



Report of: Head of Property Maintenance

Report to: Chief Officer, Civic Enterprise Leeds

Date: 19th November 2013

SUBJECT: Award of the Demolition Services Contract from December 2013

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: 10.4 (3)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Appendix 1 to this report has been amended to exempt details under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial affairs of the authority which, if disclosed to the public would, or would be likely to prejudice the commercial interests of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.

Summary of main issues

- 1 Property Maintenance's Demolition Section is Leeds City Council's (LCC's) 'In-house Service Provider (ISP) for demolition type services. The Demolition Unit provided this service to other LCC departments such as Corporate Property Management who look after all LCC's public buildings, Children's Services who manage school buildings and Environment and Neighbourhoods who manage Leeds City Council housing stock.
- 2 In providing the Demolition services, Property Maintenance Demolition Section contract out an element of this work to demolition contractors who are listed on an existing framework contract. The present contract is due for renewing in December 2013 and this procurement exercise is to replace the existing contract.
- 3 The contract is intended to run for three years, with a possible extension for a further year. The annual value of the contract is estimated to be £1 million per annum.

- 4 This report seeks approval from the Chief Officer Civic Enterprise Leeds to award this framework contract to the nominated contractors as detailed in this report.
- 5 The decision to award is a Key Decision and therefore shall go for call in.

Recommendations

- 6 Chief Officer Civic Enterprise Leeds is recommended to approve the award of this framework contract for Asbestos Removals to LCC Buildings from December 2013 to the nominated contractors named in this report.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a framework contract for demolition removal services to LCC Buildings to the nominated contractors detailed in this report.
- 1.2 The contract will commence on December 2013, and has a term of three years with an option to extend for a further year.
- 1.3 The annual contract value is in the region of £1 million, therefore the contract award represents a Key Decision under the Council's constitution.
- 1.4 The successful tenderers have submitted bids which have scored the highest on the basis of the tender evaluation criteria based on a combination of price and quality as set out in the tender documents.

2 Background information

- 2.1 Property Maintenance's Demolition Section is Leeds City Council's 'In-house Service Provider (ISP) for demolition type services. This service is provided to other LCC departments such as Corporate Property Management who look after all LCC's public buildings, Children Services who provide advice and support to schools and to Neighbourhood and Housing who manage LCC's housing stock.
- 2.2 In providing the demolition type services, Property Maintenance contract out an element of the work to demolition contractors who are listed on an existing framework contract. The present contract is due for renewing in December 2013 and this procurement exercise is to replace the existing contract.
- 2.3 The tender process commenced in May 2013, with the establishment of a project team. The project team comprised of four representatives from Property Maintenance and the Central Procurement Unit.
- 2.4 The tender process was undertaken in the format of a 'restricted' tendering procedure (PQQ then tender stage) and was advertised in EU journal in accordance with the relevant EU legislation and also on the Council's Electronic Tendering System, YORtender.
- 2.5 The utilising of the restricted procedure entailed the issue of a pre-qualification questionnaire (PQQ) which was designed to determine whether contractors had the relevant technical knowledge, competency and the appropriate experience of undertaking demolition schemes of local authorities which included a 24/7, 52 weeks a year service.
- 2.6 The PQQ process would identify the ten most suitable contractors that would be short listed to the next stage, consisting of a tender involving the submission of a quality questionnaire and a pricing schedule. It was anticipated that the resulting tender evaluation of the submissions would identify the four highest scoring contractors who would be then placed on a framework contract.

- 2.7 The contract has been developed as a framework that will have provision for mini-tender to take place between the four successful contractors. The work/scheme will then be issued to the contractor with the highest score resulting from the quality score gained from the original tender and the pricing score from the mini-tender. If the capacity of the most competitive contractor is not sufficient then the second most competitive contractor will be engaged and this process will be applied down to the fourth contractor.

3 Main issues

- 3.1 On the 18th July 2013 the Pre-Qualification Questionnaire (PQQ) was published on the Council's tendering website YORtender and an EU advert was published in the European Journal to commence the engagement stage of the restricted procedure tender exercise.
- 3.2 Following the closing date on the 14th August 2013 for the receipt of completed pre-qualification questionnaires a total of twenty submissions were received.
- 3.3 The project team evaluated the technical section of each PQQ submission and the Procurement Unit carried out vetting and eligibility checks.

The list as follows shows the contractors who applied:-

- A Buckley Haulage Ltd
- Bagnall UK
- Coleman & Company Ltd
- Demolition Services Ltd
- DSM Demolition Ltd
- DSR Demolition Ltd
- Euro Dismantling Services
- F Hardwick Ltd
- G O'Brien & Sons (NDC) Ltd
- GBM Demolition
- Gill Demolition Ltd
- Hague Plant
- Hughes & Salvidge Ltd
- Hutchinson Demolition & Dismantling Ltd

- Libra Demolition Ltd
- Masterton Ltd
- Safederm Ltd
- SME Ltd
- Total Reclaims Ltd
- Walter Forehaw Ltd

3.4 As per the terms of the PQQ, those contractors who achieve 70% and over on the technical questions were invited forward to the tender stage of the procurement process. Following the PQQ evaluation six contractors were successful and are detailed as follows:-

- A Buckley Haulage Ltd
- Demolition Services Ltd
- DSR Demolition Ltd
- F Hardwick Ltd
- Gill Demolition Ltd
- Total Reclaim s Demolition Ltd

3.5 The tender documents were published via YORtender on the 23rd October 2013 and four of six contractors submitted tenders by the tender deadline of 6th November 2013. The four contractors who took part in the tender are:-

- A Buckley Haulage Ltd
- Demolition Services Ltd
- F Hardwick Ltd
- Gill Demolition Ltd

3.6 The tender document consisted of a method statement (quality submission) and pricing schedule and stated that the submissions would be evaluated based with a price/quality split of 40% price and 60% quality.

3.7 The project team were issued with the method statements submitted by each bidder in support of their proposals to undertake the services. They were also issued with the evaluation model to be utilised in respect of the review of the method statements.

- 3.8 The evaluation model informed the contractors that they must achieve a minimum score of 60% across the whole of the Qualitative criteria (Appendix II) and any tenderer scoring less would be excluded from this tender exercise.
- 3.9 The bids were then assessed by the individual members of the project team
- 3.10 The results of the quality evaluation are attached as Appendix 1.
- 3.11 The outcome of the quality evaluations showed that all four contractors met the quality criteria and was successful with their bids.
- 3.12 In line with the bid documents issued and the evaluation undertaken it is recommended to award this contract to the following four organisations.
1. Demolition Services Ltd
 2. Gill Demolition Ltd
 3. F Hardwick Ltd
 4. A Buckley Haulage Ltd

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 It is not considered that the content of this report or the recommendations made will have a significant impact on any particular ward or community and as such no consultations have taken place.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 It is not considered that the content of this report or the recommendations made will have any impact on any specific individuals or groups in terms of equality, diversity, cohesion and integration. The contract for the demolition type services will ensure that resources with the relevant technical knowledge, competency, and experience for Property Maintenance to continue to provide a demolition service for Leeds City Council and therefore will deliver benefits to all.

4.3 Council policies and City Priorities

- 4.3.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such the contract for the for the Demolition Services Contract was procured in line with Leeds City Council's Corporate Procurement Unit's policies and procedures.

- 4.3.2 The proposals within this report will contribute to the continued delivery of an effective demolition type service for Leeds City Council.

4.4 Resources and value for money

- 4.4.1 This procurement exercise has been designed to not only test the market for contractors with the relevant technical knowledge, competency, experience who can provide a 24/7, 52 week a year demolition type services to the standards set by Leeds City Council but also to bench mark and market test value for money for the provision of this service.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This tender opportunity was advertised on the council's SCMS system and The European Journal for European Union as required by the European Regulations.

- 4.5.2 Appendix 1 to this report has been amended to exempt details under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial affairs of the authority which, if disclosed to the public would, or would be likely to prejudice the commercial interests of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.

4.6 Risk Management

- 4.6.1 The tendering risks have been carried out via the usual contracting process by the Corporate Procurement Unit. The contract risks will be monitored once the contract is up and running.

5 Conclusions

- 5.1 Property Maintenance in providing a demolition service type function contract out an element of this work to demolition contractors. The present contract is due for renewing in December 2013 and a procurement exercise has been undertaken to replace the existing contract.
- 5.2 The tendering process has been completed for the provision of a new framework contract for demolition type services and four contractors have been deemed to be suitable to provide this service following the quality evaluation which is detailed in this report.

6 Recommendations

- 6.1 It is recommended that the four contractors detailed in this report should be awarded the contract for demolition services, commencing within December 2013.

7 Background documents¹

- 7.1 Appendix I – Tender Evaluation Results
- 7.2 Appendix II – Quality Criteria

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.