

CABINET

19 July 2016

Title: Procurement of Demolition Contractor for Phases 2a and 3a, Gascoigne Regeneration	
Report of the Cabinet Member for Educational Attainment and School Improvement	
Open Report	For Decision
Wards Affected: Gascoigne	Key Decision: Yes
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Accountable Divisional Director: Jane Hargreaves, Commissioning Director Education	
Accountable Director: Helen Jenner, Corporate Director of Children's Services	
Summary: This report sets out proposals for the demolition of low, medium and high-rise block on the existing Gascoigne estate to make way for the proposed Greatfields school, via a two-stage restricted process procurement route.	
Recommendation(s) Cabinet is recommended to: (i) Agree that the Council proceeds with the procurement of a contract for demolition works to enable the construction of the proposed Greatfields School, in accordance with the strategy set out in this report; and (ii) Delegate authority to the Strategic Director of Service Development and Integration, in consultation with the Cabinet Member for Educational Attainment and School Improvement, the Strategic Director of Finance and Investment and the Director of Law and Governance, to conduct the procurement and enter into the contract and all other necessary or ancillary agreements with the successful bidder(s) [and/or other related parties] in accordance with the strategy set out in the report.	
Reason(s) Approval of this proposal will enable the Council to appoint contractors to complete demolition works of a number of blocks; this will allow the construction of the proposed new Greatfields school to the Gascoigne redevelopment site.	

1. Introduction and Background

- 1.1 At its meeting on 10 November 2015 (Minute 63 refers), the Cabinet approved a range of proposals to expand school place provision which included the proposed Greatfields School and its delivery using the Council's Local Education Partnership (LEP).
- 1.2 The site for this proposed school is situated on the regeneration wider development of the Gascoigne estate phases 2a & 3a. The existing site is made up of low, medium and high rise residential blocks. To make way for the school development these existing blocks need to be demolished. Currently these blocks are being decanted, and it is envisaged that the site will be available for demolition around the end of 2016.
- 1.3 Following the Cabinet decision, detailed discussions between the Council's Capital Commissioning and Delivery (CC&D) and Children's Services' School Estates teams took place. The CC&D is best placed to arrange the demolition works to allow the school development to commence.
- 1.4 Currently CC&D are overseeing the demolition of low, medium and high rise blocks in the northern part of the Gascoigne estate and works are progressing well. The blocks proposed for demolition noted above are of the same construction, height etc. so it makes sense to repeat the same strategy.
- 1.5 Lesson learnt from the northern-end demolition works can be applied to the demolition works to make way for the proposed Greatfields school. This in itself would have inherent benefits to the Council with value for money being achieved in relation to programme and cost.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

- 2.1.1 The works will include the demolition of the following blocks; the blocks listed below are a combination of low, medium and high rise blocks.
 - 1-100 Barnes House
 - 1-70 Rookwood House
 - 70-98 St Marys
 - 99-122 St Marys
 - 160-192 St Marys
 - 193-219 St Marys
 - 221-232 St Marys
- 2.1.2 The proposed method of demolition will be confirmed with the appointed contractor. The indicative timetable for the procurement is set out as follows:

Report to Cabinet	July 2016
Draft Documents	June/July 2016
Advertise Opportunity to Tender & Issue	July 2016
ITT Deadline	July/August 2016
Tender Evaluations	August 2016
Delegated Authority Award Report	September 2016
Draft & Issue Tender Award Notification Letters	September 2016
Award Contract	October 2016
First Vacated Blocks Become Available	October 2016

2.2 Estimated Contract Value, including the value of any uplift or extension period.

2.2.1 Costs are projected to be in the region of circa £3,750,000. Given the current market conditions and the dependency on the rate of buildings being decanted and available for demolition, it is considered appropriate to anticipate a potential up lift of 5% or £187,500 bringing the total to £3,937,500

2.3 Duration of the contract, including any options for extension.

2.3.1 The contract will be for 52 weeks with provision for a further 26 weeks, totalling 78 weeks

2.4 Recommended procurement procedure and reasons for the recommendation.

2.4.1 It is proposed to issue a Request for an Expression of Interest document on Contract Finder.

2.4.2 It is envisaged that a large number of companies will apply to this request, therefore it is proposed to reduce this long list to a short using a pre-qualification questionnaire (PQQ). This PQQ will ask questions on the companies' experience/ability to complete such works.

2.4.3 It is proposed to get to a short list containing a maximum of six companies to provide a tender for these works.

2.5 The contract delivery methodology and documentation to be adopted

2.5.1 The contract proposals will be on the National Federation of Demolition Contractor standard form. This form of contract has been used on a number of occasions by the Council to deliver demolition works.

2.6 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.

2.6.1 CC&D have delivered a number of similar demolition projects on the Gascoigne Estate. This has benefited the Council in terms of the development of robust tender and contract documentation.

- 2.6.2 Through the experience gained from the delivery of the demolition project CC&D feels that they can mitigate/lower risk to the Council in terms of programme, cost and quality.
- 2.6.3 The Council's in house team has worked in the past 10 years with numerous fully accredited demolition contractors and over this time "lessons learned" over demolition strategy and demolition programming have been gained. Indeed, the way the demolition programme can be altered to accommodate the decanting strategy being managed by Regeneration and Housing staff can be communicated openly between the LBBD team and appointed contractor. The contractor can be allowed to innovate the demolition programme to suit any revised dates as to when buildings / blocks become fully vacated. This has in the past saved the Council themselves money in terms of extension of time claims from the contractor.

2.7 Criteria against which the tenderers are to be selected and contract is to be awarded

- 2.7.1 The tendering exercise will be single stage.
- 2.7.2 Tenders will be issued on a 70%/30% cost/ quality matrix, with cost being assessed against the most economically advantageous tender. Quality will be based on a series of questions asked on the companies proposals to deliver the demolition works. Due to the fact that we will be advertising the demolition project nationally and in accordance with procurement guidelines we cannot specify any demolition accreditations (NFDC – National Federation of Demolition Contractors, NDO – National Demolition Organisation), we therefore recommend scoring on a 70%/30% basis rather than the 80%/20% tabled by corporate procurement). We will ensure that the quality weighting will include methods to assess environmental impact to the surrounding area and feel the only way we can achieve this will be to increase the quality weighting.
- 2.7.3 The tender itself will be evaluated on a qualitative / cost basis and awarded on the basis of Most Economically Advantageous Tender

2.8 How the procurement will address and implement the Council's Social Value policies.

- 2.8.1 Contractors will be expected to work with the Council's Employment and Skills section in order to meet their training commitments, for example apprentices, work placements and support through schools.
- 2.8.2 The Council will also look to contractors to develop local supply chains and promote opportunities for local business to sub-contract on projects where they demonstrate meeting the main contractors' selection criteria.
- 2.8.3 The Council has a statutory obligation to provide pupil places where demanded and additional pupil places and/or an education environment that is fit for purpose will be provided to comply with the Council's statutory obligations. Part of 'Building a Better Life For All' and contributes to all of the 'Every Child Matters' outcomes

3 Options Appraisal

- 3.1 Currently the Council is completing the demolition of blocks located on the Gascoigne Phase 1 development. These works are being completed by Squibb Group, discussions have taken place with this contractor in relation to possible negotiation for the demolition of phases 2a and 3a, but due to the cost involved this was discounted.

4 Waiver

- 4.1 Not applicable

5 Equalities and other Customer Impact

- 5.1 Tenderers will have their Equalities and Diversity processes and procedures examined as part of the tender process and will be expected to comply with all legislative and statutory requirements. Tenderers shall be obliged to comply with the Council's policies in relation to these matters.
- 5.2 The provision of school places is positive in respect of the Council's Policies and has a positive impact on the community as a whole. It enables the Council to meet the statutory obligation to provide a school place for every child, and facilitates the well being and safeguarding of children and young people.

6. Other Considerations and Implications

- 6.1 **Risk and Risk Management** - This project is being managed by the Council's Capital Delivery team and a risk register will be put in place and adopted by the appointed contractor. Lessons learnt from the demolition of the Phase 1a of the Gascoigne redevelopment will be considered and fed into the demolition of buildings on Phase 2a and 3a.
- 6.2 **TUPE, other staffing and trade union implications** - Not applicable
- 6.3 **Safeguarding Children** - Adoption of the recommendations in the short term would contribute to the Council's objectives to improve the wellbeing of children in the borough, reduce inequalities and ensure children's facilities are provided in an integrated manner, having regard to guidance issued under the Children Act 2006 in relation to the provision of services to children, parents, prospective parents and young people
- 6.4 **Health Issues** - The relationship between health and educational attainment is an integral part of our Health and Wellbeing Strategy. At this point there is no need to change the focus of the Health and Wellbeing Strategy as a result of this report.
- 6.5 **Crime and Disorder Issues** - Appropriate consideration of the development of individual projects will take into account the need to design out potential crime problems and to protect users of the building facilities.
- 6.6 **Property / Asset Issues** - These proposals will allow for the Greatfields school to be constructed therefore enhancing the Council's portfolio of school buildings to provide much needed new school places.

7. Consultation

- 7.1 Consultation for this tender exercise has taken place through circulation of this report to all relevant Members and officers. The proposals were endorsed by the Corporate Procurement Board on 4 July 2016.

8. Corporate Procurement

Implications completed by: Francis Parker – Senior Procurement Manager

- 8.1 The proposed procurement route is compliant with the Public Contracts Regulations 2015 and the Council's Contract Rules.
- 8.2 A two-stage restricted process is suitable for this procurement. The 70/30 Price/Quality split is likely to yield value for money and a sufficient level of quality.

9. Financial Implications

Implications completed by: Hamid Qureshi, Capital Programme Management Office, Central Finance

- 9.1 This report sets out proposals for the demolition of low, medium and high block to the existing Gascoigne estate to make way for the proposed Greatfields school and requests Cabinet to agree that the Council proceeds with the procurement of a contract for demolition works to enable the construction of the proposed Greatfields School in accordance with the Procurement strategy and timetable as set out in this report.
- 9.2 It is anticipated that the contractor's costs for the demolition will be £3,937,500 – which is inclusive of 5% uplift costs. There is sufficient funding in the budget to cover these costs part of which is being met through a grant from the Education Funding Agency.

10. Legal Implications

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor, Law & Governance

- 10.1 The proposed procurement being considered is the demolition of blocks of flats, in order to allow for the construction of the proposed new Greatfields School, estimated at approximately £3,937,500 (inclusive of a 5% uplift) and is therefore below the EU threshold for works contracts (currently set at £4,104,394). This means that there is no legal requirement to competitively tender the contract in the Official Journal of the European Union (OJEU). However the Council still has a legal obligation to comply with the relevant provisions of the Council's Contract Rules and with the EU Treaty principles of equal treatment of bidders, non-discrimination and transparency in conducting the procurement exercise.
- 10.2 Under rule 28.5 in the Council's Contract Rules, contracts above £50,000 should be subject to a competitive tendering process. This report advises that a competitive tendering process will be carried out using a two stage tender exercise which therefore appears to be in accordance with rule 28.5.

- 10.3 It is noted that this project received approval from Cabinet on 10 November 2015 (minute 63) 'subject to the EFA settling all allocations and agreeing a funding agreement'. The responsible directorate is advised to provide details as to whether this requirement has been fulfilled. If this requirement has been fulfilled then it is noted that Cabinet delegated authority to the Corporate Director of Children's Services to award the contract following consideration by the Procurement Board of the detailed procurement requirements. In compliance with this direction, the responsible directorate is bringing this report for the attention of the Procurement Board.
- 10.4 The report author and responsible directorate are advised to keep Legal fully informed at every stage of the proposed tender exercises. The Law and Governance team is on hand and available to assist and answer any questions that may arise

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None