

Scotland Excel Executive Sub Committee

To: Executive Sub Committee

On: 02 October 2015

Report by Director

Tender: Demolition Services

Schedule: 07/14

Period: 1 October 2015 to 30 September 2017, with an option to extend for up to 24 months to 30 September 2019

1. Introduction and Background

This recommendation is for the award of a demolition services framework. This framework is the first national collaborative arrangement for demolition services and is an addition to the growing portfolio of construction related service frameworks.

Councils have an ongoing programmed requirement to demolish both domestic and commercial buildings. This framework provides councils with the mechanism to procure demolition services without a repeated need to approach the open market for each programmed demolition. While councils will be able to award work directly from this framework, due to the often bespoke nature of each demolition project, it is expected that the majority of demolition works will be awarded via mini competitions. The framework scope also includes emergency demolition requirements.

To meet the varying contracting methods and experiences of councils, Scotland Excel has developed this framework to incorporate two sets of standard industry terms and conditions to award demolition work. The NEC3 Engineering and Construction Short Contract and SBCC Minor Works Building Contract are both available to participating councils under this framework

2. Scope, Participation and Spend

During strategy development it was agreed with council representatives that the framework would be split into three lots:

Table 1: Lotting Structure

Lot No.	Description	Percentage Value
1	Demolition Works up to £50,000	80%
2	Demolition Works £50,000 and over	
3	Emergency Demolition	20%

The lotting structure was agreed to align with the various specialisms within the supply base, as well encourage, in particular, the participation of small demolition suppliers.

Due to the unique nature of each demolition job, lots 1 and 2 requested suppliers to submit pricing for a suite of different building type demolitions. While the emergency demolition lot sought a range of labour and equipment hire rates and required attendance on site within 3 hours of the emergency call out.

As detailed in Appendix 1, 30 councils have confirmed their intention to participate on this framework, with the remaining two councils having their own contractual arrangements in place. All member councils however are listed in the EU contract notice as potential participants so that they may access the framework in the future if required.

Based on indicative council spend projections (refer Appendix 1), together with an allowance for emergency demolition work, potential associate member spend, as well as additional contingency, the framework was advertised at £16 million per annum across all three lots.

3. Procurement Process

A User Intelligence Group (UIG) consisting of procurement and technical representatives from the participating councils was established to develop the procurement strategy that was designed to best meet overall user requirements.

To ensure that the contract is awarded to the most capable tenderers, the UIG agreed that the open procedure for tendering should be used. It was also agreed that a two stage procedure would be used, stage one addressing qualification criteria and stage two addressing award criteria. Stage one assessed tenderers business probity, financial standing, insurances, compliance to terms and conditions and quality management, environmental and health and safety systems.

At the second stage of the process, the offers were evaluated against the following criteria and weightings:

- Commercial 70%
- Technical 30%

For lots 1 and 2, tenderers were invited to submit a single price for all tendered councils for each demolition (i.e. crush and skip only) scenario. For lot 3, tenderers were required to submit pricing (day work and plant hire rates) for each council tendered.

In preparation of the procurement strategy, Scotland Excel consulted with Police Scotland and as a result of these discussions, Scotland Excel included a declaration document requiring tenderers to certify their 'non involvement in serious and organised crime'. This inclusion allows for the legal removal of any supplier from the framework that are found to be in breach of the declaration.

Scotland Excel also consulted with the supply base to gain their insight on a range of essential elements. These market consultations were advertised to the market through publication of a Prior Information Notice (PIN).

The PIN and the framework were advertised in the Public Contracts Scotland Portal as well as the Official Journal of the European Union.

4. Report on Offers Received

A total of 49 organisations accessed the tender documents, with 30 submitting an offer before the closing date and time.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the 30 offers received was conducted and details of the overall scores per lot are set out in Appendix 3.

5. Recommendations

Under EU procurement legislation a framework arrangement can be concluded with a single supplier. If the agreement is concluded with several suppliers, the minimum number of suppliers must be three (provided there is sufficient numbers of suppliers satisfying the selection criteria and tenders meeting the award criteria).

Based on the evaluations carried out in line with the criteria and weightings set out above, it is recommended that the framework be awarded to a total of 22 suppliers across the three lots as detailed in Appendix 3.

The range of suppliers recommended will meet the varied operational and geographical requirements of participating councils and provides an appropriate degree of choice with regards to maximising operational efficiency and best commercial value. It is encouraging to note that all councils will be afforded service coverage and that 21 of the 22 recommended suppliers are classified SME (refer Appendix 2).

6. Benefits

Savings

Due to the bespoke nature of each demolition job, a benchmarking exercise was not undertaken for lots 1 and 2. The level of competition that will exist within the framework should ensure that mini competitions continue to produce best value outcomes.

For lot 3, emergency demolition, tenderers were required to provide rates as a percentage variation from the National Federation of Demolition Contractors (NFDC) Daywork Charges. The tendered rates of the recommended suppliers for lot 3 have been benchmarked against the NFDC rates and confirm that the overall tendered rates are, on average, circa 20% below the NFDC rates.

This framework also offers significant price stability. The rates submitted for lot 3 have been fixed by eight of the recommended suppliers for 24 months, while one recommended supplier has fixed their rates for 18 months, with the remaining supplier fixing their rates for 12 months. Any requests for price increases beyond these fixed periods will be considered in accordance with the defined Scotland Excel process and evaluated against a range of applicable market indices.

Process savings will certainly be realised under this framework. Currently most councils need to conduct substantive procurement processes for each of their demolition requirements. This framework will now allow direct awards for works under council standing order thresholds and for lot 3 emergency demolition work, as well as issue of mini competitions under the framework terms.

Sustainable Procurement Benefits

The majority of the recommended suppliers are ISO14001 Environmental Management accredited or equivalent meaning they are actively working towards reducing process cost, emissions and waste.

Environmental Initiatives

Environmental initiatives were scored as part of the evaluation and a range of proposals were received.

Tenderers were asked to detail how they will recycle construction waste and what other initiatives their organisations would implement to reduce the impact of their services to the environment. The recommended suppliers recycle up to 90% of materials removed from demolition sites. As well as this, the recommended suppliers offered a range of additional environmental initiatives including:

- lowering their vehicle and plant emissions by using Euro 5 and 6 emission standard vehicles;
- reducing their carbon footprint through , for example, local sourcing of required plant and equipment, the use of biodegradable oils and the use of hybrid vehicles;
- minimising air pollution by promoting vehicle sharing, encouraging fuel efficient driving and maintaining vehicles and plant on a regular basis; and
- educating staff to become more environmentally responsible.

Community Benefits

As the majority of spend on this framework will result from mini competitions conducted by councils under lots 1 and 2, it was clear to Scotland Excel that community benefits would be maximised if councils sought community benefit commitments as part of each mini competition therefore this was agreed at the procurement strategy development phase. This methodology was detailed in the tender documentation and as a non scored element, assurances were sought from suppliers on their commitment to delivering community benefits through this

framework. All recommended suppliers have confirmed they will be willing to offer community benefits as part of any mini competition conducted under this framework. Councils will determine the level of community benefits at the time of each mini competition. Scotland Excel will monitor and report on the delivery of community benefits under the framework as part of its contract and supplier management programme.

Added Value

As a non scored element of the tender, suppliers were also given the opportunity to offer any other value adding ideas. The recommended suppliers have offered plans such as using mobile recycling equipment, creating community notice boards to keep residents up to date with ongoing projects, waste management consultations and community benefits tracking.

Workforce Matters

Tenderers were also asked a non scored question on the payment of the living wage to their workforce. The responses confirm that 19 out of the 22 recommended suppliers already pay the living wage or above to all their employees (except apprentices and probationary staff), with 18 suppliers expected to be accredited by the Living Wage Foundation within the first two years of the framework.

Two of the remaining suppliers pay over 90% of their employees the living wage or above and are working towards paying all their staff the living wage. The remaining recommended supplier did not detail any commitment in respect to the living wage. Scotland Excel however will monitor workforce matters with all awarded suppliers as part of its contract and supplier management programme.

7. Contract Mobilisation and Management

In accordance with Scotland Excel's established Contract Supplier Management (CSM) programme, in terms of risk and spend, this framework is classified as level 2. As such, on a quarterly basis Scotland Excel will collect, analyse and review detailed supplier management information. Scotland Excel will also monitor agreed key performance indicators, community benefits and payment of the living wage. Scotland Excel will meet with the framework suppliers and UIG annually to review the framework operation.

Scotland Excel will host a framework mobilisation event to ensure purchasing councils and awarded suppliers are familiar with the framework requirements. The event will

also provide a platform for councils and suppliers to make introductions, given this is the first national collaborative framework for demolition services.

8. Summary

This framework aims to provide participating councils access to best value suppliers for demolition related services.

The Executive Sub Committee is requested to approve the recommendations to award agreements to the suppliers as detailed in Appendix 3.

Appendix 1 – Participation and Spend Summary
Demolition Services 07-14

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data
Aberdeen City Council	Yes	01 October 2015	£1,316,128	Spikes Cavell
Aberdeenshire Council	Yes	01 October 2015	£79,802	Spikes Cavell
Angus Council	Yes	01 October 2015	£122,143	Spikes Cavell
Argyll & Bute Council	Yes	01 October 2015	£60,154	Spikes Cavell
City of Edinburgh Council	Yes	01 October 2015	£161,371	Spikes Cavell
Clackmannanshire Council	Yes	01 October 2015	£156,470	Spikes Cavell
Comhairle nan Eilean Siar	Yes	01 April 2017	£10,000	Spikes Cavell
Dumfries & Galloway Council	Yes	01 October 2015	£45,000	Spikes Cavell
Dundee City Council	No			
East Ayrshire Council	Yes	01 October 2015	£239,187	Spikes Cavell - Confirmed by Member
East Dunbartonshire Council	Yes	01 October 2015	£52,438	Spikes Cavell - Confirmed by Member
East Lothian Council	Yes	01 October 2015	£117,700	Spikes Cavell
East Renfrewshire Council	Yes	01 October 2015	£250,000	Spikes Cavell - Confirmed by Member
Falkirk Council	Yes	01 October 2015	£270,000	Spikes Cavell - Confirmed by Member
Fife Council	Yes	01 October 2015	£360,000	Spikes Cavell - Confirmed by Member
Glasgow City Council	Yes	01 October 2015	£1,500,000	Spikes Cavell - Confirmed by Member
Highland Council	Yes	01 October 2015	£127,058	Spikes Cavell
Inverclyde Council	Yes	01 October 2015	£235,757	Spikes Cavell
Midlothian Council	No			
North Ayrshire Council	Yes	01 October 2015	£100,000	Spikes Cavell - Confirmed by Member
North Lanarkshire Council	Yes	01 October 2015	£968,980	Spikes Cavell - Confirmed by Member
Orkney Islands Council	Yes	01 October 2015	£10,000	Spikes Cavell
Perth & Kinross Council	Yes	01 October 2015	£231,209	Spikes Cavell
Renfrewshire Council	Yes	01 April 2017	£564,151	Spikes Cavell - Confirmed by Member
Scottish Borders Council	Yes	01 October 2015	£790,707	Spikes Cavell - Confirmed by Member
Shetland Islands Council	Yes	01 October 2015	£10,000	Spikes Cavell
South Ayrshire Council	Yes	01 October 2015	£160,000	Spikes Cavell - Confirmed by Member
South Lanarkshire Council	Yes	01 September 2016	£822,257	Spikes Cavell
Stirling Council	Yes	01 October 2015	£30,000	Spikes Cavell - Confirmed by Member
The Moray Council	Yes	01 October 2015	£50,000	Spikes Cavell - Confirmed by Member
West Dunbartonshire Council	Yes	01 October 2015	£1,094,200	Spikes Cavell - Confirmed by Member
West Lothian Council	Yes	01 October 2015	£320,793	Spikes Cavell - Confirmed by Member
Associate Members	Yes	01 October 2015	£1,000,000	Spikes Cavell
NHS	Yes	01 October 2015	£100,000	
*Emergency Demolition	Yes		£3,000,000	
Totals			£14,355,505	

*Councils are unable to assign estimated annual spends for Emergency Demolition therefore £3m annually has been included in the value

Appendix 2 – SME Status
Demolition Services 07-14

Supplier name	SME Status	Location	Lots Offered
Bardem Limited	Small*	Paisley	1 and 2
Burnfield Builders & Demolishers Ltd	Small*	Glasgow	1 and 2
C.E.P. Demolitions Limited	Small*	Glasgow	1, 2 and 3
Caskie Limited	Small	Glasgow	1 and 3
Central Demolition Limited	Medium*	Bonnybridge	1, 2 and 3
Coleman & Company Limited	Medium*	Birmingham	2
Connell Brothers Limited	Small	Manchester	2
Daltons Demolitions Limited	Small*	Edinburgh	1, 2 and 3
David Morton (Larbert) Limited	Small	Falkirk	1 and 2
Delson Contracts Limited	Small	Kirriemuir	1
Dem-master Demolition Limited	Medium*	Bathgate	1, 2 and 3
DSM Demolition Limited	Medium	Birmingham	2
E. Nicholson & Sons (Metals) Limited	Small*	Glasgow	1 and 2
Frank O'Gara & Sons Limited	Small*	Manchester	2
G&J Demolition Limited	TBC*	Glasgow	1, 2 and 3
George Beattie & Sons Limited	Small*	Glasgow	1, 2 and 3
Gowrie Contracts Limited	Small*	Dundee	1 and 2
Grantham Industries Limited trading as GBM Demolition	Medium*	Louth	2
JCJ (Demolition & Construction) Limited	Small*	Glasgow	1, 2 and 3
John Graham (Metals) Limited	Small*	Stirling	1
Keltbray Limited	Large*	Glasgow	1 and 2
MacWilliam Demolition Limited	Small	Coatbridge	1 and 2
MM Miller (Wick) Limited	Small*	Wick	1 and 2
Reigart Contracts Limited	Medium*	Coatbridge	1, 2 and 3
Safedem Limited	Medium*	Dundee	1, 2 and 3
Squibb Group Ltd	Medium	Barking	2
Technical Demolition Services Limited	Medium*	Wirral	1 and 2
Thompsons of Prudhoe Limited	Large	Northumberland	1 and 2
William Goodfellow (Contractors) Limited	Small*	Glasgow	1 and 2
William Munro Construction (Highland) Limited	Medium*	Alness	1, 2 and 3

Asterisk (*) denotes recommended suppliers

Appendix 3 – Scoring and Recommendations Demolition Services 07-14

Asterisk (*) denotes recommended suppliers

Lot 1 – Demolition Works up to £50,000

Supplier	Final Score
*John Graham (Metals) Limited	84.8
*Gowrie Contracts Limited	81.1
*Daltons Demolitions Ltd	56.7
*George Beattie & Sons Limited	53.5
*Keltbray Limited	52.7
*E. Nicholson & Sons (Metals) Limited	52.6
*C.E.P. Demolitions Limited	50.2
*Burnfield Builders & Demolishers Ltd.	47.5
*MM Miller (Wick) Limited	44.1
*Reigart Contracts Limited	43.6
*Technical Demolition Services Limited	40.9
*Bardem Limited	39.4
*Safedem Limited	39.3
*Central Demolition Limited	37.4
*Dem-master Demolition Limited	36.7
*G&J Demolition Limited	34.3
MacWilliam Demolition Ltd	29.0
William Goodfellow (Contractors) Limited	25.9
JCJ (Demolition & Construction) Limited	25.6
Thompsons of Prudhoe Limited	25.2
Caskie Limited	22.7
William Munro Construction (Highland) Limited	21.3
Delson Contracts Limited	18.2
David Morton (Larbert) Limited	16.0

Lot 2 – Demolition Works £50,000 and over

Supplier	Final Score
*Frank O'Gara & Sons Limited	86.7
*Daltons Demolitions Ltd	82.0
*George Beattie & Sons Limited	67.1
*Gratham Industries Limited trading as GBM Demolition	62.2
*Technical Demolition Services Limited	62.2
*C.E.P. Demolitions Limited	55.8
*Keltbray Limited	54.8
*William Goodfellow (Contractors) Limited	54.3
*Central Demolition Limited	54.1
*Bardem Limited	51.1
*Coleman & Company Limited	48.3
*G&J Demolition Limited	47.5
*Safedem Limited	47.1
*Reigart Contracts Limited	46.7
*Dem-master Demolition Limited	44.4
*Burnfield Builders & Demolishers Ltd.	42.0
E. Nicholson & Sons (Metals) Limited	39.9
Connell Brothers Limited	39.3
Thompsons of Prudhoe Limited	37.3
DSM Demolition Limited	36.7
Squibb Group Ltd	33.8
William Munro Construction (Highland) Limited	32.6
JCJ (Demolition & Construction) Limited	29.8
Gowrie Contracts Limited	29.3
MM Miller (Wick) Limited	28.3
David Morton (Larbert) Limited	27.9
MacWilliam Demolition Ltd	27.8

Appendix 3 – Scoring and Recommendations

Demolition Services 07-14

Asterisk (*) denotes recommended suppliers

Lot 3 - Emergency Demolition

	Burnfield Builders & Demolishers Ltd.	C.E.P. Demolitions Limited	Caskie Limited	Central Demolition Limited	Daltons Demolitions Limited	Dem-master Demolition Limited	G&J Demolition Limited	George Beattie & Sons Limited	JCJ (Demolition & Construction) Limited	Reigart Contracts Limited	Safedem Limited	William Munro Construction (Highland) Limited
Aberdeen City Council					84.7*			74.2*			60.4*	
Aberdeenshire Council					84.7*			74.5*			63.8*	
Angus Council					83.5*			72.6*		83.0*	57.6	
Argyll & Bute Council					81.3*			68.6*	62.3*	83.5*	51.4	
City of Edinburgh Council				48.3	81.3*	84.0*	67.4*	62.2	60.5	79.2*	47.9	
Clackmannanshire Council				48.3	81.3*	84.0*	67.4	74.6*	60.5	79.2*	47.7	
Comhairle nan Eilean Siar					86.6*						64.1*	
Dumfries & Galloway Council					81.3*			65.9*	60.5*	79.2*	47.7	
Dundee City Council					80.9*	85.7*		66.7	60.9	80.4*	52.0	
East Ayrshire Council		83.4*			66.2*	69.6*		59.6	55.4	67.1*	46.8	
East Dunbartonshire	54.9	82.8*		44.6	65.5*	68.7*	56.9*	54.6	54.5	66.4*	43.5	
East Lothian Council					81.3*	84.3*		67.1*	60.5	79.2*	53.4	
East Renfrewshire Council	54.5	82.8*		44.6	65.5*	68.7*	56.9	54.6	54.5	66.4*	43.7	
Falkirk Council				45.9	78.6*	81.1*	64.0	59.0	60.5	76.4*	79.4*	
Fife Council					81.3*			65.9*	60.5*	79.2*	52.1	
Glasgow City Council	54.4*	82.8*		44.6	65.5*	69.2*	51.4	54.6*	54.5*	66.4*	45.1	
Inverclyde Council	55.8*	81.7*	41.7		64.4*	67.6*		56.5*	53.0	65.2*	49.9	
Midlothian Council				48.3	81.3*	84.0*	67.4*	62.2	60.5	79.2*	47.7	
North Ayrshire Council	56.7	82.8*	45.2		65.5*	68.9*	57.9	57.9	54.5	66.2*	46.9	
North Lanarkshire Council	54.7*	82.8*		44.6	65.5*	68.7*	56.9*	54.6*	54.5*	66.2*	43.5	
Orkney Islands Council					87.4*						72.7*	
Perth & Kinross Council					81.3*	84.3*		65.9	60.5	79.2*	52.2	
Renfrewshire Council	56.7	82.8*	42.5		65.5*	68.9*	57.9	58.0	54.5	66.4*	47.0	
Scottish Borders Council					84.7*	87.9*		69.7	57.2	82.7*	55.2	
Shetland Islands Council					87.4*						73.2*	
South Ayrshire Council		83.4*			66.2*	69.9*		58.8	55.4	67.1*	47.1	
South Lanarkshire Council		83.4*		45.2	66.2*	69.4*		55.4	55.4	67.1*	43.4	
Stirling Council	62.2			47.7	80.7*	84.1*	66.6*	61.4	59.6	78.5*	46.7	
The Highland Council					86.1*						66.8*	60.2*
The Moray Council					87.4*						72.1*	
West Dunbartonshire	55.4	82.8*		44.6	65.5*	68.7*		54.6	54.5	66.4*	43.6	
West Lothian Council				48.3	85.8*	84.0*	67.4*	62.2	60.5	79.2*	47.4	