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Portfolio	Leader of the Council & Cabinet Member for Finance
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Procurement of Professional Design Teams for Rochdale Town Hall & Town Hall Square

Executive Summary

- 1.1 This report outlines a proposal which enables the Council to procure professional design teams needed to restore Rochdale Town Hall and improve the public realm at Town Hall Square.
- 1.2 The procurement strategy responds to the notification from the Heritage Lottery Fund (HLF) that Rochdale Borough Council was awarded a Round 1 pass towards a grant of £8.95m for Rochdale Town Hall. This will be matched by investment from the Council's Town Centre Capital Programme (TCCP) in addition to TCCP funding for improvements to Town Hall Square.
- 1.3 Subject to approval, the Council will embark on a series of procurement exercises to appoint a suitably qualified team that can develop and deliver high quality proposals that respect the historic environment.
- 1.4 Rochdale Borough Council have been awarded £688,750 from the Heritage Lottery Fund towards the development phase of the Town Hall project, which will be used in part, to fund the procurement of professional services.
- 1.5 Rochdale Borough Council will need to submit its Round 2 proposal for Rochdale Town Hall to the HLF within two years (May 2020). It is anticipated proposals will be ready for submission to HLF by December 2019, with delivery of the capital works to restore the town hall taking place between 2021 and 2023, subject to future cabinet approval.
- 1.6 It is proposed that works to improve Town Hall Square be developed and delivered ahead of the Town Hall programme and opportunities to deliver the public realm works by 2020 will be explored. Delivery of these works will be subject to future cabinet approval.

Recommendation

- 2.1 Members are asked to note the Round 1 approval from the Heritage Lottery Fund towards the restoration of Rochdale Town Hall and accept a grant of £688,750 towards development costs.
- 2.2 Members authorise officers to enter into a series of procurement exercises to appoint project teams to develop and deliver plans to restore Rochdale Town Hall and improve Town Hall Square.
- 2.3 Members note the key issues, risks and timescales associated with the two schemes.

Reason for Recommendation

- 3.1 The proposed procurement strategy has been developed through consultation with STAR procurement, the HLF, officer assessment, industry investigation and research, and consultation with Members.
- 3.2 The total value of the procurement exercises is likely to exceed the threshold delegated to directors and therefore cabinet approval is required.
- 3.3 Delegation of authority would enable officers to contract with professional design teams which subject to a series of competitive tender exercises, will allow the town hall and town hall square projects to commence with the appropriate level of specialist support for these nationally significant heritage projects.

Key Points for Consideration

4. **Project Background**
 - 4.1 Since the Council moved to new premises at Number One Riverside, Rochdale Development Agency and Council Officers have worked with the local community to develop plans that would re-purpose the Rochdale Town Hall and improve Town Hall Square.
 - 4.2 The proposed restoration of Rochdale Town Hall and the recent announcement of funding towards the project approved by the HLF, will improve access and include two new lifts as well as a full scale restoration of large sections of the building and its historic rooms and features, including the Great Hall with the Magna Carta mural, ceiling tiles and extensive stained glass windows. The outside of the building will also be restored, cleaned and better lit.
 - 4.3 Sections of the building which are usually off limits to the public will be opened up for the first time to create a major visitor attraction that tells the story of Rochdale's great history resurrecting the pride people had in their town as a place of trade, industry and above all fairness and tolerance.
 - 4.4 It is proposed that due to the funding available and urgency of some of the work to the Town Hall, the project will be phased. The professional team will,

however, be appointed to cover all phases due to the complexity of the building and the need to develop a coherent plan. These appointments will be subject to break points at key milestones such as RIBA Stage 2 review and HLF Round 2 approval (see section 5.7 for summary of funding position).

Phase 1 - enabling works (RBC funded)

Phase 2 - main restoration programme (HLF & RBC funded)

Phase 3 – community & commercial uses (funding TBC)

4.5 The proposed improvements to Town Hall Square will compliment these proposals to deliver an enhanced setting for the Grade I listed Town Hall and Memorial Cenotaph. The Town Hall Square project will follow on from the legacy of the river re-opening and will be delivered in a single phase. This will bring forward high quality public realm that stimulates economic growth, investor confidence and improved perceptions of Rochdale.

4.6 The project will create an inviting space for incidental interaction, play and events. It will deliver improved connections between the Town Hall and the memorial gardens and east to west between the historic and contemporary civic foci of the town. A review will be carried out on parking and traffic movements in and around the Town Hall Square area.

4.7 **Nature of the Service**

4.8 The Council wishes to appoint an external multi-disciplinary team that will develop detailed designs and gain necessary planning consents for both the Town Hall and Town Hall Square. For the town hall project, the team will also be expected to prepare materials that can be submitted to HLF in order to achieve a Round 2 approval. If a Round 2 approval is granted for the Town Hall and planning permission granted for works to Town Hall Square, the successful teams will also supervise the works.

4.9 Due to the special architectural and historic interest of the Town Hall and Town Hall Square, sensitive, exemplary design will be required to deliver the Council's ambitions and grant funder requirements. This will require a very high level of specialist expertise across a number of fields including architecture, landscape architecture, urban design and engineering. The Council does not have this range of professional expertise in-house.

4.10 **Timetable**

4.11 The Council propose to run key elements of the procurement process from June 2018 to September 2018. Other minor specialisms will be tendered in accordance with the project programme into early 2019 as required as the plans progress.

4.12 The timetable for the main specialisms for both Town Hall and Town Hall Square is set out overleaf:

Pre-Procurement and Market Engagement activities (early June 2018)

Procurement launch (mid-June 2018)

Completed Pre-Qualification Questionnaires submitted (mid-July 2018)
Evaluation panel selects list of tenderers (late July 2018)
Invitation to tender published (late July 2018)
Selected tenderers submit proposals (late August 2018)
Evaluation panel interviews tenderers (September 2018)
Evaluation panel reaches a decision (September 2018)
Award of contract (September / October 2018)

- 4.13 Rochdale Borough Council will need to submit its Round 2 proposal for Rochdale Town Hall to the HLF within two years (May 2020). It is anticipated proposals will be at RIBA Stage 3 and ready for submission to HLF by December 2019, with delivery of the capital works to restore the Town Hall taking place between 2021 and 2023.
- 4.14 Phase 1 works to upgrade the building's Mechanical, Electrical and Public Health (MEP) services will be delivered by Rochdale Borough Council prior to Round 2 approval being given in early 2020.
- 4.15 It is proposed that works to improve Town Hall Square be developed and delivered ahead of the Town Hall programme and opportunities to deliver the public realm works by 2020 will be explored.
- 4.16 **Procurement Approach**
- 4.17 The Council will employ OJEU compliant procurement approaches that will meet the Council's objectives. These include:
- 4.18 **Open Procedure:** the open procedure is a single stage process. Any multi-disciplinary team could submit a bid that set out how they meet the Council's selection criteria and award criteria. If teams fail to pass the selection criteria, then the rest of their tender would not be considered. As with the restricted route (see paragraph 4.19), the open procedure enables the Council to assess a team's capability to complete the commission. However, unlike the restricted procedure, it is more likely to generate a higher number of bids. This will give the Council the opportunity to consider a range of ideas / responses. The main drawback to this procedure is that the Council is likely to be inundated with submissions all of which will have to be evaluated. For this reason the open procedure is normally used in situations where there are a limited number of service providers in the market.
- 4.19 **Restricted Procedure:** Under this route, Applicants will first need to demonstrate that they had the technical and professional ability and track record to complete the proposed commission. This would be achieved through a Pre-Qualification Questionnaire. A fixed number of Applicants (who met the Council's selection criteria) will then be invited to tender. Bidders would submit their proposals as to how they meet the Council's award criteria (split between cost, quality and social value) and if required, attend an interview. It is currently anticipated that no more than five applicants will be shortlisted to tender stage to ensure a range of ideas / responses are produced. The benefit of this procedure is that it would allow the Council to only assess proposals from a limited number of teams that have the capability to complete the

commission.

4.20 A range of other approaches such as design competitions, competitive dialogue or competitive procedure with negotiation have also been considered. These have been ruled out following consultation with STAR procurement, the HLF, officer assessment, industry investigation and research, and consultation with members.

4.21 It is currently anticipated that the following procurement approaches will be adopted for each of the specialisms needed for the Town Hall project:

Specialism	Preferred Option
Activity Planner	Restricted Procedure
Building Information Modelling (BIM) Consultant	Open Procedure
Business Planner	Restricted Procedure
Conservation Architect	Restricted Procedure
Conservation Management Planner	Restricted Procedure
Cost Manager	Open Procedure
Evaluation Specialist	Open Procedure
Fundraiser	Restricted Procedure
Interpretation & Exhibition Designer	Restricted Procedure
Lighting Designer	Open Procedure
Mechanical, Electrical & Public Health (MEP) Engineer	Open Procedure
Project Manager	Restricted Procedure
Structural Engineer	Open Procedure

4.22 To ensure the Council and Rochdale Development Agency, as clients for the work have maximum control, it is proposed that each specialism for the town hall project be appointed individually.

4.23 For the Town Hall Square project, due to the more simple nature of the work required, a single tender exercise to procure a multi-disciplinary design team led by a Landscape Architect will take place through a restricted procedure.

4.24 **Evaluation Criteria**

4.25 For each procurement exercise, the evaluation criteria will be split between

cost, quality, and social value. The exact weightings that will be allocated to each of these heading criteria will be agreed between Rochdale Development Agency and STAR Procurement and will be dependent upon a number of risk factors and quality considerations. Quality is proposed to have a higher proportion of the marks in each case, because of the critical importance of procuring a high quality team that can deliver an exemplary design. Social Value has been proposed at 20% rather than the normal 10% to ensure that the winning Bidders for these high profile, high value contracts realise their worth to the local community. Under each of the heading criteria there will be varying numbers of sub-criteria, each individually weighted.

- 4.26 As part of the evaluation process, Bidders will have the opportunity to present their designs / responses to the evaluation panel, the qualitative evaluation will take the designs / responses into consideration. The interviews will also be an opportunity for the panel to ask for clarification on any points within the proposals.
- 4.27 Each of the quality sub-criteria will be scored against the pre-determined and published scoring methodology. The contract may then be awarded to the Bidder that achieves the highest combined cost, quality and social value score (Most Economically Advantageous Tender), subject to meeting the Council's quality expectations, the price being considered Value for Money for the Council, and any further due diligence activities and tests.

Costs and Budget Summary

- 5.1 Undertaking the procurement process is not expected to incur any direct costs.
- 5.2 The total fees for developing the detailed designs and preparing HLF documentation / planning approvals for both projects are estimated to be in excess of £250,000 and therefore require Cabinet Approval prior to the procurement being launched. This is based on detailed cost modelling based on the construction costs for each project (£16.1m for Rochdale Town Hall and £2.7m for Town Hall Square).
- 5.3 If funding for the multi-disciplinary team is reduced, it will be harder to attract a high quality team to bid for the contracts. This may result in the appointment of a team that is unable to deliver the kind of exemplary design that is required that respects the outstanding heritage and delivers the Council's ambitions alongside grant funding requirements.
- 5.4 The HLF grant for the town hall consists of £688,750 towards a £1.3m project to develop the designs up to Round 2. The remainder of funding will come from Rochdale Borough Council's Town Centre Capital Programme and volunteer time. At the delivery phase and subject to Round 2 approval, the HLF will award the Council £8,256,700 towards £13,305,450 project. The remainder of the delivery phase funding will be from Rochdale Borough Council's Town Centre Capital Programme, volunteer time, trusts, charities, foundations and corporate giving.
- 5.5 The Council intends to fund upfront from the Town Centre Capital Programme, £1.8m towards Phase 1 of the works to upgrade the town hall's MEP

infrastructure. Funding for Phase 3 (commercial opportunities) will be subject to feasibility studies and approval of business models to generate additional income to support the vibrancy of the Town Hall.

- 5.6 The funding for the Town Hall Square project has been identified through the Town Centre Capital Programme of which there is already an allocation for £3million towards public realm improvements.
- 5.7 The funding for each project is summarised in the tables below. The other funding source includes volunteer time and private donations from trusts, charities, foundations and corporate giving.

Project	Funding Source			
	RBC	HLF	Others	Total
Town Hall Phase 1	£1,800,000	-	-	£1,800,000
Town Hall Phase 2	£2,500,000	£8,945,450	£3,174,710	£14,620,160
Town Hall Phase 3	TBC	TBC	TBC	TBC
Town Hall Square	£3,000,000	-	-	£3,000,000

Risk and Policy Implications

- 6.1 The Council owns the freehold to Rochdale Town Hall and Town Hall Square.
- 6.2 The appointment of a specialist team is essential in order to protect and enhance these heritage assets and ensure compliance with the necessary regulatory processes.
- 6.3 The proposed contract is a public services contract for the purposes of the Public Contracts Regulations 2015. The threshold for service contracts for full application of the Public Contracts Regulations 2015 is currently £181,133 (Estimated value over period of contract). Many of the contracts proposed to be Awarded will exceed the financial threshold and therefore will need to be advertised in OJEU. The contracts will be procured in accordance with the rules relating to that procedure set out in the 2015 regulations.
- 6.4 The main risks for the development of detailed designs and preparation of full planning documentation / materials for submission to HLF include:
- 6.5 **Design team costs:** there is a risk that the costs associated with the commission will be in excess of the successful team's submitted fee schedule. In order to mitigate this risk, the Council will require the submission of a fixed fee for each lot / stage of the detailed design process and a percentage fee for supervising the delivery of the restoration / works. The budgets (or an

estimated range) must be published under procurement law, therefore, this could help ensure that bids don't come in over the budgets allocated (a statement can be included in the tender documents that anything over budget will be disqualified), but may mean that all bidders come in around the budget figure.

- 6.6 **Design team performance:** there is a risk that the successful team's detailed design proposal will not meet the Council's objectives. In such a scenario, another team or set of professionals may need to be appointed at considerable expense. In order to mitigate this, the selection criteria will assess whether the team / professionals have the capability to deliver the commissions. On appointment, the successful team / lead consultant will draw up a project plan with staged payments linked to key milestones. At each milestone, the team's performance will be assessed. If the team are under-performing, they will need to explain what corrective actions will be taken. If poor performance persists, the Council will have the option of early termination and will retain all intellectual property rights to the designs. If the successful bidder intend to subcontract any of the work streams, we will ensure that we get collateral warranties.
- 6.7 **Community involvement:** if the successful teams do not sufficiently involve the community in the detailed design process, the community's ideas and concerns may not be taken into consideration. This could result in poorer designs that do not deliver on the Council's objectives for the two projects, will not receive the support of the HLF and may generate objections from the community. This risk will be mitigated by the selection criteria, as the team / professionals must demonstrate they have a successful track record of community engagement, and references may be taken up to confirm this. On appointment, the risk will be further mitigated by requiring the winning team / lead consultant to submit a community involvement strategy. The delivery of the strategy will be monitored throughout the project.

Consultation

- 7.1 To develop proposals for Rochdale Town Hall and Town Hall Square, more than 1,000 people have been engaged in attempts to gain a further understanding of what makes Rochdale distinctive in terms of heritage and the improvements that can be made to the building. This has ranged from meetings with key stakeholders, engaging with local schools, carrying out volunteer workshops and establishing a project newsletter.
- 7.2 A community involvement strategy will be prepared by the winning bidders for both the town hall and Town Hall Square projects to ensure that each project has a high level of public engagement as the plans develop.

Background Papers	Place of Inspection
8.1 Town Hall Round 1 HLF Documents	Rochdale Development Agency
8.2 Town Hall Square Brief	Rochdale Development Agency
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