

Proposed Appointment of Demolition Contractor, The Highways.

Date: 30 March 2023

Report of: Asset Management and Regeneration

Report to: The Chief Officer Housing

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Appendix 1 Exempt/Confidential under Access to Information Procedure Rules 10.4(3).

Brief summary

Executive Board at meetings in July 2019 and July 2021, declared the Highways residential tower blocks and the adjacent maisonettes respectively surplus to requirements and, authorised that the buildings should be demolished, and the cleared site redeveloped for new Council housing. In October 2022, the Director of Communities, Housing, and the Environment authorised that the procurement of the contractor to undertake the proposed demolition of the buildings should be via a mini competition using Lot 6, High Rise Demolition Works of the Efficiency North Asbestos and Demolition Framework.

This report seeks approval to appoint Connell Brothers Ltd as the contractor for the demolition of the Highways tower blocks, adjacent maisonettes and associated outbuildings for the tendered sum as presented in Appendix 1 of the report, which has been identified as Exempt/Confidential under Access to Information Procedure Rules 10.4(3).

Recommendation

- a) The Chief Officer Housing is requested to approve the appointment of Connell Brothers Ltd as the contractor for the demolition of the Highways residential tower blocks, adjacent maisonettes and associated outbuildings for the tendered sum detailed in Appendix 1 of the report.

What is this report about?

- 1 The City Council's Executive Board at meetings in July 2019 and July 2021, agreed to declare the 2no. Highways residential tower blocks and adjacent maisonette building surplus to requirements respectively, that they should be demolished and, that the cleared site be redeveloped for new Council housing.
- 2 In October 2022, the Director of Communities, Housing, and the Environment authorised that the procurement of a contractor to undertake the proposed demolition of the buildings should be via a mini

competition using Lot 6, High Rise Demolition Works on the Efficiency North Asbestos and Demolition Framework.

- 3 Tender documents were issued to the 6no. contractors in Lot 6 of the Efficiency North Asbestos and Demolition Framework on 12 December 2022, with a tender return date of 12 noon on Friday 3 February 2023. During the tender period, arrangements were made for each contractor to visit the site and access those buildings that were vacant. Mid tender clarification meetings were also held following which a schedule of questions/queries raised, and responses provided were issued to all bidders. Bidders were advised that tenders submitted would be evaluated on a quality/price separated basis and, that the contract would be awarded to the tenderer who meets the minimum quality thresholds and submits the lowest price compliant tender. As part of the tender only those organisations who achieved the minimum quality threshold in the opinion of the tender evaluation panel would be considered for contract award, with submissions meeting the minimum threshold then evaluated on price only.
- 4 At tender submission date 5no. tenders were received. The Chief Officer Housing should note that upon receipt of the tender submissions it became apparent that bidders had differing interpretations as to the information to be submitted as part of the price submission, such that it was not possible to evaluate the price submissions in a 'like for like' comparable manner. Bidders were, therefore, requested to resubmit their price submission by 12 noon on 27 February 2023. It was emphasised to the bidders that their price resubmission would have no impact on their quality submission which would be evaluated against the criteria published in the tender documentation. All 5no. bidders resubmitted their price submission by 12 noon on 27 February 2023 in accordance with the instructions provided.
- 5 The evaluation panel considering the quality submissions comprised three officers from Housing and an officer from City Development. At completion of the quality evaluation of the tender submissions, 2no. bidders scored below the required minimum quality threshold in respect of their method statement questions and were, therefore, eliminated from the tender process and not considered for contract award. The 3no. bidders exceeding the minimum quality threshold were evaluated on price only, with the price assessment being undertaken by a quantity surveyor from NPS Leeds, supported by officers from the Commercial QS Team in Strategy and Investment in Communities, Housing and Environment.
- 6 On the basis of the quality/price separated evaluation undertaken, it is proposed to award the contract for the proposed demolition works at the Highways site to Connell Brothers Ltd for the tendered sum detailed in Appendix 1 of the report which provides a summary of the tender evaluation process, the content of which is Exempt/Confidential under Access to information Procedure Rules 10.4(3).

What impact will this proposal have?

- 7 The proposed demolition of the Highways tower blocks, adjacent maisonettes and associated outbuildings will potentially result in disruption and disturbance to adjacent residents and businesses, as the demolition work is expected to take around 12 months to complete. Council Officers working with the preferred demolition contractor will develop a stakeholder engagement plan setting out how in advance of the works starting on site, residents/businesses will be advised as to the nature of the works and how they will be kept advised as to progress of the works activities on site.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 8 The proposed demolition works will support Inclusive Growth through the provision of direct and indirect employment and training opportunities.
- 9 During the demolition works on site the contractor will be required to minimise and report total carbon dioxide emissions from the demolition process. The contractor will develop both an Environmental Plan and a Waste Management Plan and, upon completion of the works the actual waste totals and amount

recycled/reused will be recorded and reviewed with the aim of identifying areas of improvement in future projects.

What consultation and engagement has taken place?

Wards affected: Killingbeck and Seacroft

Have ward members been consulted? Yes No

- 10 The Executive Member for Environment and Housing has been consulted and is supportive of the recommendation contained in the report.
- 11 The Council's Procurement and Commercial Services Team has been consulted on the content and recommendation contained in the report.

What are the resource implications?

- 12 The tendered sum for the proposed demolition works is detailed in Appendix 1 of the report which is Confidential/Exempt under Access to Information Procedure Rules 10.4(3).
- 13 The fee payable to Connell Brothers Ltd for the demolition works will be funded from existing Capital Scheme No. 32034/CH3.
- 14 The Chief Officer Housing should note that Authority to Spend for the proposed demolition works has previously been authorised.

What are the key risks and how are they being managed?

- 15 There is a risk that additional project costs may arise post contract award arising from residual survey work that remain to be undertaken. This risk cannot be completely mitigated. NPS Leeds supported by specialist consultants will monitor and challenge any proposed variations to minimise potential cost and programme implications. It is, however, considered prudent to hold a level of client project contingency commensurate with the risks that may only become apparent once works start on site.
- 16 The very nature of demolition work presents a wide range of risks to the contractor which remain under their direct control. As such, the hazards and related risks ranging from potential asbestos risk and working at high level, to contact with unknown buried services and premature collapse of structures are identified and related control measures implemented to eliminate or mitigate such risks. All the risks will be prioritised and along with proposed mitigation/control measures will be detailed in the contractor's risk register which is shared with the client and all personnel working on the site.

What are the legal implications?

- 17 The proposal contained in the report constitutes a Significant Operational Decision as a direct result of a key decision ref D55690 taken on 18.10.22 and is therefore not subject to Call In.
- 18 The information in Appendix 1 of this report relates to the financial or business affairs of a particular company and of the Council. This information is not publicly available from the statutory registers of information kept in relation to certain companies and it relates to a tendered fee proposal submitted to the Council as part of a competitive tender process. In line with Access to Information Procedure Rules 10.4(3), it is considered that the public interest in disclosing the information contained in Appendix 1 as Exempt/Confidential outweighs the public interest in disclosing the information contained in the Appendix, as disclosure would prejudice the financial/business affairs on an individual company.

Options, timescales and measuring success

What other options were considered?

- 19 No other option has been considered.

20 The procurement approach that has been pursued for the appointment of a contractor to undertake the proposed demolition works i.e., a single stage competitive tender is in accordance with the strategy approved by the Director of Communities, Housing and Environment in October 2022. The evaluation of the tender submissions has been undertaken in accordance with the evaluation criteria published in the tender documentation namely, on a quality/price separated basis. Having regard to the quality/price evaluation undertaken, it is proposed to award the contract for the proposed demolition of the Highways tower blocks, adjacent maisonettes, and associated outbuildings to Connell Brothers Ltd who submitted the lowest compliant tender for the proposed works.

How will success be measured?

21 Success will be measured by the safe demolition of the buildings within the approved budget and the timescale detailed in paragraph 22 below, sufficient that the development of new Council housing on the cleared site can commence.

What is the timetable and who will be responsible for implementation?

22 The indicative high level strategic development programme is as follows:

- Approval to award contract to preferred contractor; 31 March 2023
- Appointment of preferred contractor; 21 April 2023
- Start on Site; 5 June 2023
- Completion of Works; End July 2024

24 The Chief Officer Housing will be responsible for the implementation of the recommendation in the report

Appendices

- Appendix 1, Exempt/Confidential under Access to Information Procedure Rules 10.4(3)

Background papers [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk/council-and-democracy)