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**To:** Finance, Resources and Customer Services Policy Board

**On:** 08 June 2023

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**Report by:** The Chief Executive and the Director of Finance and Resources

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**Heading:** Paisley Museum Reimagined Project – Notification of Cost Increases on technical consultant appointments

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## 1. **Summary**

- 1.1 The purpose of this report is to notify the Finance, Resources and Customer Services Policy Board, in accordance with Standing Order 20.3 of the Standing Orders Relating to Contracts, of an increase in cost to the consultancy contracts listed in item 3.3 of this Report.
  - 1.2 The original contracts were approved by the Finance, Resources and Customer Services Policy Board on 28 March 2018.
  - 1.3 The reasons for the increase in costs are set out in item 3.6 of this Report.
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## 2. **Recommendations**

It is recommended that the Finance, Resources and Customer Services Policy Board:

- 2.1 Note the increase in the approved Contract Sum for:
  - i. Paisley Museum Reimagined Project Multi-Disciplinary Design Team (MDDT) from £2,598,349.00 (excluding VAT) to a revised fee of £4,164,804.00 (excluding VAT);

- ii. Paisley Museum Reimagined Project – Project Management from £193,856.80 to a revised fee of £341,114.00 (excluding VAT);
    - iii. Paisley Museum Reimagined Project – Quantity Surveyor from £258,000.00 to a revised fee of £375,082.31 (excluding VAT);
  - 2.2 Note the Paisley Museum Reimagined Project Multi-Disciplinary Design Team (MDDT) contract is now anticipated to complete at the end of January 2024;
  - 2.3 Note the Paisley Museum Reimagined Project – Project Management contract and the Paisley Museum Reimagined Project – Quantity Surveyor contract are both anticipated to complete by the end of May 2024.
  - 2.4 Note that variations to each of these contracts have been negotiated and agreed with the respective Consultant in accordance with Standing Orders Relating to Contracts 34.4 and 34.5.
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### 3. **Background**

- 3.1 In January 2014 Renfrewshire Council approved the Paisley Town Centre Heritage Regeneration Strategy (The Untold Story), setting out the need for change to the function and performance of the town based on its outstanding heritage and cultural assets. The redevelopment of Paisley Museum is the signature project identified within this Strategy. The ambition is to create a world class experience for visitors and local communities, showcasing the internationally significant collections, and embodying the spirit and character of the communities of Renfrewshire and the regional connections with the World.
- 3.2 The Paisley Museum Re-imagined project team required a series of consultants including a multidisciplinary design team to prepare the detailed design for the extension / refurbishment of the building; external project management services and, external quantity surveyor services to support with the management of the design and build contracts and the exhibition design and fit out contracts.
- 3.3 On 28 March 2018 the Finance, Resources and Customer Services Policy Board approved the recommendation to award three contracts as follows:
  - i. Contract for Paisley Museum Reimagined Project Multi-Disciplinary Design Team (MDDT) to Amanda Levet Architects Limited in the Contract Sum of £2,598,349.00 (excluding VAT);
  - ii. Contract for Paisley Museum Reimagined Project – Project Management to Currie & Brown UK Limited in the Contract Sum of £193,856.80 (excluding VAT); and

- iii. Contract for Paisley Museum Reimagined Project -Quantity Surveyor to Gardiner & Theobald LLP in the Contract Sum of £258,000.00 (excluding VAT).

3.4 Since the three Consultants were appointed, the Paisley Museum Re-imagined project has encountered several challenges which have led to prolongation of these external consultant appointments and required the Council to modify these contracts to instruct additional services.

3.5 The PMR Project Team have worked closely with each Consultant over the duration of the project to mitigate the impact challenges have had on the Consultant's programme and fees planned for under the respective contract modification.

3.6 Summarised below are the key events which have impacted the project.

- Delay to the overall Paisley Museum Re-imagined project programme related to Covid-19 pandemic. The progress on the development of the design slowed down impacted by restrictions on travel and non-essential construction works and access to the buildings. The PMR project team worked closely with each Consultant to agree reduced fees which reflected the actual resource and services for the period affected by the Covid-19 pandemic. Ensuring the continuity of the Consultant's team protected the project resources and allowed the project team to resume project delivery quickly once Covid restrictions were lifted.
- Delay to the anticipated completion of the main build programme from November 2022 to January 2024. This is driven by the complexity of the works and site discoveries which impact on sequencing of the works and necessitate changes to the main build design. The Project Team require the MDDT consultant to amend designs where appropriate. For each change in scope, the MDDT consultant submits a proposal detailing the work required and associated fee. This is interrogated by the PMR Project Team to ensure it is robust, meets the requirements and ensures value for money. Additional scope changes have also been agreed with both the Project Management Consultant and Quantity Surveyor for additional services.
- The delay in main build programme has also required prolongation of these external consultant appointments to cover the services required for the duration of the main build contract this includes cost management services, project management and contract administration support as well as design checking, site supervision services. The majority of the issues encountered are Employer risk events including the identification of asbestos containing materials and unforeseen structural and ground condition complications. The Project Team have worked closely with each Consultant to agree fees which are reasonable and reflect the activities required by each consultant at each stage of the programme.

- Anticipated delay to completion of the exhibition fit out contract from November 2023 to May 2024 which is linked to the delay in the main build programme. There will be prolongation to the Project Management and Quantity Surveyor contracts to cover this period.
- 3.7 The modifications and instruction changes have been fully documented and approved in accordance with the Change Control process and the project governance, which requires the approval of the Cultural Infrastructure Programme Board prior to agreeing the final modifications / changes with each Consultant for their contract.
- 3.8 As a result of the changes noted above, these external consultant fees have increased by £1,830,785.51 across the three external consultant appointments.
- 3.9 The funding for the increase in fees for the external consultant appointments will utilise existing project resources with the Paisley Museum Reimagined project which was earmarked for contingencies.
- 3.10 This Report is submitted in accordance with Standing Order 20.3 which requires that where it becomes apparent that the total value of a contract as previously reported to the Finance, Resources and Customer Services Policy Board is likely to be exceeded by more than the greater of £100,000 or 25% of the approved contract value, that a report on the matter be submitted to the Finance, Resources and Customer Services Policy Board.

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## Implications of the Report

1. **Financial**  
The additional costs outlined in the report will be met from contingency funding within the existing project budget. Contingency funding is determined based on an assessment of the total risks inherent in each project and is anticipated to be sufficient to meet all risk classes. While the current level of contingency is sufficient to accommodate the costs outlined in the report, there is an increased risk that the total contingency funding available will be insufficient to meet all cost pressures which may materialise.
2. **HR & Organisational Development**  
Not applicable.
3. **Community/Council Planning –**
  - Reshaping our place, our economy and our future - The contracts will assist the project team in delivering the strategic aims and outcomes of the Paisley Museum Reimagined Project and manage and administer the various design and build contracts for the main build and exhibition fit out.

4. **Legal**  
The modifications to the external consultant appointments have been made in accordance with the Council's Standing Orders relating to Contracts and with consideration to Regulation 72 (1) (b) of the Public Contract Scotland Regulations 2015.
5. **Property/Assets**  
None
6. **Information Technology**  
None
7. **Equality & Human Rights**  
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.
8. **Health & Safety**  
None
9. **Procurement**  
The modifications were considered in accordance with the Council's Standing Orders relating to Contracts and Regulation 72 (1) (b) of the Public Contracts (Scotland) Regulations 2015.
10. **Risk**  
None
11. **Privacy Impact**  
No Privacy Impact implications have been identified or are anticipated.
12. **Cosla Policy Position**  
No Cosla Policy implications have arisen or are anticipated.
13. **Climate Risk**  
No climate risk implications have arisen or are anticipated.

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## List of Background Papers

None

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