



Report of: Head of Property and Fleet

Report to: Chief Officer, Civic Enterprise Leeds

Date: 9th June 2015

Subject: Extension of the 'Building Demolition Framework Contract' for 12 months from 15th December 2015

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. This contract is a framework arrangement for the supply of Demolition Services to Property Maintenance section who are the direct labour organisation providing a demolition service to all Leeds City Council departments.
2. The service was commissioned two years ago by Property Maintenance following a competitive tendering exercise to form a framework contract for the provision of demolition services. The contract was awarded to four contractors who are:
 - Demolition Service Limited
 - A Buckler Haulage
 - F Hardwick Limited
 - Gill Demolition Limited
3. The framework contract makes provision for the contractors to complete a mini-tender for each demolition scheme that is issued through the contract.
4. The current contract is for two years plus one 12 month extension and commenced on 16th December 2013.
5. The estimated value of this extension is £1 m.

6. Property Maintenance expressed satisfaction with the current contract which provides continuing evidence of 'value for money' through the 'mini-tendering exercise' element of the contract.

Recommendations

The Chief Officer, Civic Enterprise Leeds is recommended to extend the contract with the afore mentioned contractors for one year from 15th December 2015.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to extend this contract for a further twelve months from the 15th December 2015 in accordance with the terms of the existing contract.

2 Background information

- 2.1 Due to an upturn in demand for demolition services, Property Maintenance took the decision to secure further resources for this service through a procurement exercise.
- 2.2 It was decided that the procurement exercise would be carried out to develop a framework contract consisting of four contractors who would each be asked to carry out a mini - tender for the demolition schemes that needed their services.
- 2.3 The procurement exercise was conducted utilising the restricted procedure which entails using a PQQ to determine whether organisations have the technical and commercial ability to service the contract.
- 2.4 The scheme was advertised on the 18th July 2013 on LCC's electronic tendering system and received fifty applicants.
- 2.5 Twenty organisations were short-listed to tender through the PQQ evaluation that was undertaken by officers from Property Maintenance and the Procurement Unit.
- 2.6 The short-listed organisation where asked within the tender to submit a pricing schedule and quality submission questionnaire that were then evaluated by officers from Property Maintenance and the Procurement Unit.
- 2.7 All bids were evaluated on the basis of price/quality model, with the quality element weighted at 60% and financial element at 40%.
- 2.8 Inline with the tender documents issued and the evaluations undertaken the twenty organisation were reduce to four companies with the best overall score from the evaluation. These four companies were awarded a place on the framework contract for the supply of demolition services. The companies awarded the contract are as follows:
- Demolition Service Limited
 - A Buckler Haulage

- F Hardwick Limited
- Gill Demolition Limited

3 Main issues

- 3.1 The contract has operated successfully for nearly two years and is used to supplement existing resources. Since the contract has been in place, workloads within this area have increased and the contact has become increasingly valuable in providing the extra services that our clients have asked for.
- 3.2 The contract is continuously monitored by Property Maintenance and other LCC clients departments and throughout the two years it has been operating, there have not been any issues with service performance which includes costs.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The decision to extend the contract has been discussed with the Procurement Unit and Housing Leeds.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no issues concerning equality and diversity with the extension of the Demolition Services contract as the service is for demolition buildings that are no longer in use and are lying empty.

4.3 Council policies and City Priorities

- 4.3.1 The services provided under this report will contribute to the 'Best city ... to live' City Priority Plan.

4.4 Resources and value for money

- 4.4.1 This framework contract is used only when there is requirement for a demolition service and each demolition scheme, serviced by this contract, is tested for value for money through its 'mini-tender process' that is undertaken for each scheme by the contractors that are named on this framework contract. The contract is monitored monthly by Property Maintenance and throughout the last two years has provided value for money and a quality service.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Contract Procedure Rule 21.1, allows the contract to be extended before it's expiry date where it is in accordance with its terms and proves to deliver best value for money.
- 4.5.2 As the yearly spends on this contract is above the threshold for a major decision (£250k) the decision will be subject to call in.

4.6 Risk Management

4.6.1 There are no particular risks in extending this contract.

5 Conclusions

5.1 Given that the contract is performing well with no current performance issues and can be shown to be financially competitive, it would not represent value for money to re-tender the contract at this stage.

6 Recommendations

6.1 The Chief Officer, Civic Enterprise Leeds is recommending to extend the contract with the present suppliers for one year from 15th December 2015, in accordance with Contract procedure Rule 21.1.

7 Background documents¹

7.1 DDN and Contract Award Report from November 2013.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.