

REPORT TO: Cabinet

DATE: 16th December 2010

SUBJECT: Bedford and Queens Road, Bootle Programme for Demolition and Clearance Phase II - Proposed Extension of Existing Contract

WARDS AFFECTED: Linacre & Derby

REPORT OF: Bill Millburn
Strategic Director for Communities

CONTACT OFFICER: David Kay
Architecture and Buildings Manager
Tel No. 0151 934 4527

EXEMPT/
CONFIDENTIAL: No

PURPOSE/SUMMARY:

To advise members of the proposed 12 months extension of the existing contract in respect of the Bedford & Queens Road, Bootle Demolition and Clearance Programme II and approve additional expenditure for the contract with the incumbent contractor.

REASON WHY DECISION REQUIRED:

The value of the tender received exceeds the approval level delegated to the Cabinet Member.

RECOMMENDATION(S):

It is recommended that

- (i) Cabinet approves a further 12 months extension of the existing contract and additional expenditure in the sum of £350,000.00 with the incumbent contractor for the Bedford/Queens Road, Bootle programme of demolition and clearance II; and
- (ii) Subject to (i) above the Acting Head of Corporate Legal Services be requested to agree an extension of the existing contract with the incumbent contractor.

KEY DECISION: No

FORWARD PLAN: Not Appropriate

IMPLEMENTATION DATE: Following the expiry of the Call in Period for the minutes of this meeting.

ALTERNATIVE OPTIONS:

There are no alternative options. These works are necessary to allow the redevelopment programme to proceed.

IMPLICATIONS:

Budget/Policy Framework: Bedford / Queens Road, Bootle Demolition & Clearance Programme.

Financial: Specific funding exists within the H.M.R.I. Capital Programme for clearance and demolition comprising H.M.R.I. Grant or Housing Capital Resources.

<u>CAPITAL EXPENDITURE</u>	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £	2013/ 2014 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: None

Risk Assessment: Project covered by CDM Regulations.

Asset Management: This investment will allow the programme of rebuilding modern homes in the Bedford/Queens Area.

CONSULTATION UNDERTAKEN/VIEWS

FD 576 - The Interim Head of Corporate Finance & Information Services has been consulted and has no comments on this report

LD 0006/10 - The Acting Head of Corporate Legal Services has been consulted and his comments have been incorporated into this report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities	✓		
3	Jobs and Prosperity		✓	
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

BACKGROUND:

1.0 **H.M.R.I. Capital Programme**

- 1.1 HMRI has identified several unoccupied and derelict properties located in the Bedford/Queens Road, Bootle redevelopment area. As part of the HMRI strategy, the houses are purchased and later demolished. Each time there is a need to demolish one or more of these properties, quotations / tenders have to be obtained as part of the Councils financial process. This process has proceeded to date using the authority to Chief Officers.
- 1.2 While adhering to these procedures, which include the preparation of Health and Safety plans there are inevitable delays. Some of the properties become targeted by vandals and thieves causing damage to the structure, making the buildings unsafe to enter, and allowing water ingress to adjoining properties.
- 1.3 To help alleviate this situation, tenders have been sought and the Council has appointed a contractor to undertake a rolling programme of property demolition as identified by HMRI in the Bedford/Queens redevelopment area.

2.0 **Tender Action**

- 2.1 Tenders were sought in 2009 but not awarded until 2010, The successful tenderer was 'The Beech Group' in the sum of £956,531.00 with a fixed price contract for a period of 12 months(start date 02/01/2010), following this period costs will be subject to an annual increase based on BCIS (Building cost indices services)

3.0 **Financial Analysis**

- 3.1 The contract was based on the submission of rates for a range of different building types and amounts including service disconnections and gable end treatment.
- 3.2 During the term of the contract there have been several variations due to delays with CPO's and the inclusion of additional properties, this has led to the need to increase the existing budget provision and extend the existing contract with nil rate increase in year 1(start date 02/01/2010 – completion date 01/01/2011) and the minimum rate increase as identified in the building cost indices service in year 2 extension (start date 02/01/2011 – completion date 01/02/2012).
- 3.3 Best value can be demonstrated by having the appointed contractor available to mobilised very quickly to alleviate any H&S issues and that the original tender received was substantially lower than those submitted in 2009, It must also be noted that if re tendered would attract a higher consultancy fee rate.

3.4 The expenditure on this scheme to date is within the original budget provision but is expected to rise by £350,000.00 due to the inclusion of additional properties that will require demolition.

4.0 **Recommendation**

It is recommended that

- (i) Cabinet approves a further 12 months extension of the existing contract and additional expenditure in the sum of £350,000.00 with the incumbent contractor for the Bedford/Queens Road, Bootle programme of demolition and clearance II.
- (ii) Subject to (i) above the Acting Head of Corporate Legal Services be requested to agree an extension of the existing contract with the incumbent contractor.