Item 10

6th October 2022

Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

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PROVISION OF DESIGN & PROFESSIONAL SERVICES
- POLLOK STABLE BLOCK LEVELLING UP PROJECT

Purpose of Report:

To inform committee of the delegated approval to undertake a pilot procurement exercise by appointing hub West to provide professional design and engineering services required for the Pollok Stable Block Levelling Up project.

Recommendations:

The Committee is invited to

1. Note the report and
2. the delegated approval to appoint hub West for professional design and engineering services for the Pollok Stable Block Levelling Up project, under the Council's Scheme of Delegations – Chief Executive 32(d), as set out in this report.

Ward No(s):	Citywide: ✓
Local member(s) advised: Yes ☐ No ✓	consulted: Yes ☐ No ✓

1 Project Background

1.1 The Local Government Elections in May 2022 resulted in the cancellation of council Committees until the new Administration was formed and the council governance agreed. The conditions associated with the delivery of Pollock Stable Block levelling up bid demands project completion by 2024 and there was an urgency associated with the commencement of the detailed design works for Pollock Country Park.

1.2 For this reason, utilisation of the council's Scheme of Delegated Functions – Chief Executive (32(d)) emergency authority was sought in May 2022. The convenor and depute convenor of the Contracts and Property Committee were consulted and agreed to this approach being appropriate under the circumstances. The delay in reporting the delegated approval to the next appropriate Contracts and Property Committee was impacted by the understanding of governance requirements as identified in the new Scheme of Delegated Functions which was revised in May.

1.3 On 17th June 2021, the City Administration Committee was asked to note the approach adopted to identify suitable projects for the UK Government Levelling Up Fund (LUF) and approve the project(s) for the first funding call on 18th June 2021. The Pollok Country Park Stables & Courtyard project bid was the first and only project submitted to this initial funding call.

1.4 During October 2021, Glasgow City Council ("the Council") was informed that the Pollok Country Park Stables & Courtyard project bid was successful and £13.05M was made available via the LUF round-1 awards. The City Administration Committee of 27 January 2022 subsequently approved the acceptance of the levelling up fund for this project, a copy of the papers can be found using this link:

https://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDNZL0GNTZL2U

1.5 Given that this significant capital project was not factored into the capital investment pipeline, the resource and capacity to undertake the wholescale design and professional services that will be required for this project, on a Grade A Listed Structure, is not currently available within the Council's Project Management & Design (PM&D) team, consequently, a mechanism for the procurement of a full project design and engineering team to work with PM&D requires to be identified.

1.6 Whilst there is a Framework for appointment of individual professionals and consultants, this does not provide the specific overall management services required in this particular case. However, hub West provides a package of services which includes all of the design and engineering disciplines (including the drafting of specifications) required by the Council for this project

2 hub West Background

2.1 The hub West initiative was developed by the Scottish Futures Trust (SFT) on behalf of the Scottish Government, as a means of improving the planning, procurement and delivery of infrastructure.

2.2 The creation of hub West was sponsored by all local authorities within the West Territory and the Council was specifically named within the contract (OJEU) notice. The Council and the other public sector participants have a combined 30% shareholding in hub West.

2.3 The SFT procurement advised that hub West would primarily, but not exclusively, provide and deliver new build and refurbished facilities which support the delivery of Community Services. The Contract Notice advised that Community Services: *"include but are not limited to: health (substantially primary care but may include acute); wellbeing; library services; education; children's services; residential and social care; social housing; special needs housing; economic development; employability services; welfare rights and money advice; sports and leisure; arts and culture and other community based services (including but not limited to those provided by the police, fire and rescue, ambulance services and NHS National Services Scotland"*.

2.4 hub West has approximately 100 pre-qualified supply chain partners. The partners provide a wide range of capabilities including design, project management, construction and strategic advisory services. Partners are added to and removed from the supply chain as and when required according to need and performance. The supply chain is fully refreshed at least every 5 years – the refresh is an open and transparent process and in accordance with procurement legislation. The selection criteria reflect a combination of price/commercial terms (such as acceptance of establish hub fee caps and other standard terms) and a qualitative evaluation of applications. hub West clients contribute to the planning of the refresh by sharing perspectives on performance and by defining future needs that are integrated within the quality assessment. This structure allows hub West to respond quickly in relation to any appointments required.

2.5 hub West will take a brief of the design team requirements from the Council and manage all aspects of the project by assessing the requirements needed for the project, assessing and appointing the appropriate design team to carry out the project and report into the Council's PM&D team. The Council's contractual relationship will be with hub West, which then makes the appropriate appointments required.

2.6 hub West requires to demonstrate best value and does so as follows:

- Through robust competitive tendering procedures that are regulated by hub West method statements and led by experienced hub West personnel and supported by appropriately qualified experts such as cost consultants. Appointments of the design team will be made by hub West through mini competitions, and with the involvement of PM&D.

- Through the use of capped professional fees and other capped costs (such as contractor overheads, profit and preliminaries) that were established as part of the original hub West procurement.
- Through benchmarking using reputable sources of market data including data made available by the Scottish Futures Trust and recognised cost consultancies.
- Through the use of defined metrics that are authored by the Scottish Futures Trust and provide a regulated quantification of area and cost budgets linked to appropriate drivers.

2.7 hub West is committed to Community Wealth Building (Community Benefits). hub West, plan, select and measure community benefits targets in partnership with clients using the social value portal online tool and will comply with the Council's Community benefits methodology as a minimum.

2.8 hub West is also committed to ensuring that fair work practices are demonstrated by all partners in the supply chain. These matters are robustly addressed as part of supply chain selection processes and specific requirements such as the Glasgow Living Wage will be incorporated with individual project tenders. Other key requirements include commitments in relation Equal Opportunities and Training. hub West complies with the requirements of the Modern Slavery Act 2015 and requires all suppliers to comply with hub West's annual statement (published on their website:
(https://hub Westscotland.co.uk/)

2.9 It is also worth noting that the Council has engaged successfully with hub West within the past 5-years as the delivery partner on two significant new-build Health & Social Care projects (Gorbals & Woodside Health Centres) and two new-build primary school projects (Blairdardie & Carntyne) via the Scottish Futures Trust "Design, Build, Finance & Maintain" (DBFM) programme. hub West is also currently engaged as design & delivery partner for an extension to Carntyne Primary School which will commence in June 2022.

2.10 The four DBFM projects incorporated both the design and delivery of four substantial new-build projects.

3 Contract Value

3.1 The value of the contract with hub West will be in two parts:

3.1.1 The fee payable to hub West for overall management which is 5% of the professional fees (5% of £631,192 = £31,559 est); and

3.1.2 The fees associated with a professional design and engineering team. For a large capital project this can be calculated at approximately 10% of the construction value. For the Stable Block project, a budget of £14m is available, which by estimated calculation could be broken down roughly as £12.73 for construction and £1.27m for fees and charges.

3.2 However, in this case the costs directly associated with the design team would be estimated at around 6% - 7.5% of the construction value, with the remaining 3% allocated to statutory permissions and project management functions.

3.3 When hub West was approached by the Council to enquire as to the fees that could be expected if procured via hub West, we received the following estimates:

Consultant fees	**Fee Caps**	
Delivery Architect	**2.274%**	£ 279,193
Passivhaus / Net zero consultant	**0.344%**	£ 42,235
Acoustician	**0.099%**	£ 12,155
Fire Consultant	**0.114%**	£ 13,996
QS	**0.664%**	£ 81,523
Civil	**0.244%**	£ 29,957
M&E	**0.976%**	£ 119,829
Landscape Architect	**0.207%**	£ 25,415
Principal Designer	**0.219%**	£ 26,888
Total	**5.141%**	**£ 631,192**

3.4 When compared to the industry average the above 6% - 7.5% estimate on fees referred to in 3.2 above, demonstrates best value.

3.5 The Council's Property and Consultancy Services team will retain overall control of the project and will manage the relationship with hub West, however this will be supported by legal services and the Corporate Procurement Unit.

4 Policy and Resource Implications

Resource Implications:

Financial:

The estimated award value to hub West is for up to £750,000 which will be met by the allocated project budget.

As set out in paragraph 3.1., the estimated award value includes a fee payable to hub West for overall management which is 5% of the professional fees (5% of £631,192 = £31,559 est

Legal:	The report raises no new legal issues. The Director of Legal and Administration will be responsible for concluding the appointment of hub West as set out in this report.
Personnel:	No direct personnel implications.
Procurement:	Via hub West as more fully set out in this report.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25	This procurement will ensure that the Council's policies on fair work practices and equality will be implemented.
What are the potential equality impacts as a result of this report?	No negative equality impacts have been identified.
Please highlight if the policy/proposal will help address socio economic disadvantage.	No negative socio economic impacts have been identified.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:	The approval of this procurement via hub West will have no direct impact on the Council's Climate Plans, however, the project itself, will have a significant impact on the Council's ambitions for net zero buildings and positive impact on climate change.
What are the potential climate impacts as a result of this proposal?	See above
Will the proposal contribute to Glasgow's net zero carbon target?	See above
Privacy and Data Protection impacts:	No data protection impacts identified.

5 Recommendations

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