

<b>Report to</b>	Cabinet
<b>Date of meeting</b>	20 <sup>th</sup> October 2020
<b>Lead Member / Officer</b>	Councillor Julian Thompson Hill - Lead Member for Finance, Performance & Strategic Assets  Steve Gadd – Head of Finance & Property
<b>Report author</b>	Sarah Wainwright – Property Health & Safety Manager
<b>Title</b>	Asbestos Removal Contract Report

## **1. What is the report about?**

This report is to seek approval to commence a procurement for a works contract with a licensed Asbestos Removal Contractor.

## **2. What is the reason for making this report?**

The reason for making this report is to seek approval to commence the procurement process for a works contract with a licensed Asbestos Removal Contractor.

## **3. What are the Recommendations?**

The recommendations of this report are for Cabinet to agree to commence the procurement process for this works contract with a licensed Asbestos Removal Contractor to be advertised.

It is also recommended that Cabinet agree to implement the decision immediately in order to prevent any delay in awarding the contract.

That the Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of its consideration.

## **4. Report details**

The Asbestos Team, manage and coordinate the removal of asbestos in council properties. We coordinate removal works in domestic void properties and we undertake asbestos removal works as part of wider planned maintenance schemes.

In order to facilitate this work, the Council joined a collaborative framework and has an existing agreement with A & D Environmental, following a procurement exercise completed in December 2018. However, the team have decided a more flexible and streamlined approach would be preferred. Following consultation with the Legal and Procurement teams it was felt that a works Contract would facilitate a better working relationship between partners and allow for a more bespoke service. A works contract would mean an agreement with one contractor, with fixed rates thus ensuring value for money and a more tailored service to meet Denbighshire's needs. All works under the £25k value could be awarded directly to the successful contractor.

The existing framework agreement between Denbighshire County Council and A&D Environmental expires on 20<sup>th</sup> December 2020. We are seeking Cabinet's approval to commence the procurement process to appoint a new contractor to continue Asbestos Removal works.

The new works contract will be set up for an initial 12 months, with the opportunity to extend annually to a maximum of 10 years. Renewal would only occur if we were satisfied with the contractor's performance. This approach gives us greater control but is also an efficient process in order to facilitate Asbestos Removal.

## **5. How does the decision contribute to the Corporate Priorities?**

The decision to approve the procurement of this works contract will contribute to the corporate priorities by providing homes and a corporate estate that meets the needs of the communities and residents who live and use those premises.

## **6. What will it cost and how will it affect other services?**

The contract value is estimated at approximately £400k per annum and comprises of a capital funded investment programme of around £250k per annum. The remainder of the spend (£150k) is through the Housing team, for void removals and providing a reactive service for housing. As the maximum number of extensions is to 10 years, the total contract value over the full duration is potentially up to £4m.

## **7. What are the main conclusions of the Well-being Impact Assessment?**

The primary conclusion of the Well-being Impact Assessment is that the new contract would offer a positive contribution. The contract would offer financial security and help the council achieve property compliance in the management of Asbestos across the property portfolio. This value for money would mean that council resources can be directed to where they are needed most. As part of the contract we have ensured that we have a comprehensive community benefit requirement, meaning contractors will have to give back to the communities they are working in. The process being undertaken is globally responsible as it is in line with EU procurement rules and follows industry best practice and safety principles.

## **8. What consultations have been carried out with Scrutiny and others?**

There is no requirement for consultation with Scrutiny or any other body or Service.

## **9. Chief Finance Officer Statement**

The proposals in the Cabinet report support the business needs of the Council and appear to deliver value for money and are therefore supported. The work undertaken is part of a necessary and planned programme of works which is funded from existing resources within the Council's annual capital programme and the Housing Revenue Account.

## **10. What risks are there and is there anything we can do to reduce them?**

The risks posed if this procurement exercise is not undertaken are for the authority to return to the situation pre 2018 framework agreement, whereby each job would need to be advertised to all interested asbestos contractors and a quoting exercise undertaken. Following the successful tender a form of contract must be entered into, all before work can begin. This process for Asbestos Removal works is very inefficient and will result in significant time delays.

In addition, this contract will require the tenderer to submit a schedule of rates (SORs). SORs offer economies of scale and ensure that value for money is obtained as well as predictability.

These risks are negated if the cabinet authorise the Council to complete a procurement process for this works Contract.

Once the procurement process is completed and we have appointed a contractor, there is a risk of poor performance. We would manage this by regular contract meetings which are a requirement of the contract itself. Furthermore, if non-performance persists we would opt not to extend the works contract beyond the 12 month break clause.

## **11. Power to make the decision**

Cabinet is required to authorise the commencement of this procurement procedure pursuant to section 2.7.2 iii of the Council's Contract Procedure Rules.

Cabinet is required to agree the award of the contract pursuant to section 5.4.3 iii of the Council's Contract Procedure Rules.

Cabinet may dispense with the call-in procedure under paragraph 7.25 of the Constitution.

The Council also has power to issue the procurement and enter into contracts pursuant to section 111 Local Government Act 1972 (power to undertake any act to facilitate, or which is conducive or incidental to, the discharge of any of their functions); section 135 Local Government Act 1972 (power to make standing orders to govern entering into contracts), section 112 Local Government Act 1972 (appoint such officers as they think necessary for the proper discharge by the authority of the authority's functions); section 3(1) Local

Government Act 1999 (general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised).

### **List of Appendices**

Appendix 1 - Wellbeing Impact Assessment

Appendix 2 - Commissioning Form