

Report of: Head of Asset Management and Regeneration

Report to: Director City Development

Date: 04 May 2018

Subject: Design & Cost Report for: Roof Maintenance Works to Leeds Town Hall

Capital Scheme Number: 16996

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Hunslet & Riverside		
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number : Appendices 1, 2 and 3 to this report are confidential under Access to Information Procedure Rules 10.4 (3)		

Summary of main issues

1. Leeds Town Hall is a grade I listed building. Following condition surveys of the roofs and given the clear importance of the building it is necessary to undertake repairs to ensure it is appropriately maintained.
2. Since 2014 Executive Board has approved total injections into the capital programme (scheme 16996) of £11.8m to fund the maintenance of Council owned buildings of heritage importance.
3. To date expenditure of £4.1m has been committed from scheme 16996 on Lotherton Hall, repairs to the Victoria Hall at Leeds Town Hall, roof maintenance works at Leeds City Art Gallery and Leeds Central Library, surveys of other heritage properties and associated fees. This leaves remaining budget of £7.7m to be utilised for the proposed Town Hall roof repairs and other priority heritage projects to be brought forward.

4. The Chief Officer Culture and Sport has previously approved the strategy for a procurement exercise to appoint a contractor to undertake roof maintenance works at Leeds Town Hall. The works were subsequently advertised via the Official Journal of the European Union
5. The evaluation of the tender submissions has now been concluded and Interserve Construction Limited have emerged as the preferred bidder, with a tendered construction price of £4,133,200. The full budget inclusive of contingency, fees and other costs appears in confidential appendix 2 to this report.

Recommendations

6. The Director City of Development is recommended to;
 - i) Approve expenditure from existing budgetary provision, Capital Scheme No 16996, for maintenance work to the roofs at Leeds Town Hall.
 - ii) Approve the appointment of Interserve Construction Ltd as the main contractor to carry out the works to the roofs at Leeds Town Hall, subject to the provisions contained in confidential appendix 3 of the Design and Cost Report being in place.
 - iii) Note the contract value with Interserve Construction Limited will be £4,133,200.

1.1 The purpose of this report is;

- to seek authority from the Director City Development to spend the sum indicated in confidential appendix 2 on maintenance works to the roofs at Leeds Town Hall
- to seek approval from the Director City Development to appoint Interserve Construction Ltd as the principal contractor to carry out maintenance works to the roofs at Leeds Town Hall.

2 Background information

2.1 Since 2014 total funding of £11,805,000 has been injected into the Capital Programme (Scheme No 16996) to address the specialist maintenance requirements of the Council's Heritage Assets.

2.2 To date £4.1m has been committed from Capital Scheme no 16996. This has funded major roof maintenance works at Leeds Art Gallery and Leeds Central Library, repairs to the Victoria Hall roof at Leeds Town Hall, works at Lotherton Hall, and surveys of other heritage properties owned or managed by the Council. This leaves total available budget of £7.7m for Leeds Town Hall roof and other priority heritage works.

2.3 NPS condition reports on Leeds Town Hall were carried out in August and September 2013; these identified the extent and cost of roof maintenance works required to the Town Hall.

2.4 The Director City Development should note that Listed Building consent has been recommended for approval the decision is due w.c 7th May 2018. The contract will be formally awarded following confirmation that listed building consent has been granted.

2.5 The procurement route to procure a suitable contractor, with an evaluation model of 60% of marks based on cost and 40% of the marks based on quality considerations was approved by the Chief Officer Culture and Sport in accordance with CPR 3.1.8 on 18th September 2017.

3 Main issues

3.1 Design Proposals and Full Scheme Description

3.1.1 The proposal outlined in this report is to repair the tiled roofs, replace any glazed skylights, replace rainwater goods and provide improved and safe maintenance access at Leeds Town Hall. During the works the scaffold will be mainly at high level with the exception of a hoist at one corner. Public access to the Town Hall will be maintained throughout the contract.

3.1.2 NPS advise that on completion the proposed works will provide a design life of 50 years in the case of the glazed roofs and 100 years in the case of the tiled roofs.

3.1.3 The works will include repairs and replacement of rainwater goods where necessary.

3.2 Programme

3.2.1 The strategic programme for the proposed is summarised as follows:

- May 2018 – contract award
- May 2018 – Start on site
- March 2020 – Completion of works on site

3.3 Procurement

3.3.1 Due to the estimated value of this procurement there is a requirement to comply with Public Contract Regulations 2015. A restricted procedure was selected, with an openly advertised selection stage followed by a tender submission by shortlisted bidders. A pre-qualification questionnaire (PQQ) was published on 11th October 2017, along with a draft of all tender documents to ensure that bidders could ascertain the suitability of this opportunity, as required by the regulations. The deadline for PQQ submissions was 13th November 2017, 12 submissions were received.

3.3.2 The scoreable project specific questions to assess technical and professional ability were evaluated in accordance with the published documents by an evaluation panel of officers from Culture and Sport and Asset Management. NPS provided technical advice.

3.3.3 The evaluation identified a shortlist of six organisations to be invited to tender. The shortlist was approved by the Chief Officer Culture and Sport in December 2017 as an administrative decision. Invitations to tender were issued on 22nd December 2017 with a return date of 21st February 2018.

3.3.4 During the tender period two organisations opted out of the process.

3.3.5 Four bids were received and evaluated using a 60% price 40% quality evaluation criteria model. The price evaluation was undertaken by a Quantity Surveyor from NPS Leeds. Details of the price evaluations can be found in confidential appendix 1, NPS tender analysis report.

3.3.6 The core quality evaluation panel consisted of Martin Gresswell, Senior Asset Management Officer, Matthew Sims, Head of Arts and Events, and Simon Stockton Town Hall operations manager. This core panel was supported by David Eade, Senior Building Surveyor, NPS.

3.3.7 The panel assessed the quality submissions individually before meeting, with Procurement support, to arrive at a consensus score. The scoring criteria for quality and weightings included:

- Managing the public interface
- Key issues when carrying out works to Grade 1 listed buildings
- Working within an operational building
- Security and water tightness
- Delivering to programme
- Stakeholder management
- Management of project risks
- Supply Chain management
- Details of key staff for this project
- Employment and skills

- Health and safety
- Compliance with programme dates

3.3.8 A summary of the evaluation scores appears in the table below.

	Organisation	Price score 600 / 60%	Quality Score 400 / 40%	Total Score
1.	Interserve Construction Limited	580.23	372.00	952.23
2.	Bermar Building Co Ltd	588.17	324.00	912.17
3.	Stone Edge Ltd	600.00	216.00	816.00
4.	William Birch & Sons Ltd	N/A – non-compliant price submitted		

3.3.9 The Director of City Development should note that one bid will be disqualified as the prices submitted were non-compliant. Full details are found in confidential appendix 1 – tender analysis report.

3.3.10 One of the bids contained some contradictory information, to resolve this the Council has exercised its discretion as per the published instructions to tender to evaluate the compliant bid.

3.3.11 The overall evaluation/due diligence process has not identified any significant risks in terms of awarding the contract to the successful bidder. They have the capacity, resource and experience to deliver the works.

3.3.12 A financial check has been carried out to ensure the recommended bidder is not a risk to the authority, confidential appendix 3 to this report contains further details. As part of this financial check it might be deemed necessary for the Council to request that a financial safeguard be taken out due to the significance of the works to be undertaken on the Town Hall. The award of the contract is conditional upon such a bond being in place.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Executive Members for Regeneration, Transport and Planning, and Economy Culture and Communities, have been consulted and are supportive of the recommendations contained in this report.

4.1.2 Ward members have been informed of the recommendations contained in this report.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An equality screening exercise has been carried out. The outcome is that an Equality Impact Assessment is not appropriate for the approvals requested in this report.

4.3 Council Policies and Best Council Plan

4.3.1 The project contributes to the 2015-2020 City Priority of *Becoming a more efficient and enterprising Council*, by reducing long term revenue costs associated with repairs to the roofs

4.3.2 The project contributes to the 2015-20 Breakthrough Project of hosting world class events on a global stage as a smart city, by enhancing the ability of the Town Hall to host major cultural and corporate events in fit-for purpose facilities.

4.4 Resources and value for money

Budget

4.4.1 The full proposed budget for the works proposed on the Town Hall roof is detailed in confidential appendix 2 to this report.

4.4.2 Due diligence was undertaken on price to ensure that the contract values are realistic, sustainable and offer value for money to the Council

4.4.3 Savings based on the pre-tender estimate are estimated at 2.6%

4.4.4 The price submitted by the highest scoring submission is 7% higher than the lowest priced tender, however due to the high score achieved on quality and the fact that the price is still below the pre-tender estimate the project team are satisfied that this still represents value for money.

4.5 Capital Funding and Cash Flow

4.5.1. Funding as detailed in confidential appendix 2 is injected and available from capital scheme 16996. Full details of the budget for the proposed works are also detailed in appendix 2.

4.6 Legal Implications, Access to Information and Call In

4.6.1 The report is a Key Decision. The works are defined as category B maintenance works and expenditure, and can therefore be approved by the Director City Development under the scheme of delegation. The report is eligible for call-in.

4.6.2 This tender opportunity was conducted through an open competition via the OJEU process.

4.6.3 The tender has been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, provided the works are still required and affordable; the contract must be awarded to the winning bidder. Thus, in making the final decision, the Director City Development should be satisfied that awarding this contract represents best value.

- 4.6.4 Listed Building Consent has been recommended for approval a decision is due week commencing 7th May 2018
- 4.6.5 Appendices 1-3 of this report are exempt under the Access to Information Procedure Rules 10.4.3. The public interest in maintaining the exemption in relation to the confidential Appendices outweighs the public interest in disclosing the information and financial details which if disclosed would adversely affect the business of the Council and the business affairs of the organisations involved.
- 4.6.6 A 10 day standstill period will be carried out in accordance with the Regulations to allow unsuccessful providers to view the outcome of the procurement exercise in an open and transparent manner.

4.7 Risk Management

- 4.7.1 A risk register was developed prior to tender and will be regularly updated.
- 4.7.2 There is a risk of damage to the contents and fabric of the building during the works. In mitigation the contractor was assessed on their approach to protecting the building and its contents, as part of the tender evaluation.
- 4.7.3 Leeds Town Hall is a grade 1 listed building, in full use and open to the public. For this reason it is proposed to include a client contingency, as detailed in confidential appendix 2 to this report, to mitigate the risk of issues coming to light, such as the discovery of asbestos or rotten timbers, as the roof timbers are exposed.
- 4.7.4 Financial risks are dealt with in accordance with para 3.3.13 above. Full details on how financial risks to the Council are being managed are detailed in confidential appendix 3.

5 Conclusions

- 5.1 Following condition reports on the roofs of Leeds Town Hall it is recommended that extensive maintenance works should be undertaken, including full replacement of significant areas of the roofs.
- 5.2 There is existing budget provision of £7.7m in Capital Scheme No 16996 for works to heritage buildings owned or managed by the Council. It is proposed to utilise part of this budget to fund these works.
- 5.3 The procurement process undertaken has been in accordance with the Regulations and the Council's Contracts Procedure Rules with full support from Procurement and Commercial Services
- 5.4 Following the tender evaluation the bid submitted by Interserve Construction Limited is recommended for contract award

6 Recommendations

- 6.1 The Director of City Development is recommended to:

- i) Approve expenditure from existing budgetary provision, Capital Scheme No 16996, for maintenance work to the roofs at Leeds Town Hall.
- ii) Approve the appointment of Interserve Construction Ltd as the main contractor to carry out the works to the roofs at Leeds Town Hall, subject to the provisions contained in confidential appendix 3 of the Design and Cost Report being in place.
- iii) Note the contract value with Interserve Construction Limited will be £4,133,200.

7 Background documents¹

7.1 None.

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