

Report to	On
Council	Wednesday, 21 July 2021



Title	Portfolio Holder	Report of
Addendum to the Worden Hall Report to include Tender Outcome	Cabinet Member (Planning, Business Support and Regeneration)	Director of Commercial

Is this report confidential?	Yes
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Purpose of the Report

1. To provide members with the details of the outcome of the tender exercise for the Worden Hall Refurbishment Scheme, following the closure for receipt of tender submissions on 19th July 2021.

Recommendations

2. Members approve the reallocation of budgets to fund the increase in the scheme budget of £495,000.
3. Members approve the utilisation of £250,000 of CIL received from non-City Deal sites to fund the provision of a £250,000 contingency for the scheme.

Background to the report

4. This report is an Addendum to the main Worden Hall report on the agenda, and provides the supplementary information noted in that report regarding the information on the tenders received that was unavailable at the time of publishing the agenda.

Summary of Tenders

5. The table below details the contractor tenders received in respect of the scheme, together with the preliminary scores on evaluation. The tender prices are subject to detailed review with the final evaluation being subject to Executive Member approval.

Contractor	Tender Price	Cost Score (out of 70)	Quality Score (out of 30)	Total Score	Comments
John Turner	£1,995,756.50	70	28	98	
F.Parkinson	£2,046,402	68.15	22	90.15	
Walter Carefoot	£2,137,264	65.26	18	83.26	

6. Subject to satisfactory completion of the evaluation, provision of the shortlisted bidder information and Member approval John Turner would be appointed as Contractor to deliver the Worden Hall refurbishment.

Cost Analysis

7. A comparison of the costs submitted by the preliminary preferred bidder, including any council direct costs have been calculated and compared against the original cost plan. These costs are summarised below.

Item Description	Approved Budget	Preferred Bidder Tender Submission	Variance	Comment
Fabric repairs as condition schedule	146,000	398,004	-252,004	Much of the fabric repair work was excluded in the original budget and, following an updated condition schedule and further surveys, additional repairs were identified. A decision to fully reslate the roof and protect the integrity of the structure has had a significant impact; the figure also includes general cost inflation
Rebuild Boiler House as a modern replacement	38,000	38,000	0	
Part demolition, new build Foyer Space. Flat roof to align with Courtyard Hall, new finishes, redecoration	67,000	67,000	0	
Refurbishment of Barn as flexible events space basic upgrade, new finishes, redecoration	38,000	58,000	-20,000	Skylights added to the Marsden Room space
Refurbishment of former Café Space as Bar new Bar and WCs, new finishes, redecoration	88,000	40,000	48,000	Scope of work reduced, shell only for potential retail
Demolition of Conservatory	25,000	25,000	0	
Covered Hall to Courtyard space with glazed rooflight	147,000	147,000	0	
First Floor Accommodation as Meeting Rooms basic upgrade, new finishes, redecoration	43,000	43,000	0	
Refurbishment of former Lecture Theatre	37,000	20,000	17,000	Scope of works reduced
Fitting Out Allowance to include fittings, canopy, extract ventilation	145,000	175,101	-30,101	Provision of separate kitchen for event space and café
Refurbishment of Derby Wing to create larger Café conversion works, finishes/fitting out/furnishing works	57,000	78,507	-21,507	Redesign to make more efficient use of the space through removal of walls and increase number of covers
New build Service Spaces including WCs upgrade fittings, plumbing, new finishes, redecoration; Storage areas omitted	142,000	130,000	12,000	Scope of works reduced
Refurbished WCs, Dressing Rooms and Store as Storage Space/Green Room basic upgrade, new finishes, redecoration, reduced scope	58,000	40,000	18,000	Scope of works reduced
Mechanical, Electrical and Plumbing (MEP)	548,000	561,856	-13,856	
Landscape Works	-	81,523	-81,523	Works were not included in the original budget
Contractor's Preliminaries	207,000	273,071	-66,071	Original allowance insufficient based on actual period
Allowance for price, design and survey risk	131,000	0	131,000	
Allowance for full design team Professional Fees at Client's instruction	255,000	416,028	-161,028	Historical tracking of numbers had not identified full liability and forward projections insufficient to cover the further development of the design
Client direct development costs	-	75,000	-75,000	Temporary café and hoardings costs not allocated in original budget
Totals	2,172,000	2,667,090	-495,090	

8. The summary above identifies a required increase to the scheme budget of £495,000 however it must be noted that the original cost plan and original scheme were developed in 2020, since then there have been significant developments, and further information identified, as outlined below.

Covid and Brexit

9. The covid pandemic resulted in a delay of production materials during the government-imposed lockdowns resulting in a shortage of materials. The exit from the EU has seen a delay in the import of materials as businesses adjust to the new procedures and legislation. These events have been compounded by a significant increase in construction activity through the government's building initiatives and the stamp duty holiday which has boosted the house building market. The cost of materials have therefore risen significantly, which has contributed to the increase in costs.
10. The volatility of the construction market increases the risk to the Contractor through potential delays to material delivery and further increases in material costs before they

commit to any order. The contractor will therefore address these risks within their tender sum, resulting in an increased cost.

11. Contractors are reporting an increase of up to 20% on construction projects post Covid and Brexit.

12. It is therefore not unreasonable to assume a percentage cost increase on the scheme as a result of Brexit and Covid.

Repairs and Maintenance

13. With the exception of a small area occupied by the Folly Café, Worden Hall has been closed for over 5 years. Even an occupied building of this age will require significant planned maintenance. This repair and maintenance requirement for Worden Hall has been compounded by the fact that it has remained vacant for a long period of time. Whilst there was an allowance for maintenance and repairs within the original budget, the further survey works have identified a significant number of further repairs that are required, a key example being the re-roofing of the building rather than patch repairs. A view has been taken on the level of repairs that can be undertaken whilst the building is vacant. Whilst it may result in additional costs at this stage it will offer a cost saving against remobilising a contractor to complete these works in the future and save any disruption to the operational building. The additional repair costs are summarised below:

Description	Preferred Bidder Submission	Original Budget	Variance
Allow roof replacement	126,317.05	5,000.00	(121,317.05)
Drainage and culvert repairs	40,674.42	25,000.00	(15,674.42)
Allow sum to repair / replace / redecorate gutters and downpipes as required	15,000.00		(15,000.00)
BRICK REPAIRS & POINTING (INTERNAL)	69,908.29	30,000.00	(39,908.29)
DOFF CLEANING	7,872.77	10,000.00	2,127.23
TIMBER TREATMENT	14,500.00	17,500.00	3,000.00
PLASTER REPAIRS	10,000.00	10,000.00	0.00
Allow for pointing and general repairs to flagged floors including G27 & G28 retail space	7,500.00		(7,500.00)
Sundry structural repairs	19,394.00	8,500.00	(10,894.00)
Window replacement	86,837.54	40,000.00	(46,837.54)
Totals	398,004.06	146,000.00	(252,004.06)

14. The increased repairs and maintenance costs of £252,004.06 can be funded from the Asset Maintenance Reserve.

Scheme Enhancements

15. As noted within the main report several scheme enhancements have been included to ensure that the facility delivers an excellent community space that also maximises commercial opportunity. These enhancements include:

Enhancement	Additional Cost
Skylights to the Marsden Room	£20,000
Provision of a separate kitchen for the event space and cafe	£30,000
Make more efficient use of the café through the removal of walls to increase number of covers	£23,000
Total	£73,000

Funding

16. As outlined above, the returned tenders have indicated an increase on the scheme by £495,000 of which £252,004.06 is attributable to the backlog maintenance not included in the original scheme approved, £170,086.06 (6.3% of project cost) in respect of inflationary increases in costs due to current market conditions that have been impacted by Brexit and Covid-19, £81,522.79 relating to landscaping costs that were not included in the original scheme, and £73,000 due to scheme enhancements. The Council is asked to approve the virement of budgets to meet these increases within existing budgets as follows;

£250,000	contribution from the Asset Maintenance Reserve
£118,500	utilisation of existing repairs and maintenance budgets
£81,500	utilisation of Worden Park landscaping and infrastructure capital scheme budgets
<u>£45,000</u>	utilisation of the 2021/22 Corporate Buildings Capital Scheme budget, of which £115,000 remains unallocated at this point.
<u>£495,000</u>	TOTAL

Scheme Contingency

17. Whilst every effort has been made through the undertaking of surveys to identify all required repairs, it is not unusual on a building of this age that further repairs are exposed during refurbishment. A further contingency of £250,000 will be included to the overall project cost to address this potential risk. Approval is sought to earmark £250,000 of CIL received from non City Deal sites to fund this if required, of which there is a current balance of £1.194 million. Any monies remaining from this contingency will be recycled back into the CIL fund.

Social Value

18. John Turner are a Preston based contractor. John Turner are Members of Social Value UK and have committed that 75% of their subcontractors and supply chain will be from the Chorley, Preston and Leyland areas. John Turner have pledged the following social value deliverables during the refurbishment project.

- work placement - three one week work placements, providing an induction to the industry and a taster of a particular role in conjunction with Preston College and supported by our supply chain
- apprentice weeks - 20 apprentice weeks for our apprentices and our key supply chain partner's apprentices
- education activities - we will provide two education activities during the duration of the project. Following discussion with the client, these could be curriculum support, careers event, site visits, and careers in construction promotion at Preston College and or UCLan
- community activity - we will support a community project aimed at helping to tackle worklessness, improve resilience and social inclusion
- employment support - we will support an activity which helps people take a step towards employment, these could be mock interviews, CV support, coaching and guidance
- training weeks
 - 6 training weeks on site – local internal trainee on site for three days a week as part of promotion preparation
 - training / upskilling to achieve – 2 no. NVQ Level 3 and 2 no. NVQ Level 2 qualifications (including supply chain)



William, a L308ac student at Burnley College gaining some work experience

19. In addition, John Turner would like to organise update tours of the project as it progresses and set up a website to display progress photographs and project updates. They would also look to arrange community workshop events for heritage construction techniques such as lime pointing and stone replacement.

20. John Turner would like to donate a bench to the park. Made by one their apprentices. They have suggested a maze theme, an opportunity to showcase their skills.

21. In addition to excellent social value offerings from John Turner, this scheme also benefits from the social value pledge from the Rise Framework which John Turner are appointed under. 25% of the framework management fee will be fed back into a South Ribble Council community initiative to be agreed with the Council.

Comments of the Statutory Finance Officer

21 The increase in the scheme budget which is now required following receipt of the tenders is outlined in the report, along with the detail of how this can be met.

As noted above, the potential risk from further costs that may arise as the scheme progresses is addressed by the inclusion of the £250,000 contingency; it is proposed that CIL received from non City Deal sites could be utilised to fund this if required.

Comments of the Monitoring Officer

- 22 The report seeks and increase in the budget to deliver this scheme and identify a contingency budget to provide some security against the risk of unexpected increases or changes to the works required to deliver the project. The report is very detailed as to the reasons for the changes and members can be confident that the budget changes sought are evidenced.

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