5 to achieve the intent of the design. Responsible for building consent process, lodgement, responses and obtaining approvals. Key role is design coordination of all of the consultants
Façade engineer	Specialist scope
Legal property/ lease specialist	Specialist scope. Needs to be included for specific commercial or insurance advice
Structural engineer	Provides detailed design drawings, technical report and technical specifications Provides construction monitoring during the construction phase, assists with design-related issues in accordance with IPENZ construction monitoring levels 1-5, and as per scope of services Provides certification of design in accordance with relevant standards and to achieve the Code Compliance Certificate (CCC)
Fire engineer	Provides detailed design drawings, technical report and technical specifications Provides construction monitoring during the construction phase, assists with design-related issues in accordance with IPENZ construction monitoring levels 1-5, and as per scope of services Provides certification of design in accordance with relevant standards and to achieve CCC
Mechanical heating, ventilation and air conditioning (HVAC), hydraulics, electrical engineer	Provides detailed design drawings, technical report and technical specifications Provides construction monitoring during the construction phase, assists with design-related issues in accordance with IPENZ construction monitoring levels 1-5, and as per scope of services Provides certification of design in accordance with relevant standards and to achieve CCC
Acoustics specialist	Provides report with design recommendations and drawings for incorporation into the architect's documentation
Pool water specialist	Specialist scope
Planning officer	Provides consenting strategy, schedule of consents required, specific planning advice, assessments of environmental effects and scoping of technical assessments, and includes lodgement and processing support for the resource consents
Civil engineer	Provides detailed design drawings, technical report and technical specifications Provides construction monitoring during the construction phase, assists with design-related issues in accordance with IPENZ construction monitoring levels 1-5, and as per scope of services Provides certification of design in accordance with relevant standards and to achieve CCC

TYPE	BROAD SCOPE
Geotechnical engineer	Provides detailed design drawings, technical report and technical specifications Provides construction monitoring during the construction phase, and is responsible for dealing with the site ground conditions, foundations and groundwork required Provides certification of design in accordance with relevant standards
Contaminated land specialist	Specialist scope
Facility management/ operational specialist	Specialist scope, particularly if traditional or design and build without operation and maintenance included.
Early contractor, supplier, sub-contractor or operator	Can be used for any procurement method. Scope needs to be clearly defined and include specific management plans, programme, approach to costing and construction methodology advice, and should be a paid involvement procured as if the contractor were a consultant to get the best answers

Specialist Activities

It should be noted that aquatic facilities require 'specialist' skills and knowledge, ie, those tasks of which there are limited commercial parties in the market with sufficient capability. Specialist skills should be procured based on a scope confirmed by a party who has delivered aquatic facilities previously. Specialist skills may include:

- Façade engineering
- Pool water treatment and filtration
- Lease agreements
- Facility management
- Contamination.

Contract Form and Payment Mechanism

It is recommended that one of the following forms is used for the consultant contract:

- New Zealand Institute of Architects
- Conditions of Contract for Consultancy Services (3rd Edition) 2009
- IPENZ Short Form and Long Form
- Government Model Contracts.

Given that the purpose of the procurement is to achieve an affordable facility, it is recommended that any special conditions be minimised, where possible. This is unless required specifically to achieve a key project objective, mitigate a key project risk, or manage a key project risk that cannot be mitigated through normal contract scope and procurement processes.

Evaluation Criteria

Evaluation Criteria Framework

The framework is arranged in steps that are consistent with the selection approaches for the consultants, contractors and operators, if required. The evaluation criteria and weightings should be agreed before the tender documentation is issued and clearly aligned with the objectives. Weightings are identified in step 3.

STEP 1 – determine your evaluation criteria. The example below breaks down the assessment of tenders into FOUR key attributes that the tenderer is expected to have demonstrated in their proposal. Does your working group agree with these key attributes? Add and remove attributes as required. Once these have been determined, a weighting for each must be assigned. This allows you to recognise the importance of some criteria over others. For instance, 'price' typically has a high weighting as you will likely be working to a limited budget.

Step 1: Evaluation Criteria

NO.	ATTRIBUTE OVERVIEW	KEY QUESTIONS TO ASK YOURSELF WHEN EVALUATING THE TENDER
1	**Price**	Has the tenderer demonstrated good value for money?
2	**Knowledge and experience**	Has the tenderer demonstrated good knowledge of the sport and recreation sector? Have they demonstrated their skills through the completion of other/similar projects? What were the outcomes of those projects? Have references from those projects been provided?
3	**Methodology**	Has the tenderer demonstrated a good understanding of what you want to achieve? And does the process they have outlined make sense and work for you?
4	**Personnel**	Is the tenderer able to call upon people with different/necessary skill-sets to complete the project? And what is the risk to your investment should the lead consultant or nominated key personnel leave mid-project?

STEP 2 – determine your scoring methodology. The example below allocates scoring options that are appropriate to the level of compliance demonstrated. Each evaluator should stay within the agreed parameters, but their individual scores (within those parameters) may vary. Once the scoring system is agreed, the selection of 'weighted totals' is next.

Step 2: Scoring Methodology

COMPLIANCE	DEFINITION	KEYWORDS	SCORE OPTIONS %
Significantly exceeds	Significantly exceeds the requirement in a way that provides added value to the project	Significant added value	85, 90, 95, 100
Exceeds	Exceeds the requirement in some aspects and/or offers some added value to the project	Some added value	65, 70, 75, 80
Compliant	Has shown an understanding of the requirement to the specified level and can meet the requirement to the specified level	Specified level	50, 55, 60
Non-compliant	• Does not meet the requirement • Marginally deficient • Minimal cost or schedule impact to address • Minor negotiation required to meet requirement	Marginally deficient	40, 45
Non-compliant	• Does not meet the requirement • Requirement only partially met • Meeting of the requirement will impact on cost or schedule • Significant negotiation required to meet requirement	Partially met	5, 10, 15, 20, 25, 30, 35
Non-compliant	• Does not meet the requirement • Requirement not met to any degree by the solution offered • No information provided – critical deficiency	Not met	0

STEP 3 – take the score for each tenderer, the weighting factors for each of the non-price attributes and the price, and rank the tenders. Weightings can be found in the relative individual sections.

Typical Weightings for Consultants

Typical Weighted Factors – Non-Price

ATTRIBUTE	SELECTION CRITERIA	WEIGHTING
NON-PRICE	Knowledge and experience	20%
	Methodology	25%
	Personnel	15%

Typical Weighted Factors – Price

ATTRIBUTE	SELECTION CRITERIA	WEIGHTING
PRICE	Total price[1]	40%

1 (Median value minus tender price/median value of all tenders)*100)+50)*weighting