

Item No:	Classification: Open	Date: September 29 2009	Meeting Name: Executive
Report title:	Gateway 2 – Contract Award Approval Demolition of buildings on Peckham Site 7D Demolition of the former mixed-use blocks at Peckham Site 7D (Sumner Road Workshops, North Peckham, London SE15)		
Ward or groups affected:	Peckham		
From:	Strategic Director of Regeneration and Neighbourhoods		

RECOMMENDATIONS

That the Executive agrees:

1. To award the contract outlined in the closed report, for the procurement of a specialist contractor to demolish the empty and dilapidated former mixed-use block at Peckham Site 7D (Sumner Road Workshops), North Peckham, London SE15.
2. To remove Peckham Site 7D from the list of appropriate sites for education use as approved by Executive on July 18 2006 under the Building Schools for the Future programme and agree that this site is appropriate for residential development.
3. Subject to recommendation 2 being agreed, the funding to be appropriated from the Housing Investment IPG allocation for Phase 4b Silwood Estate Redevelopment to finance the demolition of Peckham Site 7D.

Background

4. The subject site was previously part of the Peckham Partnership (PP) area regeneration scheme, dating from the mid 1990's. This was a partnership arrangement between the council, several housing associations and private housing developers, aimed at the replacement of the problematic high-level deck-access 1970's blocks with attractive modern housing. The Partnership was time-limited, and ended on March 30 2002. The development programme ran beyond timetable - so that, in 2002, several phases remained to be regenerated.
5. Site 7D was an original part of the Partnership arrangements, but was to have been a multi-block residential-only refurbishment, involving temporary tenant decants and subsequent return re-housing. However, it was decided, after consultation with the tenants around the time of the PP Mid-Term Review in 1998, that the phase proposal should be changed from refurbishment to demolition and rebuild, with no return of tenants – who were to be decanted and re-housed elsewhere. The destiny of the site was to be a totally 'private for sale' scheme.

6. The block was occupied by council tenants until mid-May 2005, and the site was hoarded-off, for health and safety reasons, when the Housing department's on-site security presence ended, in September 2005.
7. Fresh preparations had been made for the redevelopment of this site, in 2005/6, including background work toward demolitions and for the appointment(s) of architects to prepare feasibility studies for residential development.
8. However, in a site search for education decant possibilities, in line with Central Government's Building Schools for the Future programme, Site 7A and Site 7D were identified as one of the very few possible areas in the borough to site new schools. The council's Executive resolved, on July 18 2006, to approve the appropriation of the site to Education, for the purposes of the Southwark Schools for the Future (SSF) programme. Any proposals will be subject to full public consultation. The sites have not yet been appropriated to Education, and remain held by Housing, but with Southwark Property adopting responsibility for their management in the interim.

Reason for this procurement

9. In their current state, the buildings are detrimental to the surrounding local area, both in terms of their dilapidation, and their attraction for squatters and other criminal activities: there have been ongoing problems with occasional 'casual' squatting, dumping, damage to hoardings, and various other health & safety and 'public relations' concerns. The site has been secured and it is imperative that the contract is let, in order to reduce the likelihood of squatters taking possession.
10. As a result of these problems, it is thought prudent to seek demolition of the buildings, in preparation of the eventual planned redevelopments, without further delay.

Summary of the business case / Justification for the procurement

11. The site will need to be cleared in advance of the eventual redevelopment. Demolition should help to save the council some holding costs, associated with the current security and health & safety arrangements, by reducing the risk of accidents and incidents, local concerns, unwelcome visitors/squatters, and associated risks.

Market considerations

12. The demolition was tendered to approved contractors, identified by procurement, who specialise in this work. Invitations to tender were sent to five relevant contractors. This competitive process will ensure that the council obtains value for money.

Advertising the contract

13. Under the council's contract standing orders there was no requirement to advertise the contract.

Development of the tender documentation

14. The tender documentation has been prepared by external consultants appointed to cover the design and administration of the demolition work, the quantity surveying and the provision of a Construction Design and Management regulations co-ordinator. Included within the tender documents are the general conditions of contract, specification regarding workmanship and materials, a schedule of works, outline Health and Safety plan, structural engineers report and asbestos reports (Type 2).

Identified risks and how they will be managed

15. All mains services have been disconnected, over the last year, and the district heating and water service has been organised to be terminated by housing management’s engineering services. There are also services runs in close proximity to the building. The appointed contractor will be fully responsible for investigating and ensuring health & safety compliance.
16. Apart from issues of Health and Safety – which will be carefully managed as parts of the process – there are no other risks identified at this time.

Evaluations

17. Calford Seaden LLP prepared an elemental budget estimate of the demolition contract. The recommended tender submission was then selected on the basis of cost and quality on the basis of 80:20.
18. There was a careful evaluation of proposed programme, the intended method statements suggested – in particular, the Health & Safety plans and proposed controls of nuisances outlined by each tenderer. The results are contained within the closed report.

Procurement Project Timetable

Activity	Date completed
Gateway 1:	
Approval given for procurement strategy	09.02.09
Completion of tender documentation	08.05.09
Invitation to tenders	26.05.09
Closing date for return of tenders	22.06.09
Completion of evaluation of tenders	03.07.09
Gateway 2:	
Contract award for approval	29.09.09
Contract award	05.10.09
Start date of contract	02.11.09
Contract completion – on or before	08.02.10

Description of contract outcomes

19. The grant of the contract will enable the demolition of the following properties:

Peckham 7D
80 Sumner Road
Sumner Road Workshops
North Peckham
London
SE15

20. The works will include the following:

- Health and Safety plan
- Hoarding off of the complete site boundary
- Removal of asbestos by approved asbestos contractors
- Protection of mature trees
- Demolition to ground floor slab levels incl' the infilling of the basement
- Demolition of the pedestrian access ramp and footbridge over Daniel Gardens.
- Temporary stopping up orders for Daniel Gardens to allow the safe demolition of the bridge and main building.

KEY ISSUES FOR CONSIDERATION

Policy Implications

21. There are thought to be no negative implications on the council's managing diversity and equal opportunities policies.

Tender Process

22. Five companies specialising in the demolition of buildings and built structures were selected from the council's approved list of contractors. All in accordance with Contract Standing Orders for tendering. The closing date for receipt of tenders was June 22 2009. A tender opening took place shortly after the close of tenders. Four tenders were returned, one apologised for not submitting a tender as they had assumed the return date was the June 29 2009.

23. The consultants Calford Seaden have evaluated the tenders submitted. The evaluation includes careful consideration to the contractors' prices, method statements, health and safety plans, and programme.

24. The tender proposed is the lowest bid in financial terms, and also scored highest in the evaluation process and is therefore recommended as the successful tenderer.

Plans for Monitoring Of the Contract

25. The contract will be supervised by consultants Calford Seaden who are providing the on site management, quantity surveying and the CDM-C provision. A project manager from the Projects Team in Property will oversee the consultants and general performance of the contractor.

Performance bond / Parent Company Guarantee

26. A performance bond is not required for this contract. Contract fees will be paid in stages, and the final account will only be paid after the contractor has successfully completed the required works. A retention sum of 1.5% will also be reserved and only released after the defects period.

Community Impact Statement

27. Health & safety aspects of the demolition, including traffic and noise and dust nuisances, are the primary concerns. The demolition method statements submitted by the contractor detail these and are acceptable.
28. Local residents have been informed of the proposed demolitions and will be updated before the contract starts on site.
29. A stopping up order will be required and there is a statutory notice period for these to give residents the opportunity to comment.
30. A demolition notice has been submitted to Building Control for this work.

Sustainability Considerations

31. The demolition contract will specify that, where practical, materials will be recycled, and the remainder of the debris will be used as on-site back-fill, or will be removed to a registered infill site or tip. The Site Waste Management Regulations will apply to this scheme.

Market Development Considerations

32. Four of the tenderers are based in London and/or immediate surrounds.
33. The recommended contractor is a private organisation, and London based.

Resource Implications

34. Any staffing requirements arising from this procurement will be provided from the appointed consultant.

Second Stage Appraisal

35. This has been carried out and the reports are positive and the risk is below average for the lowest tenderer. There are also no negative comments against this tenderer.

Legal Implications

36. There are no implications arising from this report

Consultation

37. Local organisations, including tenants' and residents' associations, have been informed. Neighbours and local groups will be further advised of the planned works in advance of contract award, and will have an opportunity to meet the contractor.

38. The eventual re-development planning applications will be subject to the usual statutory consultations.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

39. This report recommends the award of a contract for demolition, and commissioning associated works, at site 7D Sumner Road, and the appropriateness of the site for residential use.
40. If this is agreed, the overall spend must be contained within the HIP budget. Should the funding not be approved, alternate funding must be identified before the contract is let.
41. The Finance Director notes that it is intended to use the disposal receipts from this site to reinvest into the HIP. There is a risk that the disposal will not generate a receipt sufficient for the full reimbursement, which could result in a delay to other HIP projects.

KEY POINT SUMMARY

- This procurement followed a general protocol
- This contract is for works and is a new provision

BACKGROUND PAPERS

Background Papers	Held At	Contact
Case File Project Specification	Southwark Property 160 Tooley Street London SE1 2TZ	John Ryan 020 7525 5376

APPENDICES

Appendix number	Title of appendix
1	Site Plan

AUDIT TRAIL

Lead Officer	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods		
Report Author	John Ryan, Project Manager		
Version	Final		
Dated	September 18 2009		
Key Decision?	No	If yes, date appeared on forward plan	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic Director Communities Law & Governance	Yes	No	
Finance Director	Yes	Yes	
Head of Childrens Services	Yes	No	
Executive Member	Yes	No	
Date final report sent to Constitutional Support Services			18.9.2009

APPENDIX 1