

Insert report title: Approval to procure a contractor for construction and restoration works including fixtures and fittings at Temple Newsam to form an indoor Playbarn

Date: September 2021

Report of: Senior Estates Manager Communities, Housing and Environment

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- This report seeks approval of the proposed procurement strategy for the engagement of a contractor to carry out construction and restoration works (including fixtures and fittings) to create an indoor play barn at Temple Newsam.
- Authority to spend was approved by the Executive Board in September 2020 to develop plans for an indoor play barn with integrated café along with a new entrance (incorporating a retail facility) utilising the old cow byre set in the core of the historic buildings at Home Farm, Temple Newsam. The proposal will contribute to the following Best Council Plan priorities:
 - Inclusive Growth through using the civic enterprise model to generate income to fund the new visitor facilities and provide a return on investment.
 - Social value portal is being used throughout the procurement and contract to ensure social value benefits are realised which will promote inclusive growth.
 - Health and wellbeing by supporting healthy, physically active lifestyles.
 - Safe, strong communities by providing a new, inclusive community resource for local people and visitors from further afield.
 - Growing the cultural sector through restoring, promoting and sharing the heritage of the site, and ensuring that it can be more widely experienced.
 - Child Friendly Leeds through improving health and wellbeing, an enhanced learning environment and a place for children to play.

Recommendations

- a) In accordance with the Council's Contract Procedure Rules 3.1.7, this report requests the Director of Communities, Housing and Environment approves the procurement strategy to carry out a competitive procurement through Constructionline to appoint a contractor for the delivery of construction and restoration works at Temple Newsam to provide a new Play Barn facility.

Why is the proposal being put forward?

- 1 Home Farm, Temple Newsam is a visitor attraction with a working farm, exhibitions and recreated historic interiors. The Stable Courtyard is the hub of the visitor facilities with public toilets, ticket and gift shop, café, conference room, and local produce shop. Both sit within the historic Temple Newsam estate centered around the grade 1 listed Temple Newsam House.
- 2 The 'Cow Byre' building situation on Home Farm requires conservation and transformation and the works proposed in this report will allow this to happen.
- 3 The proposed works are to both the interior and exterior of the building, and a proposal to build an extension into an adjacent yard. The scheme is planned with consideration for potential future developments to the farm and developments throughout the estate.
- 4 The scheme will include the restoration and extension works of the old 'cow byre' building to provide a new shop, café and indoor play facility for farm visitors to improve visitor experience all year round.

What impact will this proposal have?

Wards affected:

Have ward members been consulted? Yes No

- 5 By undertaking these works this project will present an opportunity to conserve, reinvigorate and animate the heritage building that will improve visitor experience all year round and develop a financially sustainable future for the attraction. This in turn will continue to conserve rare breeds of animals and develop the educational experience for a wider range of visitors.
- 6 As part of the contract, there will be a requirement to achieve additional social value benefits. The contract manager will work with the Social Value Portal team and the appointed contractor to ensure the commitments submitted as part of their tender are delivered. The contractor will report to the Social Value Portal every quarter on their social value delivery during the life of the contract.
- 7 An Equality, Diversity, Cohesion and Integration (EDCI) impact assessment has been undertaken for this scheme and is attached at Appendix 1. There are not expected to be any negative impacts in relation to the planned works

What consultation and engagement has taken place?

- 8 The Executive Member for Environment and Communities has been consulted on this scheme and are supporting of it.
- 9 Historic England have been consulted about the conservation of buildings and the appropriate use of historic buildings for commercial purposes to generate income to ensure their future survival, they have carried out a site visit and are in support of this proposal
- 10 The Conservation and Design team in Planning Services have also been consulted by NPS Group to consider the impact on the cow byre building.
- 11 The Council's Procurement & Commercial Services team are supportive of the proposals contained in the report

What are the resource implications?

- 12 The full scheme capital requirement is £2,900,000.00 and this includes the construction works, furniture and fittings. Authority to Spend was approved in September 2020 by Executive Board.
- 13 The procurement will be carried out in an open and transparent manner in line with Contract Procedure Rules by ensuring competition is sought to identify best value. The procurement route proposed for this project is a below threshold competitive procurement exercise utilising contractors from Constructionline.
- 14 The evaluation approach to be implemented is the Quality & Price separated methodology, this means contractors will be required to meet a minimum threshold on the quality submission. Following this assessment those who pass the set threshold will be evaluated on a price only basis.
- 15 NPS Leeds have been engaged to provide professional design pre and post contract services which will include preparation of the technical and pricing documents as part of the tender package. NPS will manage this contract on site on behalf of Leeds City Council to ensure the contract adheres to any programme of works

What are the legal implications?

- 16 Constructionline is a register of pre-qualified contractors and consultants used by the construction industry. It provides procurement and supply chain management services and has been deemed suitable for use under the Council's Contract Procedure Rules.
- 17 Given the cost related to this contract, this decision will be a Key Decision and will be eligible for call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

What are the key risks and how are they being managed?

- 18 A risk of procurement challenge is always present when undertaking a competitive procurement exercise. To mitigate this risk, procurement and commercial services have been involved to ensure a fair, transparent and compliant procurement process is undertaken.
- 19 Due diligence checks of the preferred contractor will be done to ascertain their financial position prior to contract award and throughout the contract period. This will ensure we are contracting with a financially stable organisation which will limit the risk of the successful contractor falling into financial trouble which could affect the delivery of the project.
- 20 The contract, including contractor performance will be effectively managed and monitored to ensure the works are delivered to the contract specification and in a timely manner. Social value benefits will be monitored by the Social Value Portal in collaboration with the Contract Manager
- 21 A joint risk log will be developed with the appointed contractor to ensure all construction related risks for the project are identified together with the relevant owner of the risk. The Council's project risk log will be maintained and updated throughout the project and escalation of any risks that sit outside of the agreed tolerances will be managed
- 22 There is an ongoing risk of potential labour and materials shortages because of the COVID-19 pandemic and Brexit. The project team will continue to monitor this and work with a successful contractor to mitigate this risk where possible.

- 23 Due to current market conditions and the COVID-19 pandemic, there is a risk of low number of tender returns. The procurement team will continuously engage with contractors before and during the tender, ensuring they are fully supported in the process in order to maximise the number of bids received.
- 24 The COVID-19 pandemic continues to present risk as regulations change regularly. This will be closely monitored by the project team and successful contractor throughout the duration of the contract.
- 25 There is a risk that the tender for the proposed works will exceed the pre-tender estimate and available budget provision. To mitigate this as much as possible, a comprehensive and robust pricing document has been created to ensure all prices are deemed to be accurate, viable and reflective of the required works.
- 26 The appointed contractor will have specialist skill, technical expertise and knowledge that will be assessed and evaluated using quality criteria during the procurement. This will ensure all works are completed with regards to Health and Safety and Environmental consideration.

Does this proposal support the council's three Key Pillars?

Inclusive Growth

Health and Wellbeing

Climate Emergency

- 27 **Inclusive Growth:** Supporting growth and investment, helping everyone benefit from the economy to their full potential: Social Value Portal will be involved throughout the procurement and life of the contract to ensure social value benefits are delivered which will contribute to Inclusive Growth. There will also be a focus on using the civic enterprise model to generate income to fund the new visitor facilities and provide a return on investment.
- 28 **Health and wellbeing:** supporting healthy, physically active lifestyles. The contractor will be required to deliver within this contract and as part of their social value commitments, initiatives to promote positive mental health within the workplace through encouraging a progressive work environment, which promotes mental health awareness and wellbeing
- 29 **Climate Emergency:** It is proposed that renewable energy sources will be considered where possible including solar PV, wind energy, insulation, ground source heat pump and heat recovery. The council in conjunction with Social Value Portal will work with the contractor to explore all opportunities to reduce carbon emissions further. The contractor will also be required to meet all legislation and industry best practice in regard to environmental management.

Options, timescales and measuring success

What other options were considered?

A range of procurement options have been considered; in summary these are:

- 30 **Do Nothing-** This option was discounted as this would result in no delivery of the project needed for the Temple Newsam Estate.
- 31 **Internal Service Provider (ISP)-** In accordance with CPR 3.1.4, Leeds Building Services were consulted for the delivery of these works, however, the Head of Leeds Building Services has confirmed that LBS do not currently have the capacity to undertake the works required.
- 32 **Call off from Yorbuild Framework-** An Expression of Interest was carried out to all contractors on lot 3 of the Yorbuild2 framework however there was not an adequate level of interest received from contractors to allow truly competitive tender process to take place.

- 33 **Call off from Efficiency North and Fusion21 Frameworks-** These frameworks have also been considered; however, they do not meet the requirements of the works.
- 34 **Procure Leeds Own Restricted non-OJEU Procurement via Constructionline (Recommended)** This route is deemed to be the most appropriate route as the value is below the financial works threshold of £4.7m. An expression of interest was undertaken via Yortender approaching 11 contractors from Constructionline and as a result 6 contractors have registered their interest in submitting a competitive tender for the works and subject to approval will be invited to tender via YORTender.

How will success be measured?

- 35 The contract will be managed on site by NPS Leeds throughout all stages of construction and restoration works. As part of this role, contractor performance will be monitored and managed in line with the contract terms.
- 36 Social Value success will be measured and monitored by the Social Value Portal. The contractor will report their social value delivery to the Social Value Portal every quarter during the life of the contract and Social Value Portal will provide an end of project summary report detailing the Social value benefits delivered on this contract.

What is the timetable for implementation?

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Task/Milestone	Date
Tenderers invited to tender and issued with tender documents	20 th September 2021
Tender submission date	3 rd November 2021
Tender evaluation and governance approval	10 th November – 15 th December 2021
Tenderers notified of outcome	16 th December 2021– 07 th January 2022
Contract awarded	10 th January 2022
Contract start	Early February 2022
Contract end date	Late August 2022

Appendices

[Appendix 1 EDCI screening form Temple Newsam.doc](#)

Background papers

- 38 List of Forthcoming Key Decisions

<https://democracy.leeds.gov.uk/mglIssueHistoryHome.aspx?IId=118313&Opt=0>

- 39 Executive Board Report September 2021