

Record of operational decision

Decision title:	To appoint a contractor to deliver the Pre-Construction Services phase (PCSA) to support the Shirehall refurbishment and Library fit-out projects, and to vary the current design consultancy contract to accommodate a two-stage PCSA-based procurement strategy.
Date of decision:	3 November 2025
Decision maker:	Corporate Director, Economy and Environment
Authority for delegated decision:	<p>The authority for this decision is set out in two key decisions below:</p> <p>Decision - Shirehall Phase 1 Refurbishment Work and Care Leavers Base - Herefordshire Council</p> <p>a) To approve the expenditure of £3.0m for the purpose of bringing forward phase 1 of the refurbishment work proposed for the Shirehall building and £0.1m to secure improvements and enhancements to the existing Care Leavers Base, as approved in the current 2023/24 capital programme; and</p> <p>b) The Director for Resources and Assurance be authorised to take all operational decisions to deliver the projects described in (a) above and to spend within the budgets defined.</p> <p>Decision - Review Of The Full Business Case For The Shirehall As A Location For The Future Of Hereford City Library - Herefordshire Council</p> <p>a) Cabinet approves the Shirehall as the location for Hereford Library and Learning Centre (HLLC);</p> <p>b) The full business case (FBC) be submitted to the Stronger Towns Board with a request to transfer the funding associated with the Maylord Orchards project to Shirehall;</p> <p>c) Subject to recommendations (a) and (b), the Stronger Town grant be accepted with permission to spend the full budget allocation of up to £3.005m with all operational decisions to progress the project to conclusion delegated to the Corporate Director Community Wellbeing in consultation with the Cabinet Member for Community Services and Assets and the Deputy s151 Officer</p> <p>Further authority to approve expenditure of residual budget previously allocated for Shirehall within the Property Services Estates Capital Programme is also contained within the key decisions below:</p> <p>Decision - Property services estates capital programme 2020/21 - Herefordshire Council http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?id=7736&LLL=0</p>

Ward:	Central
Consultation:	The selected procurement strategy has been arrived at in consultation with project board, the Legal and Commercial teams and the council's external industry-specialist consultants.
Decision made:	<p>To award a Pre-Construction Services Agreement (PCSA) contract to Speller Metcalfe Ltd following a compliant competitive procurement process in the sum of £37,863.38</p> <p>To commission any additional surveys or site investigations identified through the PCSA activity as being of benefit in providing more cost certainty, lowered risk or efficiency of design in the sum of £75,000.</p> <p>Allocate a contingency fund of £100,000 to this project from the available budgets.</p> <p>To vary the existing NEC4 Professional Services Contract with Mace Ltd as incumbent multi-discipline design and project co-ordination consultants to accommodate a two-stage tender process incorporating an initial Pre-Construction Services phase of design development.</p> <p>To delegate to the Project Manager authority to manage and spend the budget and contingency allocated to the services within scope of this decision, in consultation with the Senior Responsible Officer, the Project Board and other specialist officers within the council as relevant.</p>
Reasons for decision:	<p>Key decisions have been taken and capital budgets approved to progress phases 1 and 2 of the Shirehall refurbishment, along with the fit-out of a new Library and Learning Centre within the refurbished shell as part of the Stronger Towns grant programme.</p> <p>As the design progressed into RIBA stage 4 (detailed design) market engagement was carried out to inform the strategy for procurement of a main contractor for the construction phase. Overwhelmingly the feedback was that contractors with the necessary capability would only consider the tender opportunity if it were procured via a two-stage tender process, the first stage following the principle of 'Early Contractor Involvement' (ECI). This more collaborative form of procurement is increasingly becoming a fixed feature of the construction marketplace, providing benefits for client and contractor alike.</p> <p>Embedding the construction team alongside the design team while the design is still in progress allows them to contribute their expertise in buildability, work sequencing and opportunities for design and specification efficiencies. The knowledge they will amass during the PCSA allows for more accurate costing with reduced need for risk allowances to cover the unknown. By the end of the PCSA the client, contractor and design team working together will have had the opportunity to develop a design and a cost plan which meets the client needs, is more accurate and is deliberately engineered to fall within the established budget.</p> <p>The ECI strategy then is recommended as a way of achieving best value from the market, encouraging suitable contractors to bid and ensuring as</p>

	<p>far as possible that the resulting design falls within budget, thereby avoiding the risk of abortive over-budget tenders being received.</p> <p>Financial Summary:</p> <table border="1" data-bbox="475 286 1445 672"> <thead> <tr> <th data-bbox="475 286 932 365"></th> <th data-bbox="932 286 1099 365">Shirehall Phase 1</th> <th data-bbox="1099 286 1273 365">Library</th> <th data-bbox="1273 286 1445 365">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 365 932 405">Speller Metcalfe Ltd PCSA cost</td> <td data-bbox="932 365 1099 405">£32,183.93</td> <td data-bbox="1099 365 1273 405">£5,679.45</td> <td data-bbox="1273 365 1445 405">£37,863.38</td> </tr> <tr> <td data-bbox="475 405 932 517">Multi-discipline design & project co-ordination services – RIBA stage 4; PCSA period</td> <td data-bbox="932 405 1099 517">£264,459</td> <td data-bbox="1099 405 1273 517">£47,771</td> <td data-bbox="1273 405 1445 517">£312,230</td> </tr> <tr> <td data-bbox="475 517 932 595">Undefined surveys and site investigations</td> <td data-bbox="932 517 1099 595">£75,000</td> <td data-bbox="1099 517 1273 595"></td> <td data-bbox="1273 517 1445 595">£75,000</td> </tr> <tr> <td data-bbox="475 595 932 636">Contingency sum</td> <td data-bbox="932 595 1099 636">£50,000</td> <td data-bbox="1099 595 1273 636">£50,000</td> <td data-bbox="1273 595 1445 636">£100,000</td> </tr> <tr> <td data-bbox="475 636 932 672">Total:</td> <td data-bbox="932 636 1099 672"></td> <td data-bbox="1099 636 1273 672"></td> <td data-bbox="1273 636 1445 672"></td> </tr> </tbody> </table>		Shirehall Phase 1	Library	Total	Speller Metcalfe Ltd PCSA cost	£32,183.93	£5,679.45	£37,863.38	Multi-discipline design & project co-ordination services – RIBA stage 4; PCSA period	£264,459	£47,771	£312,230	Undefined surveys and site investigations	£75,000		£75,000	Contingency sum	£50,000	£50,000	£100,000	Total:			
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Equality Considerations	The design process will continue to take account of both statutory requirements under the Equalities Act and the views of local user groups where appropriate.																								
Highlight any associated risks/finance/legal/equality considerations:	Industry data suggests that Early Contractor Involvement is predominantly positive in terms of the cost, time and quality outcomes of complex projects. There is no guarantee of this however. If the existing cost data is underestimated, or if the contractor identifies challenges that the design team have failed to properly recognise then there is a risk of cost estimates increasing through the PCSA rather than decreasing.																								
Details of any alternative options considered and rejected:	<p>A traditional single-stage competitive procurement was considered. The risks associated with this might be expected to include:</p> <ul style="list-style-type: none"> • The market engagement suggested that suitable contractors would either decline to bid, or would perceive the tender as high-risk and price accordingly. This could lead to abortive procurements and the associated time and cost impacts, either due to a lack of tender returns or through tender returns which exceed the available budget. • Historic building refurbishments are typically fraught with risk and unknown challenges. Completing the design fully and then going to competitive tender in the hope that bids come back within budget is a risk which could (in the event of over-budget tender returns) lead to abandoned procurement, further redesign and subsequent re-procurement, still in the hope that enough has been done to reduce the cost within budget. • Without the PCSA fact-finding activity contractors would have to make more assumptions in their fixed tender sum. Instances of building condition being worse than expected once construction begins would become a client cost (unforeseeable conditions under the contract). 																								
Details of any declarations of interest made:	None																								