

Report to	Delegated Authority – Lead Member for Finance, Performance and Assets – Gwyneth Ellis
Date of Report	April 2022
Lead Member / Officer	Steve Gadd / David Lorey
Report author	Sarah Wainwright
Title	Procurement of Asbestos Surveying and Analytical Contract

1. What is the report about?

- 1.1. This report is to seek approval for Denbighshire County Council solely to commence a procurement and enter into a works contract with an Asbestos Surveying and Analytical Contractor. Also, approval is sought to procure a contract to the specified contractors for a term of 12 months with the opportunity to extend at intervals of 12 months to a maximum of 10 years' dependant on performance.

2. What is the reason for making this report?

- 2.1. The reason for making this report is to seek approval to complete the procurement process for this call-off contract.
- 2.2. The Council has an existing agreement with North Star Environmental, following a procurement exercise completed in November 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 Call-Off Contract would facilitate a better working relationship between partners and allow for a more bespoke service.
- 2.3. The existing framework agreement between Denbighshire County Council and North Star Environmental expires on 11th November 2022. We will follow standard quoting

procedure in line with CPRs should the procurement process not be completed before the existing framework expires.

3. What are the Recommendations?

- 3.1. That the Lead Member for Finance, Performance and Assets:
- 3.2. Approves commencement of the procurement exercise for the Asbestos Surveying and analytical contract and;
- 3.3. confirms that as part of the consideration prior taking the decision he has read, understood and taken account of the Well-being Impact Assessment (Appendix 1).

4. Report details

- 4.1. 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.
- 4.2. In order to facilitate this work, surveys are required in order to identify the location of the Asbestos Containing Materials (ACMs), and assess their condition. Similarly, the regulations require an Asbestos Analyst to be on site for removal of all licenced Asbestos Materials to ensure an independent body audits the removal process and checks that this work is undertaken safely and in line with regulations.
- 4.3. The Council joined a collaborative framework in 2018 alongside Wrexham County Borough Council and Flintshire County Council and as a result has an existing agreement with North Star Environmental. 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.
- 4.4. The existing framework agreement between Denbighshire County Council and North Star Environmental expires on 11th November 2022. We are seeking approval to procure this new contract. The tender process is based on a 60% price, 40% quality evaluation, so we can be assured of quality whilst also obtaining value for money.
- 4.5. 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. All prices will be fixed for periods of 3 years.

Following approval, we will work with the legal team to have the procurement exercise completed in enough time to award the contract prior to the expiry of the existing framework.

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

- 5.1. The decision to approve the procurement of this 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?

- 6.1. The contract value is estimated at approximately £170k per annum and comprises of a capital funded investment programme of around £120k per annum. The remainder of the spend (£50k) is through the Housing team, for void surveys and analytical work and providing a reactive sampling 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 £1.7m.

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

- 7.1. A well-being impact assessment was not conducted for the award of the contract but prior to the procurement of it. The primary conclusion of the Well-being Impact Assessment was 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?

- 8.1. There is no requirement for consultation with Scrutiny or any other body or Service. However, the report will be circulated to all members as a pre-decision notification for approximately 7 days prior to the decision being ratified.

9. Chief Finance Officer Statement

- 9.1. The proposals in the 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?

- 10.1. The risks posed if we are unable to procure this contract is that the existing framework will expire and the authority will return to the situation pre-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 the removal works can commence. This process for works is very inefficient and will result in significant time delays.
- 10.2. In addition, this contract includes a schedule of rates (SORs). SORs offer economies of scale and ensure that value for money is obtained as well as predictability.
- 10.3. These risks are negated if approval is obtained to procure a new contract.

11. Power to make the decision

- 11.1. The delegated authority process is required to authorise the commencement of this procurement procedure pursuant to section 2.7.2 ii of the Council's Contract Procedure Rules.
- 11.2. Power delegated to the Lead member for Finance, Performance and Strategic Assets as per the Member Scheme of Delegation outlined in Appendix 2(b) to Section 13 of the Council's Constitution
- 11.3. The Council also has power to 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).