

**To: Finance, Resources and Customer Services Policy Board**

**On: 30 August 2017**

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**Report by: Chief Executive and the Director of Finance and Resources**

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**Heading: Contract Authorisation Report: Delegated Approval for the Procurement of Johnstone Castle Demolition Works**

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## **1. Summary**

- 1.1 The purpose of this report is to seek the approval of Finance, Resources and Customer Services Policy Board to agree the award of multiple work packages for required demolitions to enable the Regeneration of the Johnstone Castle Area via the undertaking of separate mini competitions under the Scotland Excel Demolition Services framework agreement (contract reference: 1115)
  - 1.2 This authorisation is requested to allow acceleration and continuity of the award of work packages following the completion of mini competition from this pre-approved Scotland Excel Framework.
  - 1.3 With future construction work to enable the Regeneration of the Johnstone Castle Area procured and programmed to commence within specific timescales, any delay in the vacating of properties and subsequent delay in awarding demolition package order thereafter risks accruing substantial costs to the Council for delays in the main construction contract.
  - 1.4 A contract strategy was approved by the Head of Property Services and the Strategic Commercial and Procurement Manager on 23 May 2017 to utilise the Scotland Excel Demolition Services framework agreement for various projects and requirements including the Regeneration of the Johnstone Castle Area.
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## **2. Recommendations**

- 2.1 That the report be noted and that authority be delegated to the Head of Policy and Commissioning to decide upon and authorise the appointment of contractors via a number of mini competitions utilising the Scotland Excel Demolition Services framework agreement (contract reference: 1115), Lot 2 – Demolition Works in respect of demolitions works required as part of the Regeneration of the Johnstone Castle Area until the expiry of said Demolition Services framework on the 31 January 2020.
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## **3. Background**

- 3.1 To enable the Regeneration of the Johnstone Castle Area, Property Services on behalf of Development & Housing Services, will be required to arrange demolition works of various buildings and structures over the following periods

Financial Year 17/18 – The total estimated cost for proposed demolition works is £624,000, excluding VAT.

Financial Year 18/19 and 19/20 – The total estimated cost for proposed demolition works is £585,000, excluding VAT.

The total estimated cost for demolition works noted above is approximately £1.2M. In the event of any unplanned works, a provisional sum of £300K has been included in the requested limit of approval.

- 3.2 Part of the Regeneration of the Johnstone Castle Area includes demolition and removal of residential properties as part of the ongoing regeneration of the area, and arrangements for individual demolition work packages cannot be awarded until properties are vacated.

With future construction work procured and programmed to commence within specific timescales, any delay in the vacating of properties and subsequent delay in awarding demolition package order thereafter risks accruing substantial costs to the Council for delays in the main construction contract.

- 3.3 Scotland Excel has a framework agreement for Demolition Services (contract reference: 1115) which was awarded on 13 December 2016 and commenced 04 January 2017. The framework agreement is for a period of 18 months expiring on 31 July 2018 however there is a Scotland Excel option to extend it for a further 24 months until 31 July 2020. The framework agreement has three lots (Lot 1 – Demolition Works up to £50,000, Lot 2 – Demolition Works over £50,000 and Lot 3 – Emergency Demolition requirements).

For the purposes of this request, all work packages will be procured via separate mini competitions from Lot 2 – Demolition Works over £50,000.

- 3.4 There are 23 contractors on Lot 2 and all will be invited to participate in mini competitions conducted under this Lot by the Council.

- 3.5 Following each mini competition, the work package will be awarded to the most economically advantageous tender with the existing Scotland Excel framework agreement Quality Scores being utilised for Lot 2 under the proposed delegated power per Recommendation 2.1.
  - 3.6 A Report will be submitted to the Finance, Resources and Customer Services Policy Board closest to the end of the financial year summarising the relevant procurement processes, outcomes and respective values.
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## **Implications of the Report**

### **1. Financial**

The financial stability of the Demolition Services framework agreement contractors has been assessed by Scotland Excel as part of their procurement of the Framework Agreement and satisfies the Council's requirements. The financial stability of Tenderers on the framework shall also be monitored by Scotland Excel on an ongoing basis.

### **2. HR & Organisational Development**

No TUPE implications are expected to arise via the award of demolition works.

### **3. Community Planning**

The work packages awarded will deliver against a number of themes linked to the Council Plan priorities and will result in a number of positive outcomes being achieved such as energy savings, potential financial savings and community benefits. The Contract Authorisation Report submitted to the Finance, Resources and Customer Services Policy Board closest to the end of each financial year will detail the community benefits agreed for each mini competition within this term.

### **4. Legal**

All mini competitions will be carried out on accordance with the Competitive Selection Procedures under the Scotland Excel Demolition Services framework agreement (contract reference: 1115) and in accordance with the requirement under the Council Standing Orders Relating to Contracts.

### **5. Property Assets**

The majority of buildings to be demolished as part of the Regeneration of the Johnstone Castle Area are now empty. However, there are a couple of properties still occupied by tenants which until they are decanted may delay certain demolition works.

### **6. Information Technology**

No Information Technology implications have arisen or are anticipated.

### **7. Equality and Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

## **8. Health & Safety**

All contractors awarded places on the Scotland Excel Framework Agreement for Demolition Works have passed the Health and Safety assessment included within the qualification stage of the original tender process. As part of the mini competition processes the Council will undertake, Contractors will be required to satisfy the Council's minimum health and safety requirements.

## **9. Procurement**

All mini- competitions will be carried out on accordance with the procedures under the Scotland Excel Demolition Services framework agreement (contract reference: 1115) and in accordance with the requirement under the Council Standing Orders Relating to Contracts.

## **10. Risk**

All contractors awarded onto the Scotland Excel Framework have passed the Insurance assessment included within the qualification stage of the original tender process. As part of the mini competition processes the Council undertake, contractors will be required to satisfy the Council's minimum insurance requirements .

## **11. Privacy Impact**

It is not anticipated that a Privacy Impact Assessment will be required when undertaking any mini competition

## **12. Cosla Policy Position**

No Cosla Policy Position implications have arisen or are anticipated.

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### **List of background papers**

(a) None

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