

Item No.	Classification: Open	Date: 5 October 2022	Meeting Name: Strategic Director of Housing and Modernisation
Report title:		Gateway 2 - Contract Award Approval Demolition contract services for Phase 1 of the Ledbury Estate redevelopment	
Ward(s) or groups affected:		All	
From:		Managing Director of Southwark Construction	

RECOMMENDATION(S)

1. That the Strategic Director for Housing and Modernisation approve the award of the Bromyard House demolition contract, as part of Phase 1 of the Ledbury Estate redevelopment, to Coleman and Company Limited procured from ProcurePublic Ltd's Demolition framework for a period of 33 weeks commencing on 24 October 2022 for the sum and total contract value of £1,198,214.
2. Notes that this scheme will benefit from £100,000 per unit grant subsidy from the Greater London Authority, which results in a total contribution of £26m.

BACKGROUND INFORMATION

3. The Southwark Construction Programme (formerly the New Homes Development Programme) provides new homes by developing on existing council assets and acquiring new assets. The principle of New Homes Development was agreed by cabinet in July 2012.
4. The redevelopment of the Ledbury Estate included within the council's Southwark Construction Programme, will contribute to the council's commitment to build thousands of new homes by 2043.
5. The redevelopment of the Ledbury Estate will deliver 340 homes providing a mix of one to five bed units for social rent and private sale in six blocks across the Bromyard House and Old Kent Road sites. These sites are referred to as Phase 1 and Phase 2 respectively.
6. The Ledbury Estate redevelopment project deliverables also includes a new football pitch and other activities for play, a re-provided Tenants' and Residents' Association (T&RA) hall and commercial space¹.

¹ The new football pitch will replace a multi-use games area with other play activities provided separately in the same vicinity. The football pitch will be provided at existing dimensions.

7. The demolition works to the Bromyard House tower block along with associated enabling works is the first stage of works required to deliver the new homes.
8. The Gateway 1 report, GW1 Demolition Contractor Services for the Ledbury Estate, dated 19 July 2022, (see background documents) outlined a procurement strategy entailing separate appointments for a demolition contractor and a main contractor. The demolition contractor will demolish the single tower block and carry out associated enabling works on the site, referred to as Phase 1. The main contractor will complete the new build works on Phase 1 as well as demolishing the three tower blocks on the Old Kent Road site ahead of completion of the new build works on that site, referred to as Phase 2.
9. There will be a period of overlap between the separate works contracts that the council will enter into with Coleman and Company Limited and a main contractor. This continuity is required to meet the GLA's funding requirements.
10. This sourcing strategy was designed to ensure that the commencement of works was undertaken before the end of quarter 3 of 2022-23 to secure the Greater London Authority's (GLA) grant funding allocated to the project. Grant funding would contribute £100,000 for each council rent home built estimated to be £26m for this project.
11. The Gateway 1 report outlined that the demolition contract would be procured via the council's own Approved List, SafeContractor and the main contractor via the National Framework Partnership (NFP) framework. This framework is owned Hyde Housing Association.
12. However, on signing up to the NFP framework agreement, its framework manager recommended that the demolition works also be procured via the ProcurePublic framework, as the two packages of works are related. This framework is also owned by Hyde Housing Association.
13. This deviation from the strategy set out in the Gateway 1 report was communicated by email to both the Managing Director of Southwark Construction and Strategic Director for Housing and Modernisation on 12 July 2022.

Procurement project plan (Key Decision)

14. The dates set out in the project plan below are two weeks later than outlined in the Gateway 1 report due to a delay in issuing of the Invitation to Tender. This was due to delayed issue of key outstanding information and additional time required by the project team to review the information.
15. Although the tender was subsequently shortened to mitigate impact on the programme, the tender period was in line with time prospective contractors stated was required during soft market testing.

Activity	Complete by
Forward Plan for Gateway 2 decision	22/08/2022
Briefed relevant cabinet member (over £100k)	07/09/2022
Approval of Gateway 1: Procurement Strategy Report	19/07/2022
Invitation to tender	25/07/2022
Closing date for return of tenders	22/08/2022
Completion of evaluation of tenders	08/09/2022
DCRB Review Gateway 2:	21/09/2022
CCRB Review Gateway 2:	22/09/2022
Notification of forthcoming decision – Five clear working days	05/10/2022
Approval of Gateway 2: Contract Award Report	13/10/2022
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	21/10/2022
Contract award	21/10/2022
Add to Contract Register	21/10/2022
Contract start	24/10/2022
Publication of award notice on Contracts Finder	21/10/2022
Contract completion date	01/06/2023

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

16. This procurement was designed to select a demolition contractor to carry out the demolition of Bromyard House, a tower block (and only structure) on the site referred to as Phase 1.
17. Alongside this is associated enabling works, the implementation of a section of new drainage to ensure that works commence during quarter 3 of 2022-23 in line with the start on site definition as set out in the GLA's funding requirements. All works outlined will be delivered under a single JCT Design and Build contract 2016 with the council's standard amendments.
18. Coleman and Company Ltd's tender sum of £1,198,214 is below the council's cost consultant's (Calfordseaden) Pre-Tender Estimate (PTE). As the tenders returned ranged from £1,198,214 to £1,594,412.50, Coleman and Company Ltd's comparable tender sum is considered reasonable. Further details are set out in the closed report.

Key/Non Key decisions

19. This report deals with a key decision.

Policy implications

20. The new homes delivered through Southwark Construction are in line with the council's principles and vision for a new housing strategy, which is aimed at increasing the availability, affordability and quality of homes in the borough.
21. This procurement exercise supports the council's Fairer Futures Commitment – A place to belong to. The new homes will play a key role in assisting the council achieving its target of building thousands of new council homes by 2043.
22. This procurement exercise is subject to the Fairer Future Procurement Framework (FFPF). The competitive tender process undertaken has ensured that the council is receiving value for money and delivering added social value.
23. The long term housing vision for the borough sets a clear policy direction for the council that directly impacts the delivery of the new homes set out in this report. The vision comprises four overall principles:
 - a. The council will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
 - b. The council will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.
 - c. The council will support and encourage all residents to take pride and responsibility in their homes and local areas.
 - d. The council will help vulnerable individuals and families to meet their housing needs and live as independently as possible.

Tender process

24. To secure GLA grant funding commencement of works was required to take place by September 2022. As stated in the 13 July 2021 cabinet paper, (see background documents) and subsequent approval papers, given design development commenced in March 2021, this was an ambitious target. Securing grant funding therefore was, and remains, one of the highest risks to the project.
25. Once the project achieved the first key milestone by submission of a planning application in February 2022, the GLA was provided with required comfort to allow latitude for a slightly later start on site i.e. October 2022.
26. In October 2021 Calfordseaden produced a Procurement Options Appraisal setting out available options. The report recommended for all

works to be procured under a single JCT Design and Build contract 2016 including demolition works.

27. However, additional time was required for detailed design development to protect the build quality of the new homes. To mitigate further impact on the programme the procurement strategy was revised. This was for the separate procurement of a demolition contractor to demolish the first tower block and enabling works allowing for a start on site in line with the GLA's definition.
28. Enabling works included within this contract is the implementation of a section of drainage, required to ensure commencement of works in line with the GLA's definition of a start on site. It is intended for the council to enter into a works contract with a main contractor prior to these works being carried out by the demolition contractor.
29. The project team will monitor drainage works carried out by the demolition contractor and ensure input from the main contractor. This is to ensure that whilst meeting the GLA's requirements these works will not require rectification once the main contractor starts on site.
30. It was initially intended to progress the appointment of a demolition contractor by entering into a JCT Minor Works Building Contract. But as there was insufficient design information coupled with complexities associated with demolition of this block due to the construction, the project team took the decision to progress with the JCT Design and Build form of contract via a mini-competition process. This procurement route mitigates design risk to the council and provides cost certainty in the form of a lump sum cost for undertaking the works.
31. An Expression of Interest exercise was undertaken by Calfordseaden in June 2022 to gauge interest in the market prior to issuing of Invitations to Tender for the works. Contractors were approached from the council's Approved List, SafeContractor.
32. Whilst this was being progressed, the project team signed up to the National Framework Partnership to procure the services of a main contractor to deliver the new homes as part of Phase 1 and all works associated with delivering the new homes and other deliverable as part of Phase 2.
33. However, for the reason outlined in paragraphs 12 to 15 Calfordseaden re-started the exercise with contractors on the ProcurePublic framework. Fortunately, contractors from the council's Approved List who had initially expressed interest were also on the ProcurePublic framework.
34. Calfordseaden then approached several contractors on the ProcurePublic framework, this was to ensure a minimum number of tender returns to enable a fair assessment of value for money. Five contractors expressed an interest; further details are set out in the closed report.

- 35. The tender was issued on 25 July 2022 with a return date of 18 August 2022 allowing a tender period of 3 weeks and 3 days.
- 36. During the tender period, one tender addendum was issued along with a total of 12 clarification logs via Proactis, the council's procurement portal. Further queries were raised during bidders' site visits held on 29 July and 2 August. A log of all tender clarifications and responses as well as tender addendum information is included as an appendix to Calfordseaden's Tender Report, included as Appendix 1 in the closed version of this report.
- 37. At the close of the tender period, tenders were received from four out of the five tenderers. Further details are set out in the closed report.
- 38. Tenders expire on 14 February 2023 based on a 180-day acceptance period.

Tender evaluation

- 39. The ratio used for the evaluation of the tender submissions is based on a 60/30/10 price/quality/social value split.
- 40. Bidders were required to provide information to support their quality submission that demonstrated their ability to fulfil the requirements of the contract. Questions were focused on the following areas and weighted as follows:

Method statement question	Weighting
M1 - Delivery of the scheme	5%
M2 – Programme	5%
M3 – Capacity, resourcing and resident engagement	5%
M4 – Health & Safety	5%
M5 - Contamination and ground obstructions	5%
M6 – Sustainability	5%
Total score	30%

- 41. All bidders met the quality threshold scores (minimum of two out of five marks regarding M1, M4 and M5) in accordance with the evaluation assessment criteria so no bidders were excluded at this stage.
- 42. A full breakdown of quality, social value and cost scores for all bidders is set out in the closed report.
- 43. A FAME financial credit check found Coleman and Company Ltd to be financially sound.

Plans for the transition from the old to the new contract

- 44. N/A

Plans for monitoring and management of the contract

45. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Report Author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.
46. The project clienting, including the management and administration of the contractor appointments, will be run and resourced through the Southwark Construction Team in the Asset Management Division of the Housing & Modernisation Department. Performance of the demolition contractor will be subject to constant scrutiny and monthly formal review including reviews on cost, quality and programme.
47. The officer client team will use a number of mechanisms and tools for monitoring and controlling the financial and programme performance of the contract, including,
- Strategic cost plan, which will be regularly reviewed and updated
 - Monthly financial statements by the consultant
 - Monthly appraisals of progress against programme and monthly reports by the consultant
 - Tracking and chasing actions on critical issues
 - Periodic project team 'look ahead' workshops covering key phases of work and risks
 - Risk and issues log
48. Internal governance arrangements for the programme were reported to cabinet in December 2014. These confirmed that ultimate responsibility for the overall programme resides with the Delivery Programme Board, chaired by the Strategic Director of Housing & Modernisation.
49. Annual contract monitoring report will be in line with the council's Contract Standing Orders (CSOs) and the social value deliverables will be monitored by officers and reported in the Annual Performance Report.

Identified risks for the new contract

50.

Risk		Risk level	Mitigation action
1.	Project delivery delays resulting from discharge of planning conditions and liaison with third party organisations.	Medium	<ul style="list-style-type: none"> • The Southwark Construction team has ensured that pre-commencement conditions affecting the demolition aspect of the project has been minimised. • Team will continue to assist, where possible, with liaison with third parties to help mitigate delays, particularly any

			<p>of which may result from the discharge of planning conditions or necessary approvals from within the council.</p> <ul style="list-style-type: none"> The tender process also tested the contractor's experience in delivering construction projects, relying on successful liaison with third party organisations and identifying long lead in times with appropriate mitigation measures.
2.	Contractor has inadequate resources and management arrangements to mobilise and deliver the contract	Low	<ul style="list-style-type: none"> Coleman has successfully passed a financial credit check. The contract is of relatively short duration and no other council schemes are currently being undertaken by this contractor. The Southwark Construction team and EA will monitor the contract and regularly review performance, as per the department's process.
3.	Contractor becomes insolvent, ceases trading and goes into administration	Low	<ul style="list-style-type: none"> As part of due diligence a credit check has been carried out on Coleman proving the company to be financially sound and in line with 'the council's thresholds'. A performance bond at 10% of the contract value or PCG will be provided with this contract.
4.	Project cost overruns	Medium	<ul style="list-style-type: none"> The form of contract used for this project is a JCT Design and Build 2016 contract and the contract sum is all-inclusive subject to any provisional sums and future variations. There will be a change management process in place to capture any variations and this will be fully scrutinised by the council's appointed cost consultant and senior council colleagues prior to an instruction. Programme will be monitored by Project Management team and Employer's Agent.
5.	Project delivery delays (General)	Medium	<ul style="list-style-type: none"> Any claims for extension of time will be fully scrutinised, justified and costed by the Employer's Agent and concerns monitored at regularly meetings with the contractor. Liquidated Ascertained Damages sums have been included as part of the contract and will be applied should the project overrun without justification. Project progress will be monitored and slow progress will be addressed at monthly project meetings.

6.	Contractor seeks negotiations on contractual terms prior to entering into contract	High	<ul style="list-style-type: none"> • A standard JCT works contract is being utilised with the council's amendments to the terms clearly set out from the start of the tender process. • The tender documents and clarifications during the tender process have been robust and clearly define the terms of the contract.
7.	Market conditions	Medium	<ul style="list-style-type: none"> • Current volatile market conditions are affecting supply chains in terms of delays and costs, labour shortages and price inflation. However, this is less of a risk to this contract due to duration and Coleman's having an established supply chain. Nevertheless will be monitored together with national and local guidance on policy and supply chain activity.
8.	Procurement process challenged	Low	<ul style="list-style-type: none"> • Risk of challenge is mitigated as procurement process has been followed in line with CSOs and the Public Contracts Regulation 2015 as the framework agreement was utilised as designed during use of the PCR compliant framework.
9.	Impact from national/global events	Medium	<ul style="list-style-type: none"> • The construction market is currently very buoyant, however it is experiencing record inflation in terms of prices and rates, which is caused by a range of external factors including Brexit, COVID-19 and more recently increases in energy prices. • This is likely to continue for the short to medium term and is likely to be impacted further by other emerging situations (e.g. Russia/Ukraine war). This is a risk that will need to be monitored. • The programme will be fixed as soon we enter into contract with the contractor so the council's risks are reduced/mitigated. • If materials/products are not available, the council will need to take a pragmatic view and consider any alternative products that the contractor may offer.

Other considerations (For Housing Department works contracts only)

51. Additional considerations are set out in the closed report.

Community, equalities (including socio-economic) and health impacts

Community impact statement

52. The redevelopment proposals entail the demolition of 224 homes, which are no longer fit for purpose and beyond economic repair. The re-provision of new homes, plus an additional 116 homes will be of a high quality and compliant with current statutory policies, requirements and regulations including fire safety and sustainability.
53. Demolition of the first tower block is the first stage of works towards delivering these new homes. The completed works will enable residents the option to return to the estate to permanent homes, which will afford them peace of mind. In addition to this, residents will enjoy homes of the same space standards of their previous homes or above in line with the terms set out in the Landlord Offer document.
54. The provision of half of the additional homes (based on habitable room) for council rent will help address housing need identified on the Ledbury Estate and provide homes for others across the borough with most need for safe and secure housing.
55. The wider Ledbury community will directly benefit from the re-provision of new and improved facilities, namely a new T&RA hall designed as the hub of the community, a new football area and other play space. Following feedback from younger residents, there will also be improvements made to the skate park area/BMX track located in Bird in Bush Park.
56. There will also be an increase in both the quantum and usability of green space on both development areas, as well as an increase in size/amount and variety of play space. In addition, there will be a series of small interventions across the estate to help integrate the new provision with the existing homes, such as an improvement to the Bromyard courtyard area.
57. All of the above has been designed with close engagement with the Resident Design Group and feedback from the community gathered from several public consultations.

Equalities (including socio-economic) impact statement

58. The successful contractor will be required to adhere to the council's equality and diversity policies.
59. The new genuinely affordable homes will be available to people on the council's housing waiting list. The council's equality and diversity policies will be adhered to during the Ledbury specific letting process.

Health impact statement

60. The redevelopment of the Ledbury Towers is essential to address the health and fire safety issues identified in 2017 resulting in the temporary rehousing of the vast majority of households.
61. The completion of the new homes will enable residents, who choose to return, the opportunity to return to energy efficient homes compliant with that latest policies and regulations.
62. Permanent homes will enable residents with health issues and those who may have been in homes that no longer suited their needs the opportunity to move to more suitable homes. This will have a positive health impact on all these households as this address both their physical and mental well-being.
63. The provision of new quality homes provides a positive impact on health inequalities, as the new homes will be designed to current quality and space standards that will contribute towards addressing health inequalities.
64. The proposals to increase the supply of affordable, good quality homes will benefits households in need from all Southwark communities, and will increase the housing options available for older people and people with disabilities.

Climate change implications

65. On 18 June 2019, the council's Cabinet agreed the resolution passed by the council assembly on 27 March 2019 to "declare a Climate Emergency and do all it can to make the borough carbon neutral by 2030." The Cabinet noted "that there are considerable financial savings to be made by 'going green', whether it be more energy efficient lighting, smart meters at council properties, or piloting energy generation schemes such as installing solar panels on council properties.
66. The Government estimates that residential buildings account for 27% of Southwark's carbon emissions. The Council's direct emissions account for 12% of the borough's emissions and council housing is the second largest contributor to carbon emissions at 14%.
67. In line with this, the proposed redevelopment has been designed to meet the highest energy and sustainability targets in line with both the council's and GLA policies. The energy strategy will follow the four step Energy Hierarchy outlined in the London Plan:
 - Be Lean: fabric first approach with low u-values and air permeability, high efficient lighting and mechanical ventilation to reduce energy demand as well as insulation levels in excess of building regulation requirements
 - Be Clean: connection to the South East London Combined Heat and Power (SELCHP) district heating network for low carbon heating and hot water supply to all uses in the development will result in an 89.1% carbon emissions saving

- Be Green: inclusion of solar PV has been maximised on all available roof space
 - Be Seen: the development will incorporate a monitoring strategy to reduce the performance gap
68. Through this strategy the carbon reduction on site will be significantly above the London Plan minimum target of 35% reduction in regulated carbon dioxide emissions and the development will contribute to a low carbon future.
69. The Invitation to Tender (ITT) included a methodology statement (MS6) providing contractors with an opportunity to demonstrate how they have embedded climate change and the green agenda as part of their working practices and company philosophy, which in turn will be monitored and measured throughout the contract.
70. In their submission, Coleman and Company Limited outlined that they anticipate being able to recycle 95%-98% of all waste streams, with the exception of asbestos materials. This will be recorded in the Site Waste Management Plan (SWMP). Reference has also been made to utilising green fuel to reduce carbon emissions and minimising wastage of water by using the latest atomised water dust suppression systems that produces mist rather than a form of sprinkler system.

Social Value considerations

71. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.
72. As part of the Social Value submission under NT28, the Outcome of 'More working with the Community', a specific request was included to secure direct benefits for the community as identified by the community.
73. This included monetary contributions to three Ledbury community stakeholders for specific purposes. Coleman and Company Ltd has elected to contribute the full one-off amount requested totaling £11,500.
74. This contribution is broken down as follows:

Community group	Purpose	Amount
Ledbury Estate T&RA	Community Christmas party	£2,000

Community group	Purpose	Amount
Livesey Exchange	Contribution of funding of projects for young people up to the age of 17	£5,000
Camelot Primary School	School club activities for disadvantaged pupils covering a full school year	£4,500

Economic considerations

75. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. The new homes programme is a strategically important undertaking for the council and its benefits are expected to be realised in a number of ways, including the recruitment of qualified staff, retention of staff and an improved service delivery to the council.
76. Following award, quality improvements and costs implications linked to the payment of LLW will be monitored as part of the contract review process.

Social considerations

77. Listed below are a few of the Social Value commitments included within Coleman and Company Limited's tender submission.
- 40 hours to be spent mentoring and providing training and resource to unemployed people over the age of 24 and 80 hours for those under the age of 24;
 - 120 hours to be spent on local school and college visits;
 - 100% of procurement contracts include commitments to ethical procurement;
 - Befriending schemes, digital inclusion clubs, food banks and warm home support as initiatives to support older, disabled and vulnerable people and
 - 30 tonnes of carbon savings from energy efficiency measures on site.

Environmental/Sustainability considerations

78. By investing in high quality, well designed buildings and estates the council aims to achieve positive impacts which will benefit the environment and increase the stock of environmentally friendly buildings across the borough.
79. As part of the design development process, there will be a requirement for environmental assessments to be completed, with a view to identifying what impact would be caused by any proposed development.

80. As stated earlier in the report, during deconstruction of the tower block Coleman and Company Ltd has stated:
- Target of up to 98% for the recycling of on-site materials
 - Powering of their welfare and plant site by using HVO a sustainable fuel, which also provides emission savings of 90% and
 - Encouragement of their staff to travel to site via public transport.

Market considerations

81. Given current market conditions, the level of response received is considered a positive outcome, enabling cost benchmarking and demonstrable value for money comparison.
82. The successful bidder Coleman and Company Limited, to be appointed subject to passing a financial background check, is an independently run family business based in Birmingham. Established in 1962, it is an SME actively registered with and accredited by The National Federation of Demolition Contractors.

Staffing implications

83. The staff resources deployed to this project is sufficient to meet the proposed timetable.
84. The project will be resourced by existing staff, within existing budgets. Officer time relating to the management of this project is funded from the capital budgets for the individual projects.

Financial implications

85. For construction (works) contracts, the council is the end user in relation to Domestic Reverse Charge (DRC) and notification of this will be included in the letter of award to the successful contractor.
86. The value of the contract arising from the procurement described in this report is for a contract value of £1,198,214 pertaining only to the demolition of one (of four) tower blocks on the Ledbury Estate and associated enabling works.
87. Any VAT applicable to this demolition contract will be recoverable by the council.
88. This cost can be contained within the existing budget for Phase 1 of the Ledbury Estate redevelopment project and will be charged to WBS code H-8888-9842.01 and will be funded from Housing Revenue Account (HRA) resources supporting the Housing Investment Programme.
89. A separate Gateway 2 report recommending the award of contract for the main works for this project will follow.

Investment implications

90. The cost of this contract will be charged to the respective project cost programmed in the capital allocation for new homes delivery budgeted within the council's housing investment programme.

Second stage appraisal (for construction contracts over £250,000 only)

91. The use of the ProcurePublic framework has resulted in a good outcome for the project with reasonable level of interest from contractors with five contractors expressing an intent to tender, and the subsequent receipt of four submissions.

Legal implications

92. Please see the legal concurrence of the Director of Law and Governance.

Consultation

93. Local residents have been involved in consultation meetings with Council officers since the beginning of the design process in March 2021 as outlined in the Charter of Principles agreed by Cabinet in November 2014.
94. Residents will continue to be kept updated throughout the duration of the construction process via quarterly attendance at Resident Project Group meeting by Southwark Construction project manager as well as sharing of regular newsletters.

Other implications or issues

95. None identified.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (H&M 22/086)

96. This report seeks approval from the Strategic Director for Housing and Modernisation to approve the award of the Bromyard House demolition contract to Coleman and Company Limited for the sum of £1,198,214. This award forms part of Phase 1 of the Ledbury Estate redevelopment programme, which will deliver new homes and community facilities for residents of the Estate. The financial implications section of the report sets out how the of this cost of this contract award will be met.

Head of Procurement

97. This report seeks approval from the Strategic Director for Housing and Modernisation to award the Bromyard House demolition contract, as part of Phase 1 of the Ledbury Estate redevelopment, to Coleman and Company

Limited procured from ProcurePublic Ltd's Demolition framework for a period of 33 weeks for the sum and total contract value of £1,198,214.

98. The Strategic Director for Housing and Modernisation notes use of the ProcurePublic Ltd framework is allowable under Public Contract Regulations 2015 and the council contract standing orders.
99. The Strategic Director for Housing and Modernisation also notes the procurement exercise is detailed in paragraphs 16 to 18 and 24 to 43, monitoring and management of the contract is detailed in paragraphs 45 to 49, the risks are detailed in paragraph 50, the impact on equalities, health and climate change are detailed in paragraphs 58 to 70, social value commitments are detailed in paragraph 71 to 74 and 77, confirmation of the payment of LLW is detailed in paragraph 76.

Director of Law and Governance

100. The Director of Law and Governance notes the contents of this report which seeks the approval of the Strategic Director of Housing and Modernisation to the award of the Bromyard House demolition contract to Coleman and Company Limited as part of Phase 1 of the Ledbury Estate redevelopment scheme, procured from ProcurePublic Ltd's Demolition Framework in the sum of £1,198,214 for a period of 33 weeks commencing on 24 October 2022. The Strategic Director is also requested to note that the scheme will benefit from £100,000 per unit grant subsidy from the Greater London Authority, which results in a total contribution of £26m.
101. The council's Contract Standing Order 4.3 requires that for contracts of £100,000 or more to below the Public Contract Regulation threshold, there is a requirement to take all reasonable steps to obtain at least five tenders, and those invited must be selected from the council's works Approved List. The council did not use its Approved List for the reasons outlined in paragraphs 11 to 13 of this report. However, as confirmed in paragraph 33, contractors from the council's Approved List who had initially expressed interest were also on the ProcurePublic framework.
102. The council is awarding this contract having undertaken a mini-competition process via the ProcurePublic Ltd's Demolition Framework, which was established following a Public Contracts Regulations 2015 (PCR15) compliant tendering process. The tendering requirements of PCR15 are therefore satisfied. The council, using the evaluation methodology set out in the further competition has identified the most economically advantageous tender as that provided by Coleman and Company Limited, who is therefore recommended for award. The tender exercise and the evaluation process are outlined in paragraphs 24 to 43 of this report.
103. The Strategic Director's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those

who do not share it. The Strategic Director is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 52 to 64 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report.

104. CSO 2.3 requires that no steps are taken to award a contract unless the expenditure involved has been included in approved estimates, or otherwise approved by the council. Paragraphs 85 to 88 confirm the financial implication of this award.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report (and as otherwise recorded in Part B below).

Signature



Date 18/10/2022

Designation: Strategic Director of Housing and Modernisation

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see 'FOR DELEGATED DECISIONS' section of the guidance).

1. DECISION(S)
As set out in the recommendations of the report.

2. REASONS FOR DECISION

As set out in the report.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION

Not applicable.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.*

or

~~**I declare that I was informed of the conflicts of interests set out in Part B4.***~~

(* - Please delete as appropriate)

7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)*

The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.

I consider that the decision be made available for publication under Regulation 13(4).*

or

~~I do not consider that the decision be made available for publication under Regulation 13(4).*~~

(* - Please delete as appropriate)

* Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the council is required to put in place a scheme for recording and publishing some officer executive decisions. This process is sometimes referred to as "Regulation 13(4)".

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1, GW1 Demolition Contractor Services for the Ledbury Estate report dated 19 July 2022	Housing & Modernisation, Southwark Construction	Laura Wannop 020 7525 5352
Link: Southwark Construction files		
Ledbury Estate Towers update on resident ballot and future redevelopment	Housing and Modernisation, Southwark Construction	Laura Wannop 020 7525 5352
Link: Agenda for Cabinet on Tuesday 13 July 2021, 11.00 am - Southwark Council		

APPENDICES

No	Title
None	

AUDIT TRAIL

Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation	
Report Author	Patricia Lewin, Project Manager	
Version	FINAL	
Dated	5 October 2022	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Cabinet Member	N/A	N/A
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	N/A	N/A
Date final report sent to Constitutional Team		19 October 2022