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| AWARD OF CONTRACT FOR THE REMODELLING OF TOWN HALL SOUTH |
| Cllr David Seaton |
| October 2017 |
| Deadline date: 9th October 2017 |

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| Cabinet portfolio holder: Responsible Director: | Cllr David Seaton. Cabinet Member for Resources Simon Machen Corporate Director Growth and Regeneration |
| Is this a Key Decision? | YES If yes has it been included on the Forward Plan: YES Unique Key decision Reference from Forward Plan: KEY/02OCT17/01 |
| Is this decision eligible for call-in? | YES |
| Does this Public report have any annex that contains exempt information? | YES Appendix 1 and 2 are exempt in accordance with paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972. |
| Is this a project and if so has it been registered on Verto? | YES Verto number: Pr002376 |

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Authorise the main refurbishment of the Town South to enable the letting of the space to a new tenant, up to the value of the budget sum of £2,432,592 including contingency.
2. Authorise the Council to award the design and build contract to Coulson & Sons Limited.
3. Authorise the Director for Legal and Governance, or delegated officers, to enter into any other legal documentation on behalf of the Council in relation to this matter, including the design and build contract.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for the Cabinet Member for Resources to consider exercising delegated authority under paragraph 3.4.8 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (i).
- 1.2 The attached report/background information is NOT FOR PUBLICATION in accordance with paragraph (s) 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it

contains information relating to the financial or Business affairs of the council namely the details of the tender process undertaken. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as to do so would compromise the council's future position in the marketplace when providing quotes for similar works.

1.3 With the approval of the Chairman of the Growth, Environment and Resources Scrutiny Committee Special Urgency procedures have been invoked to waive the 5 day consideration period. This is because the council runs the risk of a financial penalty from the contractor resulting from any delay in delivering the agreed programme. Equally importantly it will delay the completion of the project to enable the new tenant to take up occupancy of the Town Hall South.

1.4 The contractor is currently undertaking enablement works in the space prior to the main works beginning. The enabling works are due for completion on the 18 October 2017 and the main works need to start immediately to fit in with the current budget for their completion. To meet the 18 October 2017 deadline the contractor needs the intervening period to secure his subcontractors, make health and safety arrangements and develop the risk management and method statement.

2. TIMESCALES

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|---------------------------------------------|------------|----------------------------------|------------|
| Is this a Major Policy Item/Statutory Plan? | YES | If yes, date for Cabinet meeting | N/A |
|---------------------------------------------|------------|----------------------------------|------------|

3. BACKGROUND AND KEY ISSUES

3.1 The report seeks the Cabinet Members approval for the recommendations supporting the remodelling of the Town hall South to enable it to be let to an external organisation.

3.2 The Council's offices will be relocating to Sand Martin House in July 2018 and subsequently parts of the Town Hall will be let for occupation. In readiness for the occupation of the south side of the Town Hall by an external organisation (the DWP), refurbishment works are required.

3.3 Authorisation is being sought for the works required to make ready the South Town Hall for the new tenant. The proposed contractor for this work was procured under the Council's Construction Framework. This framework was procured using the restricted procedure under the Public Contract Regulations 2015. The framework agreement commenced on 1st January 2017 for a period of four years.

3.4 The framework permits contracts to be called-off under a mini competition process and the Council is procuring the works set out in this report through this process. A mini competition was undertaken under Lot 3 (value £2m to £5m) and the outcome of this process is set out in the summary of the weighted scores below.

3.5

| | Contractor A (%) | Contractor B (%) | Contractor C (%) | Contractor D (%) | Contractor E (%) |
|---------------------|------------------|------------------|------------------|------------------|------------------|
| Price(out of 80) | 80 | 75.45 | 74.70 | 71.22 | 68.36 |
| Quality (out of 20) | 15.30 | 14.50 | 13.90 | 16.50 | 12.70 |
| Total | 95.30 | 89.95 | 88.60 | 87.75 | 81.06 |

- 3.6 Coulson and Son Ltd were appointed to undertake the initial Pre-Construction works capturing the detailed design and costing of the overall works. These works comprising a two-stage tender process have now been undertaken. Authorisation is now sought for the second phase of the contract to enable the construction works to begin.
- 3.7 A mini competition was undertaken under PCC's recently procured Construction Framework and Coulson and Sons Ltd were appointed to undertake the initial Pre-Construction works capturing the detailed design and costing of the overall works. These works comprising a two-stage tender process have now been undertaken. Authorisation is now sought for the second phase of the contract to enable the construction works to begin.
- 3.8 The attachment (Peterborough Town Hall Tender Report) sets out the process that was followed. The attachment (Value for Money Report) confirms the value for money attained by the council as a result of the process.
- 3.9 The programme of works is scheduled to start on 23 October 2017 and to be completed by 30 March 2018 to enable the new tenant to take up occupancy shortly after.
- 3.10 It is vital that the programme is completed on time to meet the council's business case assumptions on the income that will be generated from renting the offices and the requirements on the new tenant to vacate their current premises. To meet the programme deadlines the construction contract needs to be in place by 9 October 2017
- 3.11 A budget of £2,432,590 including contingency has been set for the construction works after assessment of the contractors design proposals by an independent Quantity Surveyor and design team commissioned by the Council (i.e. NPS).
- 3.12 The new tenant (DWP) is contributing £734,374 towards the refurbishment costs, so that the net cost of the main contract to the council is £1,698,218.

4. CONSULTATION

- 4.1 No external consultation has been required.
- 4.2 It is not proposed that other consultations should be undertaken.

5. ANTICIPATED OUTCOMES OR IMPACT

- 5.1 The letting of this space in the Town Hall supports the council's financial plans and its development of the Fletton Quays site as council services currently in Town Hall move into the new council building (Sand martin House) currently under construction.

6. REASON FOR THE RECOMMENDATION

- 6.1 Agreeing the recommendations will enable formal contractual arrangements to be confirmed with Coulson and Son Ltd to commence the main refurbishment work. This in turn will enable the Council to fulfil its intention to let the space at the South of the Town Hall within the timeframes described.

This will secure additional revenue for the council in support of its medium term financial plans and support its move the new council offices at Sand Martin House.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 To do nothing: that is, not to move to the main construction following the already granted enabling works. This would leave the Town hall South in an unfinished state and mean that it would be left vacant following decant of staff to the Sand Martin House offices in 2018.
- 7.2 To retender to the construction market for a contractor: this was rejected because of the timescales and costs of going out to the market at this point in the programme.

8. IMPLICATIONS

Financial Implications

- 8.1 The net cost of this contract (as set out in section 3.7) is £300,000 over the approved budget.
- 8.2 The additional level of costs has arisen from a number of factors since to initial cost estimates. These include: a refinement of the building assessment and modelling resulted in the mechanical and engineering requirements being more complex than originally expected; surveys identified asbestos levels that required action to remove and manage and the fluctuating price of steel has fed into revised costings.
- 8.3 Additional capital budget will be allocated from within the council's overall approved capital programme.

Legal Implications

- 8.4 The legal implications are set out within the report.

Equalities Implications

- 8.5 The letting of the Town Hall South to the DWP will provide a central location for customers.
- 8.6 The design of the refurbishment takes account of the requirements of the Disability Discrimination Act

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 None

10. BACKGROUND DOCUMENTS

- 10.1 None.

11. APPENDICES

- 11.1 Appendix 1 – Value for Money Report (Exempt Annex)
- 11.2 Appendix 2 – Stage 1 Tender Report (Exempt Annex)