

Agenda Item	6
Report No	CIA/60/15

Town House Works Programme Phase 2, High Street, Inverness

Joint Report by the Director of Development and Infrastructure and the Inverness City Manager

SUMMARY

This report seeks approval to;
Proceed to contract award to carry out comprehensive fabric works phase 2 to the Town House. The works will include: full stone repairs and replacement, mortar re-pointing, roof repairs, rainwater goods renewal, window repairs and replacements.

1 Introduction

1.1 On the 2 December 2014 the City of Inverness Committee approved phase one to proceed to contract award and gave permission for phases two and three to proceed to tender in 2015 and 2016.

2 Town House

2.2 The Inverness Common Good Fund owns the Town House which is a Grade A listed building and has a responsibility to maintain the structure in a good and safe condition.

2.2 The estimated cost for all three phases is calculated at £4,200,000. It was initially envisaged and agreed that phase two would undertake the remaining section of the front elevation and phase three would be Castle Street elevation and the rear elevation of building one. We are now proposing that phase two will include the remaining part of the front elevation and Castle Street elevation. This would leave phase three as the rear section only. The reason for this is all the stained glass windows to the main hall would be completed within phase two causing only one further year of disruption to the main hall.

3 Tender

3.1 The tender was issued on a 40% price / 60% quality basis. As this project is works to a Grade A listed building it is agreed that the quality is given a higher weighting than cost.

3.2 Tender checks and the quality evaluation have been completed, the recommended Contractor is Laing Traditional Masonry at a tender cost of £1,752,908.16, including all fees and contingency amounts.

3.3 Only one tender was returned on time. The tender was evaluated against the phase one contract tender figures and pre tender budget estimates. The tender figures are generally consistent with the phase one figures and the contract is under our pre-tender estimate.

4 Expenditure Profile

- 4.1 The table below gives an expenditure profile for the Town House Phase 1 contract including contingencies and fees. Phase 2 & 3 are shown giving estimated costs.

Expenditure Profile	14/15	15/16	16/17	17/18	18/19	<u>Total</u>
Phase1	165,000	1,317,892	22,582	0	0	1,505,474
Phase 2	0	100,000	1,626,615	26,293	0	1,752,908
Phase 3	0	0	100,000	827,494	14,124	941,618
Total	165,000	1,417,892	1,749,197	853,787	14,124	4,200,000

- 4.2 It should be noted that Phase 3 is only an estimated cost and will require to be tender separately in future years, committee should be aware that these estimated costs may rise depending on market forces at the time of tendering in future.

5 Project Management

- 5.1 The 'Client' will be represented by the Inverness City Manager. The Project will be managed by the development and Infrastructure Service and there will be regular progress reports made to the City of Inverness Area Committee as appropriate with Members and other Stakeholders being involved as necessary. Stakeholders will include the Business Community and other interested parties such as the Civic Trust, Inverness Concern and the City Heritage Trust. Key liaison will also take place with Historic Scotland.

6 Governance

- 6.1 The project is financed by Inverness Common Good Fund and as such under the governance regulations monthly reports will be issued to the Inverness City Manager who meets with the Project Manager on a monthly basis.
- 6.2 Contract Monitoring reports will be issued to the City of Inverness Area Committee.

7 Third Party Interest

- 7.1 Contact has been made with several third party funders. Historic Scotland has committed to the project, initially agreeing to provide 25% up to a maximum £500,000 of funding on each phase. Further investigation with alternative funders but it was agreed to proceed with Historic Scotland. It is currently estimated that grant funding from Historic Scotland could be in the region of £800,000, across all three phases.

8 Legal Implications

- 8.1 The Highland Council will continue to meet all its legal obligations under the terms of any contracts agreed.

9 Climate Change Implications

- 9.1 All contracts will be managed in a manner which meets the Highland Council's obligations in relation to climate change.

10 Resources

- 10.1 A separate report will be issued by the Director of Finance to outline the financial implications for the Common Good Fund, forming part of the Investment Strategy and Capital Planning for the Fund.

11 Conclusion

- 10.1 The proposed investment of £1,752,908.80 for the Town House phase 2 and an estimated cost of £4,200,000 overall to repair the fabric of building 1 will bring this building back to a good standard and alleviate safety concerns to the general public. It is estimated that these works will give the Town House a further 100 years life span.

RECOMMENDATION

Committee is invited to agree in principal subject to full Council agreement that work is done to:

- proceed to contract award for the repairs outlined in phase 2 at a cost of **£1,752,908.16**; and
- proceed with phase two including the Castle Street elevation; and
- proceed to tender for phase3 in 2016 total estimated project cost of **£4,200,000** for all three phases; and
- Proceed with third party funding applications with Historic Scotland.

Signature:

Designation: Director of Development and Infrastructure and the
Inverness City Manager

Date: 12 November 2015

Author: Jason Kelman, Principal Project Manager
(01463 785083)