

ABERDEEN CITY COUNCIL

COMMITTEE	City Centre Regeneration Board
DATE	10 February 2014
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	City Centre Masterplan & Delivery Programme
REPORT NUMBER	EPI/14/034

1. PURPOSE OF REPORT

To update the Board on procurement options and programme for a Masterplan and Delivery Programme to secure the future of Aberdeen City Centre.

2. RECOMMENDATIONS

2.1 It is recommended that the Board:

- 1 Note the proposed restricted procurement approach outlined in sections 5.13-5.17 of this report;
- 2 Agree to contribute as appropriate to a project team and evaluation team;
- 3 Note that this report will be referred to Council on 5 March 2014 for approval.

3. FINANCIAL IMPLICATIONS

3.1 The Masterplan and Delivery Programme is a detailed and complex work package likely to cost an estimated £750,000. The final figure will depend on timescales and scope of work. The City Council, at their meeting on 18.12.14, agreed to underwrite the costs of the Masterplan and Delivery Programme up to £750,000 from the City Centre Infrastructure Fund agreed at Council on 31.10.13. It is intended that a partnership funding approach is adopted with contributions to be sought from other sources, including the private sector. All costs are to be shared on a pro-rata basis. Any budget remaining on the conclusion of the contract will be refunded pro-rata based on original contributions. No offers of contribution have been received to date.

4. OTHER IMPLICATIONS

- 4.1 There will be significant impact on services within the Council and potentially for external partners both during the procurement process and throughout the preparation of the masterplan/delivery programme. Council agreed at their meeting on 31 October 2013 (ref decision item 14(f)(3)) to establish a Programme Manager and two Project Manager posts to deliver City Centre regeneration. Other staff resources will be required from the following disciplines:

Urban design, planning policy, development management, transportation strategy and projects, environment, asset management, housing, legal, finance, procurement and programme management.

5. BACKGROUND/MAIN ISSUES

- 5.1 The procurement brief has been prepared following the workshops on 17 June and 28 August hosted by the Robert Gordon University at the Scott Sutherland School of Architecture. The purpose is to set out a clear vision, strategy and action programme for Aberdeen City Centre. The report addresses issues raised in the RGU paper "Regenerating Aberdeen: A Vision for a Thriving and Vibrant City Centre" in the context of adopted policy in the Aberdeen Local Development Plan and the Aberdeen City Centre Development Framework (CCDF).
- 5.2 It has been agreed that in order to establish a clear and deliverable vision for the future development of the City Centre, it is considered necessary to prepare a Masterplan and Delivery Programme to guide future development and investment.
- 5.3 The masterplan and delivery programme will take into account existing projects such as Marischal Square, the Art Gallery extension and a variety of other committed projects, and seek to integrate them within a high quality urban environment. The masterplan will also address what is missing from a successful City Centre.
- 5.4 It is recommended that a multi-disciplinary team, demonstrating a design led approach with a detailed understanding of access and movement, infrastructure, market demand and delivery is appointed to work with the Council and partners to produce a masterplan and a robust, co-ordinated delivery programme for the City Centre.
- 5.5 The options for preparation and delivery of the City Centre Masterplan and Delivery Programme are:
- 1 **Public procurement** in accordance with EU procurement legislation and Council standing orders;
 - 2 **Private procurement;**
 - 3 **Council appointment** of an internal masterplanning and delivery team dedicated to the City Centre.

Public Procurement

5.6 There are four main options for public procurement:

- Open;
- Restricted;
- Framework; and
- Competitive dialogue.

5.7 An **open** procurement process will require a detailed and prescriptive specification which will not allow for any scope change or evolution from through the procurement process. The Brief will need to be finalised from the outset and if any changes are made it will likely cause delay and usually result in additional costs to the project.

5.8 A **restricted** procurement process has similar risks in that the final bid will have to be accepted unaltered. There are opportunities to further develop and refine the Brief during the early stages until a formal Invitation to Tender is issued. An “industry day” can be set up to test the market without commitment and to gain a better understanding of realistic timescales for delivery. Following this a Pre-Qualification Questionnaire stage allows a shortlist to be identified for Invitation to Tender. This process can be streamlined to meet programme objectives; however there remain set minimum timescales which cannot be altered.

5.9 Potential bidders currently on an existing **Framework** for public procurement, ie those that have pre-qualified, could be invited directly to bid for the work. This would have the advantage of cutting out the pre-qualification stage and allow more time for bidders to focus on formulating the detail of their bids. Existing Frameworks have been examined for suitable suppliers but in this instance do not provide an opportunity for locally based teams. Masterplanning is a particular skill set that is not as readily quantifiable as other supplies. There is therefore a high risk that appropriate teams may be excluded from the procurement process.

5.10 A **competitive dialogue** process allows engagement with prospective bidders preceding the formal tender stage to maximise the number of realistic, competent and competitive bids. This process requires sufficient time and effort in the procurement stages to ensure value in the dialogue. It also requires significant staff resource, and based on previous experience may require in excess of 9 months to enable effective and productive dialogue.

5.11 **Private** procurement is similar to an Open procurement in that the Brief must be in its final form from the outset. There are risks in relation to control, funding and legality of whether the Council can be part of such a procurement process. Anyone acting on behalf of the Council would still have to comply with the tendering process and be bound by EU timelines. A private company appointed to run the process would have to qualify through a process to choose them to undertake work on the

Council's behalf. As there is a significant risk of breach of the EU Directive and Procurement Regulations and of delay in procurement, this approach is not recommended.

- 5.12 A masterplanning and delivery team could be assembled by **Council appointment**, specifically dedicate to this project. There is unlikely to be any programme advantage, although retaining the skills in house could have a positive impact on future projects and developments. There are risks relating to salary structures, recruitment and the availability of the necessary skills to carry out the various work packages.
- 5.13 It is recommended that in order to appoint a team with the best chance of developing an appropriate masterplan and delivery programme the restricted procurement process be adopted for this project. The estimated programme for this is outlined below and takes account of the mandatory minimum timeline for any public procurement process:
- 5.14 The masterplan and delivery programme is expected to require a minimum of 9 months to prepare. Key stages, indicative inception and completion dates are identified for information only until a detailed timeline is explored through the ITT stage. Bidders will be requested to submit proposals for completing the masterplan and delivery programme in 6, 9 or 12 months. Initial feedback on the feasibility of these timescales is expected at the industry day.

Stage	Time	Target
Council		05.03.14
Procurement		
Industry Day	1 day	w/c 10.03.14
Pre-Qualification Questionnaire	30 days	14.04.14
Evaluation and Short list	5 days	21.04.14
Scope sign off		prior to issuing ITT
Invitation to Tender	(min 40 days)	30.05.14
Evaluation	10 days	10.06.14
Board		11.06.14
Council		25.06.14
Masterplan and delivery programme		
Inception	TBC	August 2014
Research		(estimated)
Engagement		
Project Development		
First Draft Masterplan		
Scrutiny, analysis and review		
Engagement		
Final Draft Masterplan		
Council		Summer 2015

- 5.15 It is essential that the Council and partner representatives participate in the key stages of the project and throughout the preparation of the masterplan and delivery programme. This will be established in part through the new structure proposed for the Enterprise Planning and Infrastructure Service, due to be reported to the Council's Finance, Policy & Resources Committee on 20th February 2014. There may also be merit in establishing one or more forums to encourage widespread engagement throughout the process.

Evaluation team

- 5.16 It is recommended that an Evaluation team is established to assess submissions from the PQQ and ITT stages. This team will be led by Council officers and must comprise urban design, planning, programme and asset management expertise, supported by financial, legal and procurement expertise. It is proposed that 2 representatives of the Board are invited to participate in the evaluation on the understanding that they recognise the significant time commitment this will require. It should also be noted that the two representatives will require to participate in the entire evaluation process and cannot be substituted once the evaluation commences. Attendance at training will be required. If such a commitment to participate is made from the Board, that commitment must follow through the whole process requiring full time involvement at each evaluation stage.

Project Team

- 5.17 It is recommended that a Project Team is established comprising representatives of services and stakeholders in the City Centre. The Project Team will develop the detailed scope of work to be included in the Invitation to Tender and report this for sign off to Council. The Project Team will be responsible for actively working with the appointed masterplanning and delivery programme team providing functional expertise, information and identification of current and future opportunities. This team will vary in composition depending on the stage of the masterplan and delivery programme with more specific roles identified as the project develops but will generally comprise the following Services and disciplines.

Enterprise Planning and Infrastructure: Masterplanning, development management, transportation and roads, environment, planning policy, asset management, City Development Programme Manager.

Corporate Governance: Legal, procurement, finance,

Office of Chief Executive: SIP Programme Manager

Housing and Environment

Education Culture and Sport

Stakeholder involvement could come from, for example, through contribution to forums. Forums could be based on a thematic approach, for example Design may involve RGU (through their Faculty of Design), Transportation may involve the Harbour Board, Market evaluation may involve Scottish Enterprise and Aberdeen and Grampian Chamber of Commerce. Forums and contribution required will be established as the full scope of work emerges.

6. IMPACT

6.1 The City Centre Masterplan and Delivery Programme relates to the following Single

Outcome Agreement objectives:

- We live in a Scotland that is the most attractive place for doing business in Europe;
- We realise our full economic potential with more and better employment opportunities for our people;
- We live in well-designed, sustainable places where we are able to access the amenities and services we need;
- We value and enjoy our built and natural environment and protect it and enhance it for future generations;
- We take pride in a strong, fair and inclusive national identity; and
- Our public services are high quality, continually improving, efficient and responsive to local people's needs.

6.2 It also meets the vision of the Community Plan in promoting a strong image of the city and a sense of civic pride and promotes the redevelopment of the City Centre, which is one of the main priorities for the Community Plan and Single Outcome Agreement and supports the Council's 5 year Business Plan in terms of protecting and enhancing the built environment, attracting visitors, workers and investment to protect the economic future of the city, and, to facilitate new development projects to improve Aberdeen's living and working environment.

6.4 Given the nature of the Masterplan and Delivery Programme it is likely to be of interest to the public.

7. MANAGEMENT OF RISK

7.1 To deliver the priorities identified in the Masterplan and Delivery Programme the Council has established a multidisciplinary infrastructure programme through the Strategic Infrastructure Plan and a City Development Programme Manager to oversee and monitor progress on delivery. The management of risk will be monitored and any risks mitigated against through a programme risk register. The project would also have in place a risk register and be monitored by the appropriate lead officer and service, as well as through the programme risk register. Given the nature of the City Centre Masterplan and Delivery Programme

it will also be included as part of the Corporate Risk Management process.


8. BACKGROUND PAPERS

- Aberdeen – A Smarter City
- Strategic Infrastructure Plan
- Aberdeen City and Shire Structure Plan and Proposed Strategic Development Plan
- Aberdeen Local Development Plan 2012
- Aberdeen City Centre Development Framework 2012
- Regenerating Aberdeen: A Vision for a Thriving and Vibrant City Centre (RGU report)

9. REPORT AUTHOR DETAILS

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