

**HEADQUARTERS & OTHER ACCOMMODATION – AN UPDATE
(Report by Director of Operational Services)**

1. Purpose

- 1.1 To update the Advisory Group on the work being undertaken on the Headquarters, Customer Service Centre and Operations Centre (Depot) procurement project.

2. Background

- 2.1 Tenders were issued to six potential bidders on 22 June 2005 and will be returned on 19 August 2005. Bidders have been provided with a broad outline specification of our requirement which will allow them to work-up tenders based on the overall quality and size of buildings to be provided.

- 2.2 Bidders have to bid for all three of our required buildings as a package:

- ❖ new main building
- ❖ customer service centre in the town centre
- ❖ operations centre

- 2.3 Bidders will be allowed to provide alternative bids giving a different mix of sites, but still delivering the full package. They have the option of combining the new main building and the customer service centre if they can offer a town centre site.

- 2.4 The important thing is that evaluation will be on the packages as they are bid. We will not be able to pick individual buildings/sites from different packages.

- 2.5 Bids will be made in the form of a Guaranteed Maximum Price (GMP) for each package offered. This will be built up from the GMP for each individual building within the package, net of the Guaranteed Minimum Value for the disposal of the existing Pathfinder House/Castle Hill House site unless this is the proposed site for the new headquarters.

- 2.6 For each package the bidder will have to provide

- ❖ location plans for proposed buildings
- ❖ illustrative site and floor plans
- ❖ illustrative elevational drawings or artist's impressions
- ❖ price matrix showing the build-up of the package GMP
- ❖ GMP price breakdown for each individual building in the package
- ❖ GMV for the disposal/development of Pathfinder House
- ❖ programme and cash flow projections

3. Issues

3.1 Costs not within the Tender

3.1.1 As part of the tender evaluation, there will be other costs that the Council will incur which do not form part of the bidders' tender. Work has already started on the following areas –

- ❖ IT connections between sites
- ❖ furniture and moves
- ❖ extra on-going operating costs due to separation of Headquarters and Customer Service Centre), if appropriate
- ❖ Possible additional costs on options where temporary decanting (eg. staff travel) may be necessary.

3.1.2 In addition to the items identified above estimates will also be required for the items identified in Annex A, to allow the overall project cost to be forecast.

3.2 Tender Evaluation Process

3.2.1 By 30 August 2005 we will have evaluated the tenders, narrowing them down ideally to not more than two bidders who, subject to any decision by Council on 29 September 2005, will be asked to provide further details. This will include –

- ❖ an initial response to the draft development principles and draft disposal agreement principles included in the tender (i.e. the contract the appointed developer will be required to enter into)
- ❖ procedures for appointing architects, builders etc
- ❖ organisational structure and range of consultants and others to be engaged for the project
- ❖ proposed procurement strategy
- ❖ enhanced site plan, layouts and elevations
- ❖ floor plans demonstrating compliance with space budgets
- ❖ schedule of principal materials and design principles

3.2.2 By 9 November 2005 we will have enough information to choose between the bidders who are still in the process. Council on 7 December 2005 will make the final selection and the award of contract will then be made on 'subject to contract basis'.

3.2.3 The award will require the selected bidder to complete the development and disposal agreements by 31 March 2006. Between the award and the signing of the agreements the developer will have to supply –

- ❖ draft detailed layout and elevation proposals
- ❖ room pages detailing fixtures and finishes in each area
- ❖ draft planning package and project programme
- ❖ draft production information required for the preparation of tenders
- ❖ assessment of planning (development control) position
- ❖ agreed form of parent company guarantees

- 3.2.4 Following the signing of the agreements the developer will have to submit a detailed planning application within two months.
- 3.2.5 Once a scheme is agreed the developer will finalise the design and then invite tenders for the construction of the buildings. Hopefully, a combination of value engineering in the design process and competition for the construction work will deliver a final price which is less than the GMP. If this happens the contract provides for the saving to be shared between the developer (typically 20%) and the council (typically 80%).
- 3.2.6 The GMP can only increase if we add requirements or fundamentally change the broad outline specification we issued with the tender documents in a way that increases the cost of the project.
- 3.2.7 This process is set out in Annex B.

3.3 Communication

- 3.3.1 The need for internal and external communication on this project is vital and a draft Communication Strategy is attached as Annex C for consideration.

3.4 Use of Existing Depot Site After Move

- 3.4.1 It has always been part of the property strategy to clear and dispose of the Godmanchester Depot site as part of the new HQ, etc project.
- 3.4.2 The development potential and/or temporary uses for the cleared site have yet to be evaluated and will be the subject of a separate report to a future meeting of Cabinet.

4. Conclusions

- 4.1 Note the progress on work related to costs related to tender evaluation.
- 4.2 Note the tender timetable and agree the process as in Annex B.
- 4.3 Agree the Communication Strategy in Annex C.
- 4.4 Note that Cabinet will consider an appraisal of the Godmanchester Depot site at a future meeting.

BACKGROUND INFORMATION

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ANNEX A – FURTHER ITEMS CONTRIBUTING TO THE OVERALL PROJECT COST

Fees –

- costs for project management
- external technical advisors
- external legal advisors

Cost during the construction/initial occupation phase –

- CCTV Control Room equipment replacement
- first aid room furniture/equipment
- post room equipment
- projection and audi-visual equipment in meeting rooms
- relocate post-lifts from existing vehicle workshop
- relocation of IT desk-top equipment
- relocation of print room equipment
- relocation/re-commissioning of IT servers
- video conferencing equipment

Ongoing costs after occupation –

- cleaning/maintenance of external areas
- courier for transfers between office and operations centre
- energy and water
- equipment and systems servicing
- insurances
- internal and window cleaning
- NNDR
- premises maintenance
- refreshment vending in lieu of canteen
- waste recycling/disposal services

ANNEX B: HEADQUARTERS & OTHER ACCOMMODATION — CONTRACT AWARD PROCESS

Date	Stage	Comments
26 July 2005	Members' Advisory Group considers project processes.	Report will provide – <ul style="list-style-type: none"> • communications plan • tender approval programme • financials to be used in tender evaluation
19 August 2005	Tenders Received – tender evaluation commences	An initial tender report will be completed by our technical advisors which will check that bids are complete and compliant.
22/23 August 2005	Initial tender evaluation	This will involve review by individual officers, and then a plenary session to agree a consensus on overall ranking. Initial tender evaluation will reduce tenderers to probably two preferred bids and to establish order of cost for project.
25 August 2005	Bidder interviews	Officer project management group members seek further clarification arising from initial tender evaluation.
30 August 2005	Closing date for bidders to submit clarifications.	
31 August 2005	Project Management Board approval	Sign-off initial tender evaluation
7 September 2005	Complete Initial Tender Evaluation Report for submission to Members.	Report will provide – <ul style="list-style-type: none"> • number of tenders received – but not names of bidders • outline of sites proposed by each bidder • range of tender values submitted • overall financial impact of project • proposals for bidders to be taken to next stage of evaluation

Date	Stage	Comments
12 September 2005	Members' Advisory Group considers Initial Tender Evaluation Report	
13 September 2005	Overview and Scrutiny Panels joint meeting to consider Initial Tender Evaluation Report	
15 September 2005	Cabinet considers Initial Tender Evaluation Report	
28 September 2005	Full Council – Stage II tender evaluation commences	Initial Tender Evaluation Report submitted to Council. Report order of cost and obtain authority to continue – MTP variation bid.
29 September 2005	Notify bidders not progressing to clarification stage	
30 September 2005	Commence clarification with [two] final bidders.	
9 November 2005	Project Management Board approval	Sign-off final tender evaluation
11 November	Complete Final Tender Evaluation Report	Report will provide – <ul style="list-style-type: none"> • names of all tenders received • detail of sites proposed by final [two] bidders • details of all tender values submitted • final tender values of clarified bids • overall financial impact of project • recommendation to accept tender • heads of terms of the development agreement

Date	Stage	Comments
21 November 2005	Members' Advisory Group consider Final Tender Evaluation Report	
22 November 2005	Special Joint Meeting of OV&S consider Final Tender Evaluation Report	
24 November 2005	Cabinet consider Final Tender Evaluation Report	Recommend contract award and heads of terms to Council together with MTP implications.
7 December 2005	Full Council consider Final Tender Evaluation Report and authorises start of negotiation of the development agreement	Final Tender Evaluation Report submitted to Council. Authorise award subject to completion of Development Agreement Approve heads of terms and delegate signing of Development Agreement
8 December 2005	Commence negotiation of Development Agreement	Notify bidders of award.
24 March 2006	Project Management Board review Development Agreement	
27 March 2006	Members Advisory Group review Development Agreement	
31 March 2006	Sign Development Agreement	

Replacement Headquarters and Other Accommodation Communications Plan

Introduction:

We are delivering a project that will bring benefits for our customers, employees and elected members. The key benefits are –

- greatly improved access for customers favouring or requiring face-to-face contact with services
- an improved working environment for employees which will help them perform at their optimum level throughout the year – and contribute to improved service provision
- improved public access to decision making with the potential to promote greater involvement in the democratic process

While seeking to highlight the benefits we must recognise that this a high profile project may evoke a negative reaction from some people.

Therefore a structured communications plan is important to ensure that all interested parties have timely and appropriate information, so that the scheme may progress smoothly, with audiences understanding why the replacement accommodation is needed, and the benefits to be gained.

As well as communicating with employees, our own elected members, and local residents it is important that other interested parties are appropriately informed and engaged. For example: county and parish councillors, media, partners, governmental representatives and organisations and other national organisations, eg MPs. Government Office, Audit Commission.

The outcomes we are seeking to achieve as a result of our communications programme are:

- Employees feel well informed about the proposals, are aware of the benefits to be gained and understand the reasons for the change,
- Members who feel well informed about the proposals, understand the reasons for them and are aware of the benefits to be gained and how risks are being managed
- Local residents feel adequately informed about the proposals and are aware of the benefits in improved standards of customer service
- Other key audiences feel well informed and accepting of the way the project is being achieved.

These are linked to the outcomes in the corporate communications and consultation strategy ie: that our key audiences

- understand what the council stands for and believe it has a good reputation,
- feel well informed about the council, its priorities, and the services we provide,
- and in the case of partners, understand the council's role and want to work with us.

The messages:

In order to achieve a successful outcome, a communications programme must be structured and sustained. Research demonstrates that people feel better about organisations that communicate with them. In the case of employees effective communications contributes to improved morale and greater participation in change.

Messages must be clear, concise and consistent, in other words transmitted from sender to receiver without distortion. Key messages to be communicated in this project are:

- the business benefits to be gained by the new accommodation, both for staff and for customers
- improved customer service and public facilities
- improved working environment for staff
- savings in running costs
- assets to dispose of to contribute towards costs of providing the new accommodation.

In formulating messages it is important to consider what perceptions people may already have and what may need to be done to change them, and it would be naïve to assume that the concept of replacement accommodation for a local authority will be viewed by the local community in a totally positive light.

An extensive proactive communications programme with employees, turning each of them into ambassadors, will help counteract negative comment. We should involve elected members too in our communication programme, over and above the information they will receive from reports to cabinet, overview and scrutiny panels, and council, in order that they can ensure the appropriate messages are conveyed to the communities they serve.

Methods of communication:

While the messages should be consistent across all audiences, the method of communication is not necessarily the same for everyone. It is important too with a long term project to recognise that there may be times when there is no new information. When there is nothing to say – say there is nothing to say! Silence provokes suspicion and loses goodwill.

Internal and external communications should run in parallel making sure that employees have the opportunity to be aware of fresh developments before they are placed in the public domain.

Time and time again research shows that the most favoured method of communication by employees is face-to-face conversation with their manager or supervisor. This is even true of those who have access to electronic methods of communication. The intranet is a valuable tool, and ideal for placing documents for easy access to those who wish to view them, but it should be remembered that not everyone wishes to wade through detailed information – edited highlights are sufficient. Not everyone with access to the intranet wishes to use it.

Therefore use should be made of our Team Talk briefing system or Team News newsletter – depending on whether the topic is more suited to two-way discussion or is simply a matter of information that can be read. Specific presentations, drop-in sessions where people can chat informally and ask questions which they may be too timid to ask in a group environment, or workshops, may also be arranged as appropriate. All directorates will be encouraged to have a standing agenda item for their regular team meetings.

Although members will be kept in touch as the various elements go through the decision-making process, not all of them will receive the information in a timely way, therefore briefings, or presentations for councillors and other key audiences may be appropriate in order to achieve their support and address any points of concern.

District Wide should be the principal channel for communicating with local residents – it enables our messages to be conveyed in the way we want them rather than the interpretation a local newspaper editor may place on them. However positive press and media coverage is important as local residents will form views about the proposals as a result of what they see and hear in the press and media, so a proactive programme, starting with a briefing for the journalists/editors, and followed with news releases and photo opportunities where appropriate, should be adopted.

The following action plan is proposed.

Dates are indicative and will be confirmed and/or amended when the timetable of work is finalised and as the project progresses.

Proactive approaches to the press and media have been identified, however there are likely to be occasions when journalists 'pick up' matters and we need to respond reactively. Therefore from time to time reactive statements will be prepared in case they are needed – but not necessarily released.

It is important that all inquiries from newspapers, radio, television, or trade journals are channelled through the Communications Manager.

Heather Gilling
Communications Manager
Ext: 8033
May 2005

Date	Topic	Internal	External
June 2005	Expressions of interest received and evaluated	Intranet Team News	-
June 2005	Invitations to tenderer- issued	Intranet Team News	-
August 2005	Receipt and evaluation of tenders	Intranet Team News	
September 2005	Obtain council approval to proceed <i>Tender negotiations will be ongoing at this time and will be commercially sensitive!</i>		
January 2006	Award of contract	Intranet Team News Report to cabinet/council Decision Digest	Press briefing and news release
January – June 2006	How the project will be managed Who will be located where Project board Reference groups Pilots of new practices	Intranet Team News Team Talk Individual team briefings Member briefings	
July – December 2006	What the new buildings will look like/contain/planning applications Start of work on Operations Centre	Presentations/drop-in sessions (staff and members Naming of new premises	District Wide
January 2007-June 2007	Outcomes of pilots Progress of work on Operations Centre	Team Talk Team News	
Summer 2007	Work starts	Intranet Team Talk Briefing for members	News release District Wide Local government/ construction/ specialist press
To completion	Identify 'milestones: eg construction progress, special features, décor, furniture, logistics of moving, naming of building (competition?) implementation of travel plan	Intranet Team News Team Talk Individual team briefings Presentations Drop-in sessions Visits (staff and members)	News releases District Wide Visits by partners/government and other reps Local government press Construction press

Date	Topic	Internal	External
On completion	The move! New corporate identity	Team Talk Individual team briefings	News release, press visits(highlighting customer/public facilities) Opening ceremony to take place in the customer service centre with unveiling of new corporate identity.
Following completion	Disposal of existing sites/demolition of Pathfinder House	Intranet Team News Reports to cabinet/council	News releases District Wide Briefings to partners/government representatives

Evaluation:

Successful implementation of this whole project depends on buy-in by staff and members. If staff feel they have been kept informed and made to feel part of the project then there will be greater acceptance of the major changes it will inevitably bring.

Keeping all members apprised is likely to achieve greater buy-in from them, and minimise the risk of negative headlines caused by misinformation.

Proactively issuing news releases and creating articles for District Wide and other publications concentrating on our key messages will help local residents to accept that the project was an essential rather than desirable exercise and that we have achieved it in as effective and efficient manner as possible.