

INVITATION TO TENDER - DEMOLITION OF HRA PROPERTIES AT WATERSIDE PEARTREE BRIDGE (CU2351)

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Executive Summary:

This report is seeking approval to commence the tender process for a contractor to carry out the demolition of properties, together with associated remedial works, in the Clearance Area designated at Waterside, Peartree Bridge, Milton Keynes.

The contract will be tendered in accordance with the Council's Contract Procedure Rules and Financial Regulations. Tenders will be invited using the Council's E-Tendering system.

1 Recommendation(s)

- 1.1 That the commencement of tender processes for the procurement of a contractor to undertake demolition and associated works for the Clearance Area at Peartree Bridge, Milton Keynes be approved.

2 Background

- 2.1 The Council's Constitution further requires that all contracts in excess of £100,000 are sealed as deeds with the legal department agreeing contract terms with the client department and making the arrangements for sending out final Terms & Conditions to Contractors and sealing and storage of the final contract in the deeds room.
- 2.2 This report requests approval to obtain tenders for the provision of a contract to undertake the demolition of properties and associated works in the Clearance Area declared for Peartree Bridge, Milton Keynes. The funding for the requirement will be met from the revenue budget allocated within 2013/2014 years. Contract value is not expected to exceed £200,000 but is dependent on the results of outcome of the design of remedial work, which cannot be determined until full access has been gained to the site.
- 2.3 The future use of the site will be subject to further appraisal.
- 2.4 Specification
- 2.4.1 The procurement will enable the council to comply with its statutory duty to demolish the unsafe buildings within the designated Clearance Area.

2.4.2 The Specification can be summarised as:

- Demolition of the properties within the designated Clearance Area at Peartree Bridge
- Removal and safe disposal of all waste material arising
- Essential works to adjacent properties at No 7 Waterside
- Making good the site

2.5 Evaluation Criteria & Panel

2.5.1 The MEAT evaluation of tenders will be 70% price to 30% quality. The demolition and site clearance elements of the specification will need to be carefully planned to minimise disruption within this residential neighbourhood. There will also be a need to ensure that the remedial work to the neighbouring property, No7, is carried out to a satisfactory standard.

2.5.2 The quality evaluation criteria will also have sub criteria that reflect the relative importance of environmental considerations and ensuring that the health & safety of neighbouring residents is considered

2.5.3 Tenders submitted will be evaluated by a panel comprising of technical officers within Building Services. Colleagues within Finance and Legal and Corporate Procurement will be engaged to support the tender process.

2.6 Contract Terms and Conditions

2.6.1 Tenders will be sought for a contract commencing as soon as possible after the contract award, which is expected to be in June 2013 and with a view to completion by the end of October 2013.

2.6.2 The contract will not provide for an extension.

2.6.3 The NEC3 Engineering and Construction Short Contract terms will be used.

2.6.4 The Council's Senior Client Officer for the procurement is Partnering Manager and for the management of the contract is Building Services Head of Major Works.

2.7 Project Management Project governance will be through the MKC approach to contract management. Initially there will be weekly meetings

2.7.1 The Council's Project Manager for the procurement is Building Services Senior Project Manager.

3 Alternative Options

3.1 The following options appraisal has been conducted:

3.1.1 Do Nothing. This is not an option because the Council has a duty to remove the unsafe structures after declaration of the Clearance Area

3.1.2 Open (single stage) tender will enable the earliest award of a contract. This is the preferred option.

3.1.3 Use of MKC Framework. There are no MKC Framework arrangements that cover this type of work.

4 Implications

4.1 Policy

The award of this contract will progress the following priorities/outcomes:

4.1.1 Within the Corporate Plan 2012-16:

“Occupy fit for purpose housing that meets individual needs.”

4.1.2 As part of the Housing Asset Management Strategy 2013-18, it seeks to ensure council homes meet the criteria of being structurally sound, safe and warm.

4.2 Resources and Risk

4.2.1 Funding. The sum of £255,000 has been ear-marked within Housing funds, split as follows: £185,000 within the HRA and £70,000 within Housing General Fund.

4.2.2 Risk. There are still a number of unknowns regarding the extent of the remedial work required to the neighbouring property at No7 Waterside, the scope of which requires intrusive investigation inside the adjacent property, No5. The current owner of No5 has not granted access to carry out this investigation. In the worst case, it may not be possible to undertake such investigations until the purchase of No5 by the Council has been completed. The expected date for the finalisation of this acquisition is no later than May 2013.

4.2.3 The Risk Assessment for this contract is available if requested or directly via Members access to GRACE. In summary:

- The key OPPORTUNITY secured by this contract is the removal of an unsafe structure. It is assessed that the delivery of this contract provides a HIGH likelihood that will secure the opportunity defined providing MKC with a MEDIUM positive Impact.
- The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Work is delayed due to unforeseen circumstances	L	Ensure sound project planning that can mitigate risks
Health & Safety risk to local residents	L	Ensure appointment of a competent demolition contractor
Costs exceed forecast	M	Ensure robust planning based on thorough investigation and design
Specific risk to No7 Waterside: poor quality remedial works	M	Ensure sound design to works required and close supervision by consulting engineer and project manager Ensure that a competent contractor is employed

The governance measures set out in 2.7 above provide a basis to conclude that these threats, properly managed, represent a LOW Likelihood with a MEDIUM Impact.

Resources & Risk Implications

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management. The impact on carbon and energy management will be minimal

4.4 Legal

The requirement for this tender will meet the Council's statutory obligations to enact the clearance area under s289 of the housing Act 1985.

Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: None