

Cabinet Meeting on Wednesday 20 April 2022

Framework Agreement for Demolition Services



Cllr Mark Deaville, Cabinet Member for Commercial Matters said,

“Managing our property portfolio to maximise their use or to breathe new life into sites is a key priority for the county council.

Ensuring we have the rights contracts in place to demolish redundant buildings means we can turn around schemes as quickly as possible and get the best value for taxpayers’ money at the same time.”

Report Summary:

As part of its property management functions Staffordshire County Council (the “Council”) may be required to demolish existing buildings either for redevelopment of sites to provide better facilities for the Council or its partners, or to secure better value in the sale of surplus land assets.

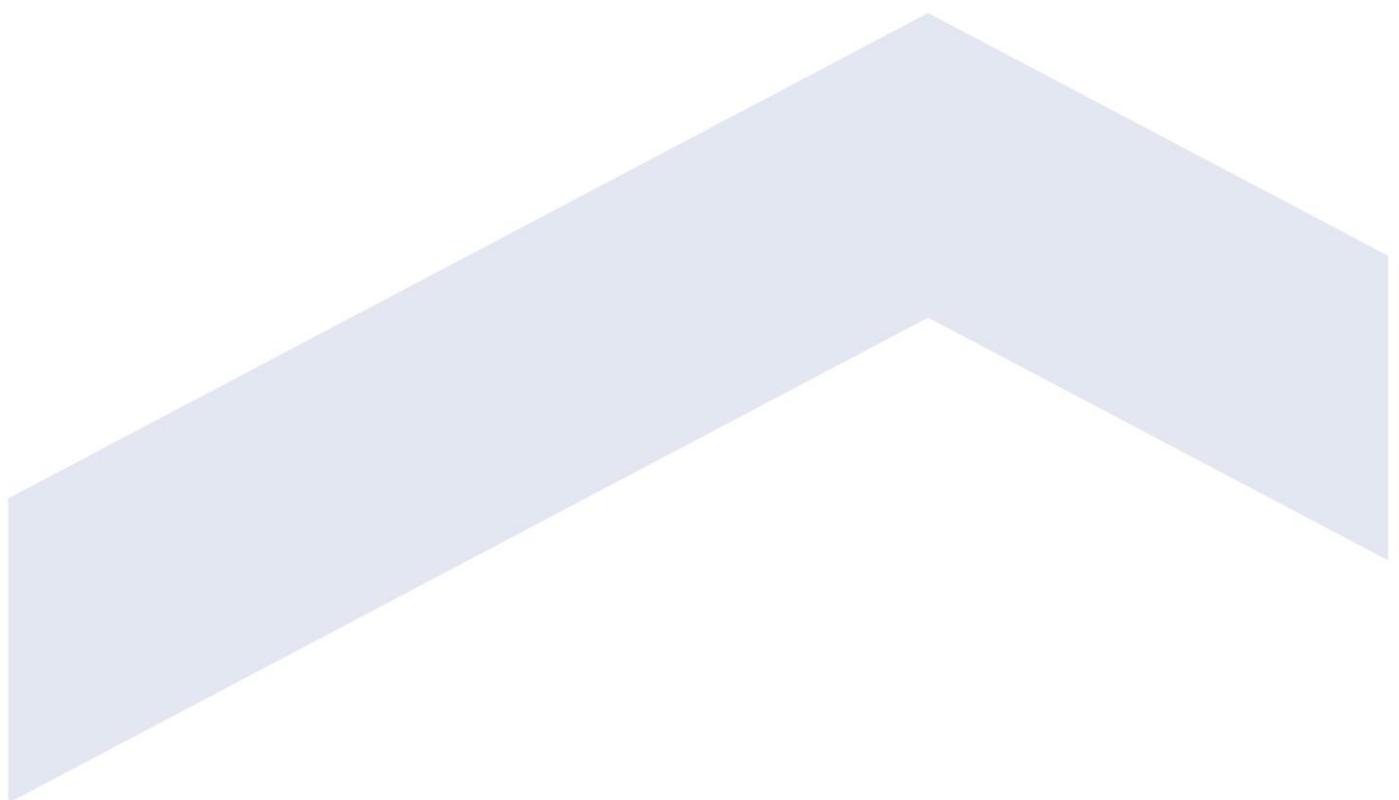
This report seeks authority to undertake a procurement exercise to procure a framework agreement for demolition services and to delegate authority to the Director for Corporate services to enter into the necessary arrangements once the procurement exercise is complete.

Recommendations

I recommend that Cabinet:

- a. Agrees to officers undertaking a procurement exercise in line with the Public Contract Regulations 2015 (the “Regulations”) for the Framework Agreement for the Provision of Demolition and Associated Services (the “Framework Agreement”).
- b. Approves that following the procurement process, the successful suppliers be appointed to the Framework Agreement for the period 1st July 2022 to 30th June 2024 and that dependent on the quality of their delivery, that the 24-month service extension be implemented to an end date of 30th June 2026; and

- c. Agrees that the Director for Corporate Services be delegated authority to:
- i. Approve the initial awards of the tendered providers to the Framework Agreement.
 - ii. Approve all subsequent award of call-off contracts under this Framework Agreement; and
 - iii. (If applicable) approve the 2-year extension to the Framework Agreement in its 2nd year.



Local Members Interest
N/A

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Recommendations of the Cabinet Member for Commercial Matters

I recommend that Cabinet:

- a. Agrees to officers undertaking a procurement exercise in line with the Public Contract Regulations 2015 (the “Regulations”) for the Framework Agreement for the Provision of Demolition and Associated Services (the “Framework Agreement”).
- b. Approves that following the procurement process, the successful suppliers be appointed to the framework agreement for the period 1st July 2022 to 30th June 2024 and that dependent on the quality of their delivery, that the 24-month service extension be implemented to an end date of 30th June 2026; and
- c. Agrees that the Director for Corporate Services be delegated authority to:
 - i. Approve the initial awards of the tendered providers to the Framework Agreement.
 - ii. Approve all subsequent award of call-off contracts under this Framework Agreement; and
 - iii. (If applicable) approve the 2-year extension to the Framework Agreement in its 2nd year.

Report of the Director for Corporate Services

Reasons for Recommendations:

1. The Council has a large property portfolio of varying age, condition and suitability. As the Council continues to innovate and develop its services in line with the strategic plan it needs to be able to manage its property assets effectively. Part of that management process occasionally requires the demolition of buildings to allow for the construction of new facilities for ourselves and partners. Also, demolition of buildings on land surplus to Council requirements can increase the value when the land is disposed of ensuring the most amount of money is obtained for reinvestment in priorities.

2. The annual spend on demolition can be highly variable but is estimated to be an average £1,000,000 per annum for Council directly.
3. The total procurement will be qualified for up to £5 million to consider flexibility in the Council's spend and to accommodate any potential additional spend of public sector partners.
4. Tenderers to the Framework Agreement will be asked to provide the Council with an agreed schedule of rates for Demolition and Associated Services for Council owned buildings, including Council offices, schools and Academy buildings along with other public bodies with property in the county
5. It is envisaged that 3 providers will be appointed to the Framework Agreement.
6. Other public framework agreements have been considered but following initial investigations the frameworks are not suitable for the Council's requirements. The option to publicly tender this not only serves as an opportunity for local providers to tender but also serves as a benchmark on value for money.
7. Without recourse to a framework agreement, officers would be required to invest more resource into spot tendering / quoting for individual work packages which would require a plethora of separately tendered projects per annum

Legal Implications

8. The potential value of spend for the services lends the procurement process to strictly follow the Regulations. The implications of any process failing to follow these Regulations could lead to serious legal challenges to the Council with the probable halt by a court on any contract award. A framework agreement will be developed in conjunction with Legal Services to allow for the relevant works to be called off, as and when required using the JCT Minor Works Contract with contractor's design as amended by a schedule of amendments. There are no other Legal implications noted at this stage.

Resource and Value for Money Implications

9. The Framework Agreement will be commissioned by the Council, led by a strategic property lead, and procured by the Council's commercial team. The ongoing technical day-to-day contract management is delivered in conjunction and managed by the Council's property technical services provider. There are no resource implications known at the time

of writing this report. The failure to conduct a competitive tender process will inevitably lead to a disaggregation of spend with each project being contracted separately when it arises leading to increase in prices, inefficiencies in the contracting process and a sharp increase in procurement and commissioning effort and therefore this is considered the best way to achieve best value.

Climate Change Implications

10. Demolition of buildings only takes place where careful consideration of the specific circumstances has been undertaken. It is predominantly undertaken as part of a wider project providing new facilities or services or part of the capital receipts programme.
11. Where demolition is essential the contractors will be required to follow the necessary statutory regulations regarding safety and waste transportation and disposal.
12. The Framework Agreement and call-off contracts will emphasise the need to recycle and re-use waste products where appropriate and require environmental plans and licenses to ensure correct management and disposal of waste.

List of Background Documents/Appendices:

Community Impact Assessment – Summary Document

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