

The Highland Council

City of Inverness Area Committee – 2 December 2014

Agenda Item	16(c)
Report No	CIA/70 /14

Refurbishment of 1-5 Church 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 a full internal refurbishment and external façade replacement.

1 Background

- 1.1 The Common Good Fund owns 1-5 Church Street and has a responsibility to maintain the property in good and safe condition and to a sufficient standard to lease.

2 Agreed Option

- 2.1 It was agreed by the Inverness City Committee on the 19 March 2014 to proceed with option Four. This involved the removal of existing partitions, doors and screens. Insulation to all external walls, install new partitions and doors. Uplift and replacement of existing flooring coverings. Strip out and renew all suspended ceilings. Strip out existing services; install a complete heating system and new electrical installations, including new duct work. Upgrade of existing toilet areas on the 2nd and 3rd floors with the inclusion of disabled facilities. Formation of new toilets on the first floor including disabled facilities.

Removal of existing lift and associated plant, installation of new lift shaft, lift and associated plant which will be fully DDA compliant. Remove existing roof coverings, supply and fit new and renew insulation to all roofs. Remove all asbestos.

- 2.2 It was also agreed that an Add-on Option be included. This included alterations to the access and front elevation – Reconfiguration of entrance to shop and office accommodation to be altered. Removal of granite cladding to front elevation to be removed and re-clad part in stone and part curtain glazing system to provide a better response to the adjoin buildings and surroundings. Proposals have been submitted for discussion to the Local Planner. Planning has circulated this to the Conservation Officer and although a formal response is awaited the

principal of the re-cladding is accepted. This option can be doubled up with any of the above options.

3 Project Management

- 3.1 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.

4 Tender

- 4.1 In February 2014 the design and specification package was complete and ready for issue to tender. The contract was issued for tender September 2014, this was due to the proposed tenant not having the funding in place until then. The tender was issued on a 60% price / 40% quality basis.
- 4.2 The tenders were returned on Monday 10 November 2014. The pricing sections of all tender submissions were passed to the Quantity Surveyor for checking and the quality submissions were passed to the Design Team for Evaluation.
- 4.3 Tender checks and the quality evaluation have now been completed, the recommended Contractor is Morrison Construction at a tender cost of £1,712,693.73. It should be noted that £168,117.26 is allocated for tenant fit out costs which will be met directly by the prospective tenant. This means the tender cost is £1,544,576.47, the total cost to the Inverness Common Good Fund including client contingency of £60,000.00 and fees of £262,543.00 will be £1,867,119.

5 Expenditure Profile

- 5.1 The table below gives an expenditure profile for the refurbishment of 1-5 Church Street including contingencies and fees.

Expenditure Profile	14/15 & Previous Years	15/16	16/17	<u>Total</u>
Refurbishment Works	100,000	1,712,906	54,213	1,867,119

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 Legal Implications

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

8 Climate Change Implications

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

9 Resources

- 9.1 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.

10 Conclusion

- 10.1 In order to address the refurbishment works required to 1-5 Church Street outlined above at a total cost of £1,867,119. This investment will bring the property back to a good standard and allow the property to be leased on the commercial market.
This project will result in the Highland Council meeting its obligation to maintain this asset of the Inverness Common Good Fund.

RECOMMENDATION

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

- proceed to contract award for the refurbishment as outlined in the report at a cost of **£1,867,119**;

Signature:

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

Date: 19 November 2014

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