

## REPORT TO CABINET

12 December 2018

<b>Subject:</b>	Procurement: Demolition Framework 2019 – 2023
<b>Presenting Cabinet Member:</b>	Councillor Steve Trow – Cabinet Member for Culture and Core Council Services
<b>Director:</b>	Executive Director - Neighbourhoods – Dr Alison Knight
<b>Contribution towards Vision 2030:</b>	
<b>Key Decision:</b>	Yes
<b>Forward Plan (28 day notice) Reference:</b>	SMBC20/06/2018
<b>Cabinet Member Approval and Date:</b>	Councillor Steve Trow – Cabinet Member for Culture and Core Council Services
<b>Director Approval:</b>	Dr Alison Knight
<b>Reason for Urgency:</b>	Urgency provisions do not apply
<b>Exempt Information Ref:</b>	Exemption provisions do not apply
<b>Ward Councillor (s) Consulted (if applicable):</b>	N/A
<b>Scrutiny Consultation Considered?</b>	Scrutiny have not been consulted
<b>Contact Officer(s):</b>	Mark Drake Urban Design & Building Services <a href="mailto:mark_drake@sandwell.gov.uk">mark_drake@sandwell.gov.uk</a> Carol Wintle Corporate Procurement Services

## **DECISION RECOMMENDATIONS**

### **That Cabinet:**

- 1) authorises the Executive Director – Neighbourhoods, in consultation with the Executive Director – Resources (Section 151 Officer), to appoint Coleman & Company Ltd, AR Demolition Ltd and City Demolition Contractors (Birmingham) Ltd to the Demolition Framework to undertake demolition and emergency work to council owned and partners' (as stated in Section 3.8) properties;
- 2) subject to (1) (above), authorises the Director – Monitoring Officer to enter into, or execute under seal, any documentation in relation to award of the framework contracts and/or other agreements with Coleman & Company Ltd, AR Demolition Ltd and City Demolition Contractors (Birmingham) Ltd, as may be deemed necessary.

## **1 PURPOSE OF THE REPORT**

To seek approval to appoint three specialist demolition contractors to a 4 year demolition framework, which will not only reduce cost and time for the demolition of individual council owned properties, but also allow income generation from our external partners, as Section 3.8 of the report.

## **2 IMPLICATIONS FOR SANDWELL'S VISION 2030**

- 2.1 The proposed framework will contribute to the following Council Ambitions for Vision 2030.
- 2.2 Healthier for longer and safer (2). Many buildings identified for demolition include hazards such as asbestos, or may be structurally unsafe. The removal of these buildings paves the way for regeneration of new modern, safe and energy efficient buildings.
- 2.3 Community life (8); new housing (7); quality of schools (4). Many projects involving the construction of new homes, schools and leisure centres require the safe removal of existing buildings/structures.
- 2.4 Lowering crime and ASB (5). Derelict buildings can attract crime and anti-social behaviour, demolition of these buildings can assist in the removal of these environments.
- 2.5 Getting things done (10). Previous frameworks have been used by numerous external bodies as a route to getting things done. The proposed framework will continue to provide this specialised service to external bodies.

- 2.6 Local economy (9). Land clearance for new industries/businesses requires the safe removal of existing buildings/structures.

### 3 **BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The Council has successfully completed two previous demolition and site remediation partnership frameworks for the years 2005 to 2010 and 2010 to 2014 and a third, 2014 to 2018 is due to be completed in November 2018. Works have included:-

- Old Gas Showrooms, West Bromwich - including reclamation works for the Black Country Living Museum
- Shaftesbury House, West Bromwich
- Ashleigh Road, Tividale
- Woods Lane, Cradley Heath – including demolition and site reclamation
- Grove Lane, Smethwick – demolition, clearance and reclamation of the site for the new Midland Metropolitan Hospital for Sandwell and West Birmingham NHS Trust
- Pensnett School, Brierley Hill for Dudley Metropolitan Borough Council
- Mahoe Centre, Dudley for Dudley Metropolitan Borough Council

- 3.2 In order to ensure continuity of the demolition and site remediation works a new single framework is proposed. The new framework builds on the successes of the previous partnerships and incorporates improvements that addresses issues raised from lessons learnt workshops. The Council has received competitive tenders from relevant and appropriately experienced organisations to undertake demolition of buildings and associated works which may include but may not be limited to the following works:

- Pre-demolition works – boarding up, securing buildings and land
- Pre and post demolition surveys – asbestos surveys, topographical, underground services, drainage, ecology, hazardous materials, structural.
- Site fencing
- Site security
- Asbestos removal
- Hazardous materials removal including sharps.
- Soft strip
- Demolition works using a variety of demolition techniques, mechanical, high-reach, deconstruction, explosives and robotics.
- Excavation of foundations
- Backfilling of voids
- Grading and filling

- Japanese Knotweed and invasive species removal
- Civil engineering
- Ground remediation
- Emergency call outs and works
- Design of temporary structures

- 3.3 Tender selection was based on a 60% Price and 40% Quality split to determine the most economically advantageous tenders.
- 3.4 It is proposed that the 3 most economically advantageous tenderers will be appointed to the Panel of Demolition Contractors on the Framework.
- 3.5 A total of 11 tenders were received by the due date. A number of tenderers failed to meet the minimum criteria and further evaluation of their tenders was not undertaken.
- 3.6 The remaining 'bone fide' tenders were assessed using the evaluation process identified in the tender documents.
- 3.7 The three tenderers submitting the most economically advantageous tenders were as follows:
1. Coleman & Company Ltd
  2. AR Demolition Ltd
  3. City Demolition Contractors (Birmingham) Ltd
- 3.8 The Framework Agreement is available for use by Sandwell MBC internal Directorates, Wolverhampton City Council, Birmingham City Council, Dudley Metropolitan Borough Council, Solihull Metropolitan Borough Council, Coventry City Council & Walsall Metropolitan Borough Council and the Sandwell and West Birmingham Hospitals NHS Trust, subject to Access Agreements being completed by the relevant public body.
- 3.9 The Framework Agreement will also include for works where the Council is acting as agents for external clients.
- 3.10 The Framework is an access vehicle for use by individual council Directorates and other public sector bodies, it is expected that approximately 75% of spend will be by SMBC and 25% by other public sector bodies.
- 3.11 Historically the volume of works delivered through similar frameworks, amount to approximately £4m per annum. The works range in size from rows of garages to high-rise demolition projects and orders can range in value between £1,000 and over £1,000,000 depending on the extent, location and nature of the works. Works can be located in relative isolation or within a built up environment.

- 3.12 The council has no overall demolition budget. Individual demolition projects will be identified by the relevant Directorate during the project development stage. Finance for the project including any demolitions works will be approved during the project appraisal process where it will be evaluated by the council's strategic investment unit.

#### **4 THE CURRENT POSITION**

The current Sandwell Demolition Partnership Frameworks 2014-2017 expire at the end of November 2018.

#### **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

Individual contracts let for works under the proposed framework on Council land and properties will require public consultation to be undertaken as part of the Statutory Planning process.

#### **6 ALTERNATIVE OPTIONS**

If the Framework is not put in place then as individual projects are identified these works would need to be procured on a project by project basis. This option would involve individual procurement exercises resulting in

- additional costs and time to appoint a suitable contractor for the works;
- reduced ability to react quickly in cases of urgent works;
- no income generation from outside bodies; and
- loss of a close working relationship with a specialist contractors on complex demolition projects with critical health and safety issues.
- Non-compliance with the need to consider accumulative expenditure for transparency purposes.

#### **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 The proposed framework makes no financial commitment or guarantee of levels of work to be let under the agreement.
- 7.2 The proposed framework covers specific works for demolition and land remediation projects.
- 7.3 The proposed framework also covers emergency 'call out' works for isolated instances where a contractor is required to attend a site at short notice on an urgent basis.

- 7.4 Funding for individual contracts let for works under the proposed framework on Council land and properties will be required to have been approved by Strategic Finance following a Capital Project Appraisal or Revenue Budget approval.
- 7.5 The proposed framework will be available for use by public sector organisations listed in paragraph 3.8 above.
- 7.6 Contracts let on behalf of these organisations may result in some income generation for the Council. The previous demolitions framework generated £ 395,000 of income for professional fees, invoiced by Urban Design over a four year period. Income received from the NHS, Dudley MBC, Coventry CC and Wolverhampton CC.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 The procurement exercise was carried out in compliance with The Public Contract Regulations 2015 and the Councils Procurement and Contract Procedure Rules.
- 8.2 The financial management of the proposed framework and any contract let under the framework will be carried out using the Council's financial systems and according to its financial regulations.
- 8.3 Individual contracts will only be let under the proposed framework when respective Cabinet/Director approvals for budget expenditure have been received for the individual projects.

## **9 EQUALITY IMPACT ASSESSMENT**

Individual contracts let for works under the proposed framework on Council land and properties will be required to have been through a Capital Project Appraisal or Revenue Budget approval process where an Equality Impact Assessment screening exercise will be carried out.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

This report does not relate to the collection of personal information and therefore a privacy impact assessment is not required.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

Individual contracts let for works under the proposed framework on Council land and properties will be required to have been through a Capital Project Appraisal or Revenue Budget approval process where the Corporate Risk Management Strategy (CRMS) will be complied with throughout, in identifying and assessing the significant risks associated with the individual projects. This would include (but not limited to) political, legislation, financial, environmental and reputation risks. A project risk register will be compiled and will be reviewed and updated on a regular basis. The risk register will be monitored by the project team.

## **11 SUSTAINABILITY OF PROPOSALS**

Individual contracts let for works under the proposed framework on Council land and properties will be required to have been through a Capital Project Appraisal or Revenue Budget approval process where proposals for sustainability will be considered.

## **12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

12.1 Individual contracts let for works under the proposed framework on Council land and properties will be required to have been through a Capital Project Appraisal or Revenue Budget approval process where the impact on health and wellbeing will be considered.

12.2 The Public Services (Social Value) Act 2012 requires that all public service contracts at OJEU threshold are subject to appropriate social value criteria and that these contracts include some “added value” benefit to the community. The tender provides for 40% of the assessment to be based on a Quality submission, which includes a Social Value component. The nature and amount of benefit will vary greatly depending upon the size of the scheme under consideration. Contractors have responded with a variety of proposals, including liaison with colleges to provide employment opportunities; the provision of trade tasters and skills training; educational visits to schools, colleges, community & youth groups to provide an insight into demolition; arrangement of site visits for youngsters, including a free publicity pack as a memento of their visit and a site safety message; Involvement or sponsorship of community projects; the facilitation of mental health awareness classes; setting aside a proportion of income for a community fund for the benefit of locally based initiatives; supporting a school with voluntary hours such as careers advice/CV building or mock interviews.

12.3 In order to ensure that there is consistent provision of quality, the contract also provides for the setting of Key Performance Indicator (KPI) targets for a number of important areas, including Community Benefits and Social Value. The Community Benefits KPI targets recruitment and training and are set by the Council's Community Benefits Officer. These are commensurate with the value of individual contracts. Social Value outcomes are also monitored throughout the contract period and any failure to meet KPI targets for these proposed outcomes may result in a financial penalty on larger schemes or temporary suspension (following an escalation process) from the framework, where there has been a long term failure to maintain the necessary standards

### **13 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

Individual contracts let for works under the proposed framework on Council land and properties will be required to have been through a Capital Project Appraisal or Revenue Budget approval process where the impact on any Council managed property or land will be considered.

### **14 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

The award of the proposed demolition framework will result in the following benefits:

- saving cost and time to tender individual projects and to appoint a suitable contractor for the works;
- the ability to react quickly in cases of urgent works;
- the potential income generation from outside bodies; and
- the generation of a close working relationship with specialist contractors on complex demolition projects with critical health and safety issues.

### **15 BACKGROUND PAPERS**

None.

### **17 APPENDICES**

None.