

Report of Asset Management

Report to Director of City Development

Date: 10 August 2016

Subject: Contract Award of Design Team for First White Cloth Hall

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City and Hunslet	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4.(3) Appendices number 1 and 2 have been marked as confidential under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

- 1 On 20 April 2016 Executive Board approved that the Director of City Development be authorised to progress the procurement of a multi-disciplinary design team in order to develop proposals for the refurbishment of the First White Cloth Hall. This was to be by a mini competition for firms within Lot 4 (Architecture) of the Fusion 21 Consultancy framework agreement and, that the evaluation criteria used to assess the suitability of bidders to undertake the commission be split: 60% quality and 40% price.
- 2 The tender process to appoint the design team has been undertaken as per the recommendations in the report which obtained approval to the procurement route and authority to spend. The evaluation of the submissions has been concluded, and has identified Buttress Architects Limited as the winning bidder to proceed to contract award.
- 3 This report seeks the Director of City Development's approval to appoint Buttress Architects Limited to provide a multi-disciplinary design team to develop the scheme design proposals for the First White Cloth Hall.

Recommendations

- 4 The Director of City Development is recommended to approve the appointment of Buttress Architects Limited to develop the scheme proposals for the renovation and rebuilding of the First White Cloth Hall. The contract will commence 12 September 2016 and run until 31 August 2020.

1. Purpose of this report

- 1.1. The purpose of this report is to set out the procurement process undertaken to identify the winning bidder and obtain approval of the Director of City Development to appoint Buttress Architects Limited to provide a multi- disciplinary design team service to develop the scheme design for the proposed renovation and rebuilding of the First White Cloth Hall.

2. Background information

- 2.1. The First White Cloth Hall (FWCH) is owned by City Fusion and is in a semi-derelict state with approximately one half of the building having been demolished in 2011, following the collapse of the neighbouring 101 Kirkgate. It is a grade II* listed building which is also on Historic England's 'Buildings at risk register'. and is assessed as priority category A – at immediate risk.
- 2.2. The property is in a fragile condition and requires significant investment which the owners are not able to provide. By acquiring the property the Council believe the building can be saved and a financially viable use found for it. The ambition is to bring back into use an important historic building and allow users to experience this. However, in order to achieve this, significant investment is required to stabilise and refurbish the building so that it can be put to an acceptable operational use.
- 2.3. Norfolk Property Services (Leeds), in conjunction with Buttress Architects Limited, has previously undertaken investigative works at the property comprising of surveys to determine the condition of the building and produced an option appraisal of potential uses that the building could be put to. The Princes Regeneration Trust has produced a business plan and Christie and Co has advised on potential uses.
- 2.4. The next stage is to appoint a design team to develop the option appraisal into a scheme proposal sufficient to submit for planning permission and listed building consent.
- 2.5. On 20 April 2016 Executive Board approved that the Director of City Development be authorised to progress the procurement of a multi-disciplinary design team in order to develop proposals for the refurbishment of the First White Cloth Hall. This was to be by a mini competition for firms within Lot 4 (Architecture) of the Fusion 21Consultancy framework agreement. The evaluation criteria used to assess the suitability of bidders to undertake the commission was split: 60% quality and 40% price.
- 2.6. This contract was deemed inappropriate to subdivide into lots as the Council requires consistency with the design which is produced to regenerate this historically significant at risk building.
- 2.7. Buttress Architects Limited had previously had involvement with this project (see section 2.3 above). To ensure the procurement process was run in an open and transparent way the following steps were taken:
 - a) Bidders responses to method statements were anonymised as far as practicable, removing references to firm and any employee/sub-contractor. E.g. Provider A, Provider B's Employee 1, Provider C Subcontractor1 etc. This was continued throughout the responses; however the actual content of answers were not touched. The evaluation panel was not advised of the identity of the bidders until after the consensus scores were agreed, in preparation of the interviews.
 - b) The interview section of the quality evaluation was marked with a separate set of criteria which were set out in the Invitation to Tender. The decision to use separate criteria opposed to using an interview to moderate method statements to further ensure that the method statements were marked in an open and transparent manner.

- c) The evaluation panel was not informed of the pricing submitted until after the consensus scores for the interview were agreed, and the entire quality evaluation was completed so that the prices submitted would not influence their scores.
- 2.8. An expression of interest was sent out in March 2016 which created a shortlist of four providers from the relevant lot in the Fusion 21 Consultancy framework agreement.
- 2.9. These four providers were invited to tender on 25th May 2016 with a deadline of 29th June 2016. Three compliant tenders were received by the tender return date, with one bidder declining the offer to submit a tender.
- 2.10. The evaluation criteria were approved by the Director City Development prior to the tender being published, in line with Contract Procedure Rules. The three bids were evaluated by the nominated evaluation panel members, a full breakdown of the assessment can be seen within Appendix 1.
- 2.11. The evaluation panel undertook a quality evaluation which was separated into two sections, of the total available marks 40% was allocated to the method statements submitted, and provided bids met the minimum 40% threshold in this element, a further 20% of total marks were available in an interview.
- 2.12. The evaluation panel reviewed each tender submission and objectively assessed the extent to which each tenderer met each of the specified evaluation criteria. The panel agreed scores for each criteria to ensure the evaluation criteria were consistently applied, with the final score for each bidder being a consensus score. Following the method statement evaluation, interviews with the three bidders were held, and these were assessed and scored separately based on a presentation and the answers given to set questions.

3. Main Considerations and Reasons for Contract Award

- 3.1. Complete tender documentation for the contracts was issued to shortlisted tenderers who subsequently submitted completed tenders for final evaluation by the panel. The procurement process was overseen by a PPPU Procurement Projects Officer, and Procurement Category Manager. All information relating to this process and the weightings applied to the scoring were detailed in full within the published tender documentation.
- 3.2. No tenderers failed to attain the minimum thresholds outlined in the tender documentation relevant to both Quality criteria and Price criteria.
- 3.3. The evaluation criteria focussed on; key members of the design team and why they were selected; how the design team would approach the project utilising the develop and construct basis as well as any risks/issues which would be involved and how they would mitigate these; cost management and how they would manage risks to the budget; the implementation of the conservation management plan to ensure that the First White Cloth Hall was renovated appropriately.
- 3.4. Following completion of the evaluation Buttress Architects Limited has been identified as the most economically advantageous tender.
- 3.5. The contract value of this provision is £245,748.51. Following application of the 60/40 quality/price split, their overall position was ranked as 1st.
- 3.6. The overall evaluation/due diligence process has not identified any significant risks in terms of awarding the contract to the successful bidder. They have both the capacity, resource and experience within this field of work deemed necessary to deliver the service required.

3.7. Buttress also named the following subcontractors in their bid:

- Dossor Mason Clark Associates – Structural engineer services
- Silcock Leedham – Mechanical and Electrical consultancy services
- JGA Fire Engineering Consultancy

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 No consultation has taken place with key stakeholders as to whether the contract should be awarded to the winning bidder or not as this is determined by the evaluation of the tender received.
- 4.1.2 The Executive Member for Regeneration, Transport and Planning has been consulted by email on the procurement route and is supportive of it.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Buttress Architects Limited has shown in their tender submission that it complies with its obligations under the Equality Act 2010 as well as the Council's equality requirements within the tender documents.

4.3 Council Policies and Best Council Plan

- 4.3.1 The proposed refurbishment to the First White Cloth Hall is consistent with the Best Council Plan 2013-2017 in terms of promoting sustainable and economic growth by bringing back into economic use one of the oldest and most historic buildings in Leeds. Its refurbishment will also help the Council's plans to regenerate the Lower Kirkgate area.

4.4 Resources and Value for Money

- 4.4.1 Except for the tendered sum and officer time, it is not envisaged that there will be any further costs associated with the appointment of the design team to develop the scheme proposals for the proposed refurbishment of the First White Cloth Hall.
- 4.4.2 The project team was consistent throughout the procurement process with representation from City Development and the Projects Programmes and Procurement Unit. Due diligence was undertaken on price to ensure that the contract values are realistic and sustainable.
- 4.4.3 The difference in price between the lowest priced tender and the highest scoring submission (Buttress Architects Limited) was 17%. Contract Procedure Rule 18.2 states that where a Contract is to be awarded on the basis of a price/quality evaluation and the difference between the value of the lowest priced tender and the highest scoring submission is more than 5%, the Authorised Officer must report this fact to the officer who is taking the Delegated Decision to award the contract.
- 4.4.4 It is important to note that despite this price difference, the highest over-all scoring tender's fee is still 5% below the advertised anticipated value of contract.
- 4.4.5 Furthermore, the highest overall scoring submission also ranked first in the quality evaluation, which was of paramount importance to this process, as evidenced by the 60% quality weighting of the procurement.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The award decision will be an significant operational decision as the procurement route was approved at Executive Board on 20 April 2016 and is therefore not subject to call in.
- 4.5.2 It is considered that the public interest in maintaining the content of Appendices 1 and 2 of this report as exempt outweighs the public interest in disclosing the information contained in these appendices, as the fee to be charged by Buttress and the financial information contained in them relates to the financial/business affairs of individual companies.

4.6 Risk Management

- 4.6.1 There is a risk that the Council are unable to secure the ownership of the First White Cloth Hall in which case the design costs incurred up to RIBA Stage 3 may be abortive. This risk is being mitigated by the Council actively engaging with the owner to try and secure the ownership of the property. If this is unsuccessful the Council are looking to secure the ownership of the property by Compulsory Purchase.

5.0 Conclusions

- 5.0.1 The procurement process undertaken has been in accordance with Contracts procedure rules and EU Regulations, with full guidance and support from the Projects, Programmes and Procurement Unit.
- 5.0.2 Following the tender evaluation of all 3 submissions a clear preferred provider has been identified for this service. This has taken into consideration both Quality and Price submissions and is therefore the most economically advantageous tenders for this contract.

6 Recommendations

- 6.1 The Director of City Development is recommended to approve the appointment of Buttress Architects Limited to provide a multi-disciplinary design team service to develop the scheme proposals for the proposed renovation and rebuild of the First White Cloth Hall. The contract will commence 12 September 2016 and run until 31 August 2020.

7 Background documents¹

- 7.1 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.