

## Leeds Town Hall Refurbishment – Authority to Spend

Date: 23.11.2022

Report of: City Development, Projects and Programmes

Report to: Director City Development

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

In February 2022 the Director City Development approved the procurement route for the appointment of a contractor to undertake proposed refurbishment works at Leeds Town Hall. The tender was issued on a competitive basis but despite ongoing market engagement no compliant bids were received. Following consultation with legal and procurement officers the Leeds Town Hall Project Board agreed the works should be offered to a contractor through the call-off provisions of the Yorbuild3 Framework.

This report seeks Authority to enter into a Pre-Construction Services Agreement (PCSA) with Kier Construction Limited T/A Kier Construction North and Scotland and spend up to £379,806.91 to cover the contractor's fees. The independent QS appointed by the Council has advised the PCSA sum is within the average cost for provision of such services. On conclusion of the PCSA process and subject to the Council being satisfied with the outcome a further report will be submitted as a Key Decision seeking Authority to Spend and to appoint the contractor for the Stage 2 (construction) works.

### Recommendations

In accordance with CPR 3.1.9 the Director City Development is requested to;

- i) provide authority to spend up to £379,806.91 from capital scheme 16996 with Kier Construction Limited T/A Kier Construction North and Scotland to carry out services as detailed in the PCSA signed with Leeds City Council.

### What is this report about?

- 1 The previously approved procurement exercise for the partial refurbishment of Leeds Town Hall did not receive any compliant bids, despite extensive market engagement. The Council has

therefore engaged with Kier Construction Limited T/A Kier Construction North and Scotland using the call off provisions of the YORbuild3 Major Works Framework.

- 2 It is proposed to use a two-stage process to reduce risk and provide greater cost certainty. In order to conclude the first stage in this process the Council is required to pay fees to the contractor for the pre contract services as described below.

### **What impact will this proposal have?**

- 3 The proposal will allow Kier Construction Limited T/A Kier Construction North and Scotland to be appointed to carry out pre-construction services for the works summarised below at Leeds Town Hall;
  - an improved principal entrance providing physical access suitable for all visitors.
  - a new box office facility
  - new bars and general improvements to circulation

When the PCSA process is concluded and subject to satisfactory performance and availability of funds the Council will have the option of appointing the contractor to carry out the construction.

### **How does this proposal impact the three pillars of the Best City Ambition?**

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 4 The provision of high-quality cultural provision in the city centre supports growth in the city generally and also provides mental health benefits. This and other schemes taking place at Leeds Town Hall will reduce the carbon footprint of the building, use of sustainable transport will be encouraged.

### **What consultation and engagement has taken place?**

Wards affected: City Wide

Have ward members been consulted?  Yes  No

Members have been previously consulted on the overall scheme and the procurement strategy and are supportive of the proposals. The decision requested in this report is classified as a Significant Operational Decision and is not subject to call-in.

- 5 Officers have been engaged with the Kier Construction Limited T/A Kier Construction North and Scotland since early August to develop costs, a revised programme and agree the terms of the PCSA prior to formally signing the agreement.
- 6 The Executive Member for Economy Culture and Education has been briefed on the procurement strategy relating to the Leeds Town Hall refurbishment.

### **What are the resource implications?**

- 7 The proposal will mean the Council is committed to spending up to £379,806.91 on development fees from capital scheme 16996 up to completion of the activities agreed in the PCSA.

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

- 8 There is a risk that the programme will overrun impacting on Town Hall revenue and LCC reputation.
- 9 There is a risk that the costs cannot be contained within the revised budget. An appropriate level of contingency is allowed within the overall budget. This risk is mitigated through the 2 stage procurement process. The options for further value engineering through omission of the second performance space can also be considered on conclusion of the stage 1 cost estimate.

## **What are the legal implications?**

- 10 The decision requested in this report is classified as a Significant Operational Decision.
- 11 The appointment of a Kier Construction Limited T/A Kier Construction North and Scotland to carry out stage 1 work specified in the Pre-Construction Services Agreement does not commit the Council to making an appointment at stage 2. Approval for the appointment of a contractor and authorisation of expenditure will be requested as a Key Decision following the satisfactory conclusion of the PCSA services .
- 12 Cost relating to the development of the second performance space are not included in this PCSA agreement. In order to avoid further delays approval for a variation will be requested to add this space within the PCSA once costs have been agreed. This will constitute a variation to the approved PCSA.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 13 The works were tendered in accordance with the 1<sup>st</sup> of February approval, however market conditions created by international events meant that this was ultimately unsuccessful. All parties involved in discussions on the procurement strategy are in agreement that a direct appointment from the YORbuild3 call off list using a two stage JCT form of contract is the most appropriate for these works, leading to greater cost certainty and reduced risk.

### **How will success be measured?**

- 14 Success will be measured through the appointment of a suitably experienced contractor and the delivery of the project on programme, within budget and to the specified quality. The contract will be managed by a Contract Manager appointed from the Council's design partner NPS Leeds.

### **What is the timetable and who will be responsible for implementation?**

- 15 The current timetable would see the contractor issue the final commercial offer on 23<sup>rd</sup> March 2023. Subject to the outcome of the PCSA process, approval of the Key Decision for Authority to Spend and Appoint the contractor will be sought in early May 2023. The contractors programme assumes appointment for the stage 2 contract on 17<sup>th</sup> April 2023.

## **Appendices**

- 16 None

## **Background papers**

