

**Management & Regeneration****Report to Chief Officer Resources & Strategy****Date: 01 August 2019****Subject: Kirkgate Market blockshops strip out & intrusive investigation – authority to spend and contract award****Capital scheme number: 16811 BLK**

Are specific electoral wards affected? If yes, name(s) of ward(s): Little London & Woodhouse	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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: Access to Information Procedure 10.4(3). Please refer to appendix 2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Summary****1. Main issues**

- The Council continues to make significant investment in the preservation and improvement of Kirkgate Market following on from the successful major refurbishment of the building which was completed in 2016.
- The report seeks approval for the authority to spend the £400,000 within the capital programme already identified for this scheme to fund the proposed works to undertake the soft strip of the contemporary fixtures within the 1875 blockshops at Kirkgate Market and associated professional fees.
- The report summarises the procurement approach adopted for the appointment of a contractor to undertake the soft strip of the contemporary fixtures within blockshops A and D identified in appendix 1. In accordance with Contract Procedure Rules 18.4 and 18.6 Officers make a recommendation to the Chief Officer Resources & Strategy to award the contract to Stone Edge Ltd for the sum identified in confidential appendix 2.

**2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- Kirkgate Market contributes to the Council's Best Council Plan ambition to achieve a strong economy by supporting the Inclusive Growth Strategy by backing innovators and entrepreneurs in business and social enterprise.

### **3. Resource Implications**

- The costs of the proposed works are to be funded from the underspend achieved on the substantive refurbishment scheme completed at Kirkgate Market in 2016.
- The works are 72% greater than the pre-tender estimate. The project Quantity Surveyor has advised that, given the specialist expertise of the contractor (which is an essential requirement of these proposed works), the tender price has reflected this. As a consequence of proactive risk management, the project team made provision in its contingency for such an event and therefore this increased cost can be contained in the existing project budget.

### **Recommendations**

- a) The Chief Officer Resources & Strategy is recommended to approve the authority to spend of £400,000 already identified in the capital programme to undertake the soft strip of the 1875 blockshops and to fund the all associated professional fees.
- b) The Chief Officer Resources & Strategy is recommended to approve the appointment of Stone Edge Ltd to undertake the proposed soft strip of the contemporary fixtures within blockshops A and D.

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

- 1.1 The purpose of this report is to seek the approval from the Chief Officer Resources & Strategy to the authority to spend the £400,000 already identified in the capital programme for this scheme to fund the proposed construction works and associated professional fees.
- 1.2 In addition to the above, the report also seeks the approval from the Chief Officer Resources & Strategy to award the contract for the soft strip of the contemporary fixtures within blockshops A and D for the sum identified in confidential appendix 2 to Stone Edge Ltd following the tender exercise.

### **2. Background information**

- 2.1 In 2016 Kirkgate Market underwent a successful major refurbishment which focused on fixing the basics, creation of a new covered daily market (now known as Kirkgate Kitchen) and the recreation of a historical blockshop within the fresh produce area which had been damaged in the 1975 fire.
- 2.2 During the course of the major refurbishment it was brought to the Council's attention that instances of rainwater ingress has increased within the 1875 blockshops. Unfortunately, the contractor undertaking the refurbishment work was not able to commence any surveys to determine the nature of the rainwater ingress or consider the creation of a safe means of access to the roofs to locate the source of the leaking within their programme.
- 2.3 As part of the Council's ongoing commitment to preserving and improving the Market building, an inspection was undertaken by the Council's appointed building consultant to determine the best course of action for the creation of a safe means of

access to the roof structure. As a consequence of this and, given the historic nature of the blockshops, the Council was recommended to appoint a contractor with the requisite skills and expertise to undertake a soft strip of the contemporary building fixtures added to the blockshops of the years in order to reveal the historic building fabric.

### **3. Main issues**

- 3.1 On the 04 June 2019 the Director of City Development gave their approval to the proposed procurement approach for appointing a contractor. Given the historic and sensitive nature of the blockshops the invitation to tender for the works was to be limited to three (3) specialist contractors known for their expertise and competencies.
- 3.2 The tender opportunity was through a mini competition with the evaluation criteria used to assess the suitability of the contractor to undertake the commission based on a single stage tender with a criteria weighting of 60% price and 40% quality.
- 3.3 The tender documentation was uploaded onto the Procontract Yortender system, accessible to all three (3) contractors on 24 June 2019, with a tender return date of 12 noon 17 July 2019. The contractors invited to tender were:
  - Berman Building Company Ltd
  - Stone Edge Ltd
  - Simpsons of York
- 3.4 The Council received two (2) tender submissions by the closing date for tender submissions. For the avoidance of doubt, it should be noted that all tenders submitted were validated and compliant.
- 3.5 As the tender was evaluated on a 60% price and 40% quality basis, the Quantity Surveyor undertook the evaluation of the price whilst two engineers from the design team and two members of the Council's project team undertook the evaluation of the quality information.
- 3.6 It was agreed the quality information would be initially assessed and scored individually and on the 30 July 2019 the four individuals met to agree a consensus score. Following this, NPS conducted the tender review and a copy of their report is available at appendix 2 which is Exempt under the Access to Information Rule 10.4 (3) as the document contains sensitive commercial information on each company and provides a summary of the outcome of the tender evaluation process.
- 3.7 The Chief Officer Resources & Strategy is advised that the winning tender price is 72% higher than the pre-tender estimate with the highest tender being 154% over the pre-tender estimate. On the basis of the price and quality assessment undertaken, it is proposed to award the contract to Stone Edge Ltd.

### **4. Corporate considerations**

## **4.1 Consultation and engagement**

- 4.1.1 The Executive Member for Learning, Skills and Employment Planning has been consulted.
- 4.1.2 The Market Service and Procurement Service have been consulted and are supportive of the appointment of Stone Edge Ltd.

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

- 4.2.1 There is no expected impact on the protected characteristics and therefore it is not application for the EDCI impact screening form to be completed at this time.

## **4.3 Council policies and the Best Council Plan**

- 4.3.1 Kirkgate Market contributes to the Council's Best Council's Plan ambition to achieve a strong economy by supporting the Inclusive Growth Strategy by backing innovators and entrepreneurs in business and social enterprise.

### Climate Emergency

- 4.3.2 The proposed works commence the process for preserving and sustaining the historic blockshops thereby helping prevent further deterioration of the building fabric.

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

- 4.4.1 The costs of the proposed works are to be funded from the underspend achieved on the substantive refurbishment scheme completed at Kirkgate Market in 2016.
- 4.4.2 The works are 72% greater than the pre-tender estimate. The project Quantity Surveyor has advised that, given the specialist expertise of the contractor (which is an essential requirement of these proposed works), the tender price has reflected this. As a consequence of proactive risk management, the project team made provision in its contingency for such an event and therefore this increased cost can be contained in the existing project budget.
- 4.4.3 As detailed in points 2.2 2.3 above, in order to preserve the historic building fabric and create a safe means of accessing the roof structure, it is essential that these works are undertaken as soon as possible. In order to mitigate any further risk to damage to the blockshops it has been essential to appoint a specialist contractor with the expertise and competence to undertake the proposed works and this has come at a higher price when compared to traditional procurements.

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

- 4.5.1 The decision to approve the appointment of Stone Edge Ltd to undertake the soft strip of contemporary fixtures within blockshops A and D is a significant operational decision and therefore not subject to Call-In
- 4.5.2 Appendix 2 of the report is exempt under the Access to Information Rule 10.4 (3) as the document contains sensitive commercial information on individual companies.

## **4.6 Risk management**

- 4.6.1 The strip out works to blocks A and D are essential to assess the integrity of the blockshops structure and therefore must be undertaken. In order to mitigate any potential risks associated with the historic nature of the units, the appointment of Stone Edge Ltd recommended within this report is considered essential.
- 4.6.2 This report focuses upon the soft stripping of the contemporary fixtures to ascertain the typical construction of the blockshops. The Chief Officer Resources & Strategy should note that, dependent upon the outcome of the in-depth investigation of the historic fabric, it may be necessary to conduct further soft strip of other blockshops which could increase costs.

## **5. Conclusions**

- 5.1 The Council continues to be committed to the longevity of the market building by investing in the preservation and improvement of the building fabric. In order to alleviate rainwater ingress to the 1875 blockshops and facilitate ongoing maintenance of the roof structure, a safe means of access has to be installed.
- 5.2 Given the historic nature of the blockshops it is essential that the soft strip of the contemporary fixtures within the blockshops added over the years are removed to enable an in-depth investigation into the historic construction. Blockshops A and D have been identified as best suited to determine what might be the typical form of construction.
- 5.3 Against this background it is essential that the works are undertaken by a contractor who has the requisite expertise in handling historic structures and has the capabilities to successfully reveal the historic fabric without causing undue damage or undermining the structure to the blockshops. The approval to the authority to spend of the £400,000 within the capital programme and the appointment of Stone Edge Ltd as recommended within this report gives the greatest assurance that the integrity of the blockshops are maintained.

## **6. Recommendations**

- 6.1 The Chief Officer Resources & Strategy is recommended to approve the authority to spend of £400,000 already identified in the capital programme to undertake the soft strip of the 1875 blockshops and to fund the all associated professional fees.
- 6.2 The Chief Officer Resources & Strategy is recommended to approve the appointment of Stone Edge Ltd to undertake the proposed soft strip of the contemporary fixtures within blockshops A and D.

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

- 7.1 None

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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.