

Report for Resolution

Report to Cabinet
14 March 2012
Report of Director of regeneration & development
Subject Award of contract for City Hall refurbishment phase 1

Item
16

Purpose

To advise the cabinet of proposals for a first phase of investment to reconfigure the City Hall office layout and the process to be followed to appoint a contractor to undertake this work.

Recommendations

- (1) Approve the plan layout for the reconfiguration of the office accommodation on the top floor of City Hall (attached as appendix A);
- (2) Approve the use of the Norfolk County Council partnering framework for construction works to select a contractor for this work; and
- (3) To delegate to the director of regeneration and development, in consultation with portfolio holder, authority to award the contract subject to a satisfactory evaluation process and the successful tender prices being within the capital programme forecasts.

Financial Consequences

The financial consequences of this report are awarding a contract for the sum of £2.2m to be financed from existing budgets in the Capital Programme.

Risk Assessment

- 1) Risk of challenge from unsuccessful or other suppliers.

The mini competition has followed the Norfolk County Council new partnering framework for construction works process with award criteria being based on a combination of quality and price. The risk of challenge from unsuccessful suppliers is very low because the process will follow the requirements of the Public Contracts Regulations 2006 and the process as detailed under the framework.

- 2) Risk of supplier failure

There is a risk that the appointed supplier could fail during the life of the contract. This is low risk as the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that the contract is of short duration.

Strategic Priority and Outcome/Service Priorities

This report helps to meet the strategic priority of “Value for Money Services” and the service priority of delivering the accommodation strategy.

Executive Member: Councillor Waters – Resources, performance and shared

Ward: Mancroft

Contact Officers

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Background Documents

Report to cabinet 13 July 2011 “Accommodation Review”

Report

Background

1. City Hall was built in 1938 and is a Grade 2* listed building. The building provides the headquarters office and civic space for the council. It is built on a grid of formal corridors with adjoining meeting rooms and cellular offices. Over the past 70 years some modifications have been undertaken to the building but, for the most part, a number of the features are as originally constructed.
2. Any modifications to the historic form and layout require the support of English Heritage. City Hall is an iconic building in the heart of Norwich, but has a substantial repair liability and an office layout that is not conducive to a modern style of working. Supporting the headquarters function the council has a number of neighbourhood offices. However, the staffing establishment of the council is reducing and there is considerable financial pressure to improve the efficiency and effectiveness of the current council office portfolio.
3. In this context a review of office accommodation was presented to Cabinet in July 2011. The review considered a range of options for the future arrangements for meeting the Council's accommodation requirements. In assessing the options Cabinet resolved to:
 - a) Adopt an office accommodation strategy that is based on consolidation at city hall as the administrative and democratic hub of the council.
 - b) Ask officers to prepare a proposal for a 'spend to save' initiative for phased investment to reconfigure the office layout at City Hall, to be considered by cabinet at a future meeting.

This report considers the first phase of investment at City Hall.

4. In consultation with English Heritage, officers, assisted by NPS, have reviewed the layout of city hall and identified the scope to reconfigure the existing layout to improve the efficiency of the building and enable more cost effective ways of working. This report is concerned with the first phase of this investment, and will focus on the top floor of the building. This phase will seek to remove the formal corridor layout and increase the amount of space available for open plan working (an indicative plan of the reconfigured office space is attached as Appendix A).
5. In addition to the works associated with the reconfiguration of the building, essential repairs will also be undertaken and combined this will enable cost savings to be achieved in terms of delivering this repair programme (e.g. sharing of scaffolding and other accommodation works) as well as other economies of scale.
6. The outcome of this investment in reconfiguring the office layout will be that, linked to new styles of working based on open plan accommodation, there will be an opportunity to increase the current desk space/officer occupation on the top floor of city hall from around 135 to nearer 200 ftes (about 50% increase). This represents a significant improvement in the employee/cost ratio compared

with current arrangements.

7. By being more efficient in the use of space the city council will be able to increase occupancy by bringing more city council staff into the building as well as increasing income by letting serviced office space to third party organisations.
8. In February 2012 Council approved an allocation of £2.2m within the 2012/13 capital programme for the first phases of reconfiguring office accommodation on the top floor of City Hall, and to improving the customer contact centre. The proposals for the contact centre are still being developed and will be reported to cabinet at a later date.
9. In terms of the current budget allocation about 40% will be invested in outstanding essential and unavoidable repairs. Furthermore it is estimated that the listed status of city hall adds about 20% to the cost of any work. These items are reflected in the £2.2m capital allocation.
10. As noted above it will be necessary to obtain listed building consent for works to city hall and an application will be submitted in the near future. In addition, due to the constraints of undertaking major works to the building, there is a distinct advantage in engaging a contractor within the design phase. The involvement of a contractor will provide the design team with expert advice on the phasing and duration of specific elements of the work programme to ensure this can be delivered in a cost effective manner without undue disruption to the day to day activities of occupying the building.

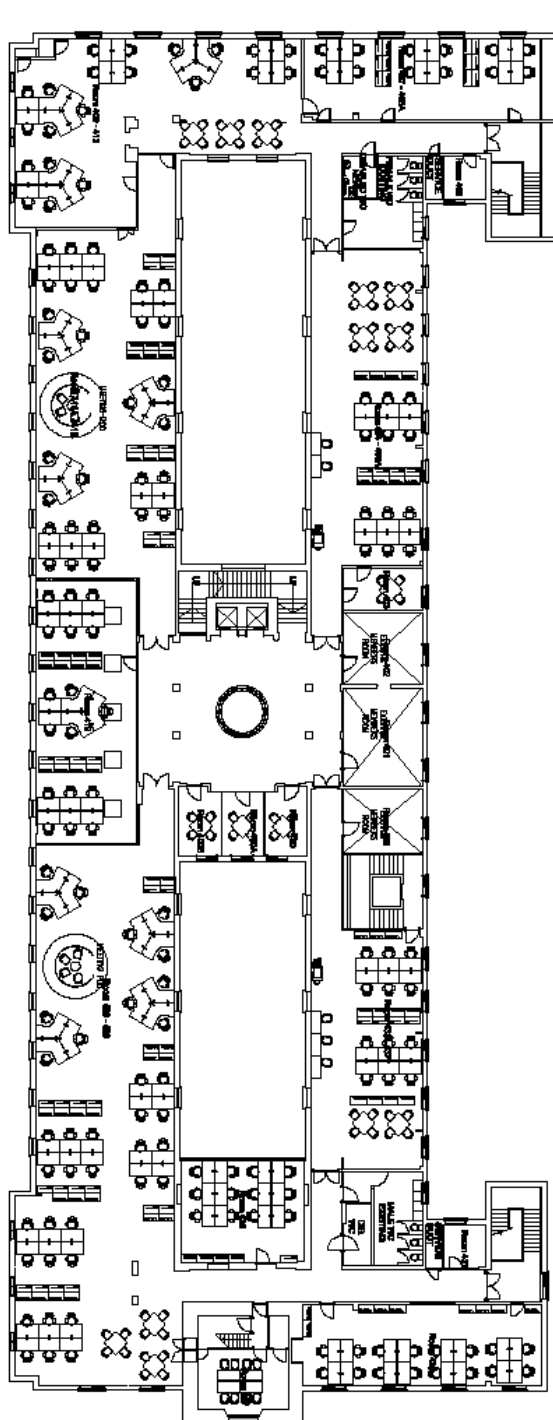
Tender process

11. As part of the investment in the housing stock, the council has used the Eastern Procurement Consortium framework to select a contractor. In this instance it is proposed to use the Norfolk County Council partnering framework for construction works. This framework provides a list of contractors that the council can invite to tender for the works to city hall. This is the most expedient competitive process and will enable a contractor to engage in the design stage of the project.
12. In terms of the work undertaken by Norfolk County Council to produce the framework, Cabinet is asked to note that on 5 April 2011 a contract notice was placed in the Official Journal of the European Union inviting tenders. The scope of the works included construction projects for Norfolk County Council and other public bodies in England. Suppliers were asked to submit pre qualification questionnaires and were then shortlisted based upon their submissions. On 3 June 2011 invitations to tender were sent out to 15 companies. The returned submissions were evaluated on Quality (70%) and Price (30%). Seven companies were appointed to the framework.
13. Within this framework a mini competition will be used to appoint a contractor for the first phase of works to City Hall. To enable works to proceed without undue delay it is proposed that the Director of Regeneration & Development be given delegated authority to award the contract in consultation with the portfolio holder.

Mini competition evaluation

14. The arrangements for evaluating the mini-competition will involve bids being assessed on Price (70%) and Quality (30%). The qualitative questions include areas such as how to minimise disruption in an occupied office, method statement for working on a listed building, risk assessment and 'build-ability'. The contract will be measured using KPI's for timescale, cost and quality.
15. The contractor will be a member of an integrated project team and will influence the design in order to improve buildability and reduce costs.

THIRD FLOOR PLAN

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