

Report of: Asset Management
Report to: Chief Officer Culture and Sport
Date: 10 February 2016
Subject: Proposed Procurement of the Design Team, Project Manager and Cost Consultant, Leeds Town Hall

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): City and Hunslet		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report advises the Chief Officer, Culture and Sport, of the options available for the procurement of a multi-disciplinary design team, cost consultant and project manager, to develop the scheme proposals for the proposed heritage improvement works to Leeds Town Hall
2. The proposed appointment of the multi-disciplinary design team (the design team) will be on the basis that the City Council are successful in the Stage 1 application to the Heritage Lottery Fund (HLF) for grant support towards the proposed works. The consultant team's appointment would initially be to RIBA Stage 3 (Developed Design), sufficient for the submission of a Stage 2 application to HLF and, subject to grant support being confirmed by HLF to completion of the project.
3. In accordance with the Council's Contract Procedure Rules 3.1.8 and 3.1.10, the report requests the Chief Officer, Culture and Sport to approve:
 - (i) that the procurement of the design team be by a Restricted OJEU procurement process and, that the evaluation criteria to be used to assess the suitability of the design team to undertake the commission be based on a combination of quality and price, with the evaluation being split 60% quality and 40% price.
 - (ii) the procurement of the cost consultant and project manager is to be by YORconsult Consultant Framework (Lot 6 for independent cost consultant and Lot 13 for Project Manager) and, that the evaluation criteria to be used to

assess the suitability of these consultants to undertake the commission be based on a combination of quality and price, with the evaluation being split 30% quality and 70% price.

Recommendation

4. The Chief Officer, Culture and Sport, is requested to approve the procurement of the following consultants for the proposed heritage improvement works at Leeds Town Hall
 - (i) a multi-disciplinary design team to develop the scheme proposals by a restricted OJEU procurement process and, that the evaluation criteria to be used to assess the suitability of bidder's to undertake the commission is split 60% quality and 40% price.
 - (ii) an external project manager and independent cost consultant through YORconsult Consultant Framework (Lot 6 for independent cost consultant and Lot 13 for Project Manager) and, that the evaluation criteria to be used to assess the suitability of bidder's to undertake these commissions is split 30% quality and 70% price.
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1 Purpose of this report

- 1.1 The purpose of the report is to seek the approval of the Chief Officer, Culture and Sport, to the procurement of:
 - (i) a multi-disciplinary design team, to develop the scheme proposals for the proposed heritage improvement works to Leeds Town Hall by a Restricted OJEU procurement process and, that the evaluation criteria to be used to assess the suitability of bidder's to undertake the commission is split 60% quality and 40% price.
 - (j) an external project manager and independent cost consultant through YORconsult Consultant Framework (Lot 6 for independent cost consultant and Lot 13 for Project Manager) and, that the evaluation criteria to be used to assess the suitability of bidder's to undertake these commissions is split 30% quality and 70% price.

2 Background information

- 2.1 The City Council has submitted a Stage 1 application to HLF for grant funding towards the cost of heritage improvement works to Leeds Town Hall. The application seeks £4.80m grant support from HLF (including a development grant of £250,000) towards the total estimated project cost of £9.56m.
- 2.2 The proposed heritage improvement works to the Leeds Town Hall include;
 - to create a heritage trail around the unique heritage features of the building including the Victorian cells, courtroom, Victoria Hall and vestibule, clock tower stairs and the proposed Assembly Room.

- Opening up east corridor to reveal original features and create improved bar facilities and toilets on ground and first floor
- conversion of the former Civic Courtroom and balcony to create an assembly space for around 250 people which will be used for learning activities, heritage education and conferences
- improved reception and waiting facilities for visitors to the building
- improved access into the building from Calverley Street entrance and improved circulation within the building
- Refit out break out rooms at the west side of Victoria Hall including provision of new technology
- Improve acoustics within Victoria Hall by reducing external sound leakage into from roof and high level windows
- Strengthening the Victoria Hall roof structure in order to allow hanging points from the ceiling.

2.3 In order to support the Stage 1 application to HLF, the Council appointed NPS to prepare a feasibility study for the proposed works.

2.4 In anticipation that the Stage 1 application to HLF is successful, the City Council intend to progress the procurement of the design team, project manager and cost consultant during the early to mid-part of 2016, so that these consultants would be in place ready to commence work in July 2016, if the application to HLF is successful.

2.5 Interested bidders will be requested to provide a tender submission from RIBA Stage 2 (Concept Design) to RIBA Stage 7 (In Use). The design team, project manager and cost consultant's initial appointment will only be to the completion of RIBA Stage 3 (Developed Design), sufficient to support the submission of a Stage 2 application to HLF and then, thereafter, their ongoing appointment and the form of such appointment will be subject to the application to HLF being successful, their performance to the completion of RIBA Stage 3 and, the approach to the appointment of the contractor being agreed.

3 Main issues

3.1 The City Council acknowledge that all consultant appointments need to comply with all applicable current UK public regulation procurement laws when purchasing any goods or services for the proposed capital project. In particular, HLF advise that in relation to the procurement of services, that the applicant must demonstrate that procedures to recruit the design team are fair and open and keep to the relevant legislation and, that the project partners will need to follow the EU Public Procurement Regulations if the value of the required service is above the defined threshold (£164,176). In addition the HLF do not recommend use of a framework as an appropriate procurement route for the multi – disciplinary design team,

feeling that the use of a Framework is too limiting and, that it might be an obstacle to getting the right multi- disciplinary design team for the proposed scheme

- 3.2** The HLF procurement guidance also says that for goods, works and services over £50,000 proof of competitive tendering procedures must be shown. If goods or services are over £10,000 they require that at least three competitive quotes are obtained.

Design Team

- 3.3** Having regard to the procurement parameters detailed in paragraph 3.1 above the only option the Council has to procure the design team, within the requirements of the HLF funding, is via the Full Restricted OJEU Procurement Process. PPPU advise that this process will take around 6 months and therefore the appointment the design team would not be in place until July 2016, some 3 months after the expected HLF decision in late March.

- 3.4** The Chief Officer, Culture and Sport, in determining the procurement approach for the design team is also requested to approve the proposed evaluation criteria for the appointment of the consultants to undertake the commission which will be based on a quality/price combination, with the evaluation being split 60% quality and 40% price. It is proposed that the quality evaluation criteria would have a minimum quality threshold which if a bidder did not exceed would eliminate them from the procurement process. The criteria will include:

- Provide examples of key members of the team working on similar listed buildings
- Examples of their experience of working in buildings which remain operational and lessons learnt
- Outline skills required to alter a grade 1 listed building together with examples where this has been undertaken.

Project Manager and Cost Consultant

- 3.5** The HLF has advised that they are not prepared to accept an internal appointment for the role of Project Manager and therefore an external project manager will need to be appointed.

- 3.6** Having regard to the procurement parameters detailed in paragraph 3.1 above, the following options have been considered for the appointment of the required cost consultant and project manager services:

- (i) **NPS (Leeds);** In accordance with the City Council's Service Agreement with NPS (Leeds), consideration has been given to their potential appointment however, discussions with HLF confirmed that the use of NPS would not comply with their procurement requirements, in that the process leading to NPS' appointment had not been open and competitively procured i.e. tested against the market.
- (ii) **Procurement via the YORconsult Framework;** The City Council would consider the YORconsult Framework (which was procured using the OJEU

Open Procedure) along with other available and applicable frameworks for the procurement of the cost consultant and project manager services.

- (iii) **Full Restricted OJEU Procurement Process:** Whilst the Restricted OJEU process would fully meet HLF's requirements, the protracted process would not coincide with the appointment of the multi-disciplinary design team which has the potential to be a disadvantage to the effectiveness of the projects cost management.

3.7 Having regard to HLF's comments about the potential use of NPS Leeds and, the protracted period of the OJEU process, then the procurement of the cost consultant and project manager services via the YORconsult Consultant Framework would be the most appropriate solution.

3.8 The Chief Officer, Culture and Sport, in determining the procurement approach for the project manager and cost consultant is also requested to approve the proposed evaluation criteria for the appointment of the consultants to undertake the commission which will be based on a quality/price combination, with the evaluation being split 30% quality and 70% price. It is proposed that the quality evaluation criteria would have a minimum quality threshold which if a bidder did not exceed would eliminate them from the procurement process. The criteria will include:

- Outline skills to satisfy HLF funding requirements together with where this has been carried out previously
- Examples of their experience of working in buildings which remain operational and lessons learnt
- Provide examples of working on similar listed buildings

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Executive Member for Economy and Culture has been consulted by email and is supportive of the recommendation contained in the report.

4.1.2 The Leeds Town Hall Project Board has been consulted on the proposed procurement approach and evaluation criteria to be pursued for the appointment of a design team, cost consultant and project manager and is supportive of the recommendation contained in the report.

4.1.3 The Council's Procurement Unit has advised that under Contract Procedure Rules 3.1.8 and 3.1.10 the delegated decision to undertake a procurement approach will be taken at the point that the procurement route is chosen and, subject to any project specific issues, this will normally be the main decision that all subsequent decisions flow from and, the evaluation criteria must be formally approved by the relevant Chief officer respectively.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There is no expected impact on the protected equality characteristics and, therefore, it is not applicable for an EIA or screening form to be completed at this time. However, at this initial stage, the tenderers have to show in their tender submissions that they comply with their obligations under the Equality Act 2010 as well as the Council's equality requirements within the tender documents.

4.3 Council Policies and City Priorities

- 4.3.1 Investment in the Town Hall will aid the Council's bid to become European Capital of Culture 2023. It would contribute to both a strong economy and to a compassionate city by both making Leeds a more attractive place to invest but also a better place to live. It contributes to Leeds' ambition to be best city by 2030.

4.4 Resources and Value for Money

- 4.4.1 Except for officer time, it is not envisaged that there will be any costs associated with the procurement of the design team, cost consultant and project manager to develop the scheme proposals.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The delegated decision to determine the procurement approach for the consultancy services detailed in the report should be taken in compliance with Contract Procedure Rules 3.1.8 and 3.1.10 respectively.
- 4.5.2 The proposal forming the subject of this report constitutes a key decision and is subject to Call In.

4.6 Risk Management

- 4.6.1 There is a risk that the fee proposal arising from the competitive Restricted OJEU procurement process may exceed the allowance for such fees contained within the project cost plan and, that this will only become apparent once the preferred bidder has been identified. If such a position were to arise, it may be necessary to review the scope of service required of the design team in order to ensure compliance with the existing budget provision.

5 Recommendation

- 5.1 The Chief Officer, Culture and Sport, is requested to approve the procurement of the following consultants for the proposed heritage improvement works at Leeds Town Hall
- (i) a multi-disciplinary design team to develop the scheme proposals by a restricted OJEU procurement process and, that the evaluation criteria to be used to assess the suitability of bidder's to undertake the commission is split 60% quality and 40% price.
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6 Background documents¹

6.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.