

## Report of Head of Station Development

### Report to Chief Officer Asset Management and Regeneration

Date: 20<sup>th</sup> December 2018

**Subject: Request for the waiver of Contract Procedure Rules 8.1 and 8.2 and increase the level of spend with Atkins and Gensler for support to Urban Design Service on Leeds Station**

Are specific electoral wards affected? If yes, name(s) of ward(s): City & Hunslet	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

### Summary of main issues

1. Leeds City Council has a key role to play in driving forward economic growth and regeneration in the city, and in providing quality infrastructure for its residents to deliver its ambition to be the best city in the UK, with a strong economy in a compassionate city. The transformation of Leeds Station is one such example of this, creating a station which is a world class gateway, a stimulus for regeneration and can accommodate the huge rail growth that has been projected in the city.
2. As part of their work on the station, the council has developed, in partnership with a number of organisations, the Leeds Integrated Station Masterplan (LISM). This masterplan is a comprehensive study that will guide the future design and development of Leeds Station, ensuring that Leeds has a joined up plan to maximise the benefits of the arrival of HS2 by transforming the station and the area surrounding it (the Station District).
3. Atkins and Gensler are design, architecture, planning and consulting firms whose services were procured through London and Continental Railways ((LCR) a collaborating partner on LISM) following European procurement rules, and who worked extensively with the council and its partners during the development of LISM. Gensler are a globally-renowned firm who have delivered multi-award winning buildings across the world, including Shanghai Tower, John F. Kennedy International Airport Terminal 5, and Facebook's headquarters in California.

4. Gensler's Aviation & Transportation Practice Area Leader is Hiro Aso, one of the leading figure in the UK's transportation sector. Mr Aso oversaw the modernisation of London King's Cross Station and has acted as Chief Architect for transport hubs in Moscow, Delhi and Dhaka. Mr Aso has worked extensively on the plans for Leeds Station and is a significant figure in shaping the design of the station.
5. Leeds City Council's Urban Design Service need to be provided with technical, strategic and architectural support on work concerning the Station District. Work on the design for the arrival into the city of one of the largest infrastructure projects the U.K. has seen will be going through detailed development during the course of the next 24 months. The Urban Design service will lead across multiple organisations as the design champion for this work.
6. Atkins and Gensler have the specialist skills, expertise and local knowledge to be able to deliver the services required. A waiver was obtained on 21/05/2018 to waive Contract Procedure Rules (CPR) 8.1 & 8.2 and award contracts to Atkins and Gensler for support to Urban Design Service on Leeds Station with a maximum value of spend of £20,000.
7. A procurement exercise has been undertaken and an advisor appointed for defining the buildability and affordability of the classic station. A transition and mobilisation period has commenced. It is anticipated that the existing arrangements will result in the original cap of £20,000 per contractor being exceeded
8. This waiver is seeking authority to increase the level of spend by a further £79,999 per contractor (i.e. £159,998 cumulatively) to cover the cost of the interim arrangements. A revised contract is not required as this upper limit was never defined in the original contracts.

## **Recommendations**

The Chief Officer Asset Management and Regeneration is recommended to:

- a) Waive Contract Procedure Rules number 8.1 and 8.2 – Intermediate Value Procurements, and increase the level of spend with Atkins and Gensler to cover the cost of the interim arrangements through the existing contract provision. The extension of these arrangements will ensure the continued provision of multi-faceted advice to supplement the work of the council's internal Urban Design Service, pending the mobilisation and transition to the newly appointed advisor for the classic station. The contracts include terms for Atkins and Gensler to attend meetings and commission bespoke pieces of work for the council and its partners. These contracts take the form of call off arrangements which will have a cap of £79,999 each (£159,998 cumulatively).

## **1. Purpose of this report**

- 1.1 The purpose of this report is to request a waiver of CPRs 8.1 and 8.2 and increase the level of spend with Atkins and Gensler to cover the cost of the interim arrangements through the existing contract provision, for the provision of services to support the Council's Urban Design service on their work on Leeds Station.

## **2. Background information**

- 2.1 Leeds Station is the busiest transport hub in the North of England and one of the most important pieces of infrastructure in the UK, with annual passenger numbers of 31 million. Passenger demand is expected to more than double with growth of over 114% predicted in the next 30 years.
- 2.2 In order to accommodate this passenger growth and future growth including Northern Powerhouse Rail, the station needs to receive significant investment for its redevelopment and transformation.
- 2.3 Furthermore, the proposed HS2 Station will integrate with the current station, again highlighting the need for a proactive plan for investment to secure the station's redevelopment. The arrival of HS2 will be substantial and form part of a regeneration scheme of national significance, representing one of the largest national infrastructure projects the UK has seen in decades. The proposals contained within the draft LCR HS2 Growth Strategy can directly create 40,000 jobs – contributing to the creation of many more jobs indirectly – and bring an estimated additional £54bn to the region's economy.
- 2.4 A Leeds Integrated Station Masterplan (LISM) has been developed which sets out a spatial strategy for the future redevelopment and transformation of the station and the wider Station District to accommodate the aforementioned rail passenger growth and the arrival of HS2.
- 2.5 The LISM document was developed through collaboration between the Council, HS2, Network Rail, West Yorkshire Combined Authority, Transport for the North, DCLG and DfT, and was produced by Atkins and Gensler, who through this process have developed comprehensive knowledge of the LISM document, the city's plans for the station and the council's collaborating organisations.
- 2.6 Over the previous years, Atkins and Gensler have worked extensively with the Council and their partners in developing LISM and wider plans associated with Leeds Station. They have significant expertise in the design of stations and station architecture and in developing and supporting regeneration activities. They have contributed to key outputs deliverables including the Market Led Proposal submission and the Strategic Outline Business Case, as well as representing the interests of the LISM partnership at Joint Working Group meetings.

## **3. Main issues**

### **3.1 Request for CPRs waiver**

- 3.1.1 A request is being submitted to waive CPRs 8.1 and 8.2 and increase the level of spend with Atkins and Gensler to cover the cost of the interim arrangements through the existing contract provision. Atkins and Gensler will continue to support LCC's Urban Design Service, who will be the design champions for projects associated with the station, however our internal skill will need to be supplemented

by external firms to ensure the council can provide the most robust feedback possible. Both Atkins and Gensler have significant experience and expertise in this area of work, being globally-renowned firms in the field of rail architecture. To date, Atkins and Gensler have contributed to key outputs deliverables including the Market Led Proposal submission and the Strategic Outline Business Case, as well as representing the interests of the LISM partnership at Joint Working Group meetings.

- 3.1.2 The collaborative nature of work on the station due to the number of landowners and public bodies involved means that strong working relationships are required not just with the council but with these partner organisations. Atkins and Gensler have over the course of developing the LISM document built strong working relationships with both the Council and their partners outlined in 2.5 and understand the intricacies of working with these organisations.
- 3.1.3 The Council's internal design champions will be responsible for large amounts of work on Leeds Station and ensure the Council plays a key role in the project. Whilst the Urban Design Service has the skill set required for the work, it is felt that to allow the Council to provide the most robust feedback possible into this work, the team's input will need to be supplemented with sufficient expertise. It will be necessary for services to be available for call off for their perspective and to cover the amount of work that will be required. The Urban Design Service are supportive of this.
- 3.1.4 Both Atkins and Gensler have at their disposal a team with detailed knowledge of Leeds, our proposals for the station, the organisations we work with, and of rail architecture. As an example of this and as highlighted previously, Gensler's Aviation & Transportation Practice Area Leader, Hiro Aso, oversaw the modernisation of London King's Cross Station and has acted as Chief Architect for transport hubs in Moscow, Delhi and Dhaka. Mr Aso has worked extensively on the plans for Leeds Station and is a significant figure in shaping the design of the station. It is imperative for the council to retain the services of one of the world's leading rail architects to ensure our feedback into this work is the strongest it can possibly be.
- 3.1.5 The services of Atkins and Gensler were procured by London and Continental Railways (LCR) following European Procurement Regulations, meaning it was decided through a detailed procurement exercise that they would provide the best service in terms of price and ability to carry out the work.
- 3.1.6 As there will no new contracts, Atkins and Gensler will be contracted at the same rates as agreed during the original procurement of their services. This will maintain the significant expertise in rail architecture and design, and through their work on LISM have detailed knowledge of Leeds, its station, proposals for the station district, the council and its partners. Based on this Atkins and Gensler are best placed to provide the services required based on price and ability to carry out the work, as their rates have not changed and their ability has been enhanced due to their extensive work already in Leeds.
- 3.1.7 The cap for the call off arrangement will be £79,999 per contractor (£159,998 cumulative). There are two separate contracts in existence, one for each of Atkins and Gensler, and the commission will be delivered in accordance with these arrangements. This waiver of CPRs to place a contract with both Atkins and Gensler is the strongest method of ensuring value for money will be achieved for the council and ensure continuity of service provision.

## 3.2 **Consequences of waiver not being approved**

- 3.2.1 In the case that the waiver of CPRs 8.1 and 8.2 is not approved, this will have an impact on the ability of the Council's Urban Design Service to deliver work surrounding Leeds Station, due to the lack of resources and capacity within the service.
- 3.2.2 One of the most significant impacts will be the loss of a vast array of expertise and knowledge not only on a city region level, but on a global scale as can be provided by Atkins and Gensler. This expertise will be invaluable for the city in ensuring we maximise the benefits of HS2's arrival in the city, whilst transforming Leeds Station into a world class gateway which is a stimulus for regeneration in the city region and which provides capacity for a more than doubling of passenger numbers predicted in the next thirty years.
- 3.2.3 The council always strives to provide the best value for money possible for taxpayers. This report has highlighted at 3.1.5 that Atkins and Gensler's services have been procured previously whilst following European Procurement Regulations, indicating that they have been proven to provide the best service in terms of cost effectiveness. Not allowing Atkins and Gensler to be contracted to this work will also mean the council needs to undertake a procurement exercise that will require resources being used and result in delays to the programme of work surrounding the station district.
- 3.2.4 The Best Council Plan outlines Leeds' desire to be a strong economy and a compassionate city. HS2, through our Leeds City Region HS2 Growth Strategy proposals, will provide 40,000 jobs directly and add £54bn to our city region's economy and contribute to achieving this desire. Work surrounding the arrival of HS2 is fast moving and quickly evolving and to ensure we maximise the benefits associated with it the council needs to make best use of all of its time. Authorising the increased level of spend with Atkins and Gensler will enable the Council and wider LISM partnership to draw upon extensive knowledge and skills for the continued delivery of the Station Development.

### **3.3 Advertising**

- 3.3.1 It is not proposed to advertise this opportunity for the reasons set out at 3.1 and 3.2.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 There has been engagement with senior officers of Leeds City Council and with its partner organisations around the importance of the role of Atkins and Gensler in future work surrounding Leeds Station.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 There are no implications for diversity / cohesion and integration.

### **4.3 Council policies and best council plan**

- 4.3.1 The support and services provided by Atkins and Gensler have already and will continue to contribute towards the following Best Council Plan 2015-20 priorities:
- Transport & Infrastructure – Connecting people and places

- Good Growth – Growing the economy, creating jobs, improving skills, promoting a vibrant city

4.3.2 The support and services will also contribute to the following breakthrough projects:

- More jobs, better jobs
- World class events and a vibrant city centre
- Housing growth and high standards in all sectors

#### **4.4 Resources and value for money**

4.4.1 Atkins and Gensler are being requested to undertake this work as there isn't resource or capacity within the council to deliver the amount of work required on Leeds Station. Atkins and Gensler have a wealth of experience and expertise in this field and their work so far with the council has been of a high quality.

4.4.2 As has been highlighted in 3.1.5 and 3.1.6, Atkins and Gensler have already been through a European Procurement Exercise undertaken by LCR in which they were determined to provide best value and best ability to carry out the work. This contract will match those rates which were determined to provide best value. The rates can be found in Appendix 1.

4.4.3 Authorising the increased level of spend with Atkins and Gensler will enable the Council and wider LISM partnership to draw upon extensive knowledge and skills for the continued delivery of the Station Development.

#### **4.5 Legal implications, access to information, and call-in**

4.5.1 None of the contents of this report are exempt or confidential under the access to information rules detailed in the constitution.

4.5.2 Authorising this increased level of spend may leave the council open to a claim from providers who feel the contract should have been effectively advertised and that the council has not been wholly transparent.

4.5.3 It is up to the council however to decide what degree of advertising is appropriate and it is felt that no advertising is the most appropriate method for the council to deliver best value in this instance, due to the substantial knowledge which Atkins and Gensler possess in regards to station architecture, best practice in design, and local knowledge of the projects already being undertaken and planned in Leeds and its station district. Also there has recently been the opportunity on the open market for parties to bid to undertake the design work next stage for the Classic Station and Atkins and Gensler were successfully appointed to undertake this work.

#### **4.6 Risk management**

4.6.1 A number of factors have been considered when forwarding this request to waive CPRs including:

- The council's internal Urban Design Service will need their skill to be supplemented by outside support to ensure their feedback into the work is as robust as possible.
- Not approving the waiver of CPRs 8.1 and 8.2 will mean the Council and wider LISM partnership would not have access to essential external skills and knowledge

## **5. Conclusions**

- 5.1 By waiving CPR 8.1 and 8.2, the level of spend with Atkins and Gensler can be increased to cover the cost of the interim arrangements while the advisor for the classic Network Rail asset becomes established. This will ensure that the LISM partnership receives the best quality support available regarding its proposals and projects associated with the transformation of Leeds Station.
- 5.2 The services provided will support the delivery of council priorities, offer the best value for money and ability to carry out the work that will be required for the foreseeable future, ensure that the strong working relationships which contribute to the continued success of work which the council carries out with its partner organisations will strengthen further, and provide the council with internationally renowned expertise to support it in achieving its aims for the station district.

## **6. Recommendations**

- 6.1 The Chief Officer Asset Management and Regeneration is recommended to:
  - a) a) Waive Contract Procedure Rules number 8.1 and 8.2 – Intermediate Value Procurements, and increase the level of spend with Atkins and Gensler to cover the cost of the interim arrangements through the existing contract provision. The extension of these arrangements will ensure contracts will secure the continued provision of multi-faceted advice to supplement the work of the council's internal Urban Design Service, who will be the design champions for work on the detailed development of plans for Leeds Station, leading across multiple organisations, pending the mobilisation and transition to the newly appointed advisor for the classic station. The contracts include terms for Atkins and Gensler to attend meetings and commission bespoke pieces of work for the council and its partners. These contracts take the form of call off arrangements which will have a combined cap of £79,999 each (£159,998 cumulatively).

## **7. Background documents<sup>1</sup>**

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<sup>1</sup> 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.