

## READING BOROUGH COUNCIL

### REPORT BY DIRECTOR OF ENVIRONMENT & NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	11 JUNE 2018	AGENDA ITEM:	12
TITLE:	CONTRACT AWARD - ASBESTOS REMOVAL AND REMEDIATION CONTRACT FRAMEWORK AGREEMENT		
LEAD COUNCILLOR:	COUNCILLOR ENNIS	PORTFOLIO:	HOUSING
SERVICE:	HOUSING AND NEIGHBOURHOODS	WARDS:	BOROUGHWIDE
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#### 1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 This report seeks approval for the award of the Asbestos Removal and Remediation contracts through the London Housing Consortium (LHC) Framework, following a mini-competitive tendering exercise. It is recommended that two contractors be appointed to ensure suitable cover for the likely volume of work at any one time. These contracts relate to asbestos removal works throughout the Council's housing stock, but can also be utilised for works to corporate properties, schools, commercial properties and public facilities.
- 1.2 No volume of expenditure is guaranteed under these contracts, as annual expenditure will depend on the actual level of work that is required to be sub-contracted during the course of the year. However, based on past records, typically the total expenditure on the contract is projected to be circa £400,000 per annum including corporate works. This work can at times come in batches requiring the need to use more than one contractor.

#### 2. RECOMMENDED ACTION

- 2.1 That Policy Committee provide delegated authority to the Head of Housing and Neighbourhood Services, in consultation with the Lead Councillor for Housing, to award the Asbestos Removal and Remediation Contracts through the LHC Framework Agreement for a period of 4 years.

### **3. READING BOROUGH COUNCIL ASBESTOS REMOVAL AND REMEDIATION CONTRACT THROUGH the LHC FRAMEWORK AGREEMENT**

- 3.1 The Council wishes to appoint two specialist asbestos removal contractors to undertake asbestos removal and remediation works throughout Reading Borough Council's portfolio of housing stock and non-housing properties. The housing stock comprises of approximately 6,000 tenanted homes and communal areas in approximately 300 blocks of flats. Non-housing properties includes RBC corporate/office buildings, schools, commercial properties, approximately 2,000 garages and public facilities managed by the Council.
- 3.2 This contract is to be procured through the existing LHC Framework and is priced against an RBC asbestos work schedule of rates. Tenderers will be invited to submit their price in a mini-competition in the form of a percentage increase or decrease against the published rates for work items. Two specialist asbestos removal contractors will be awarded the contract.
- 3.3 LHC have conducted an expression of interest stage amongst the six appointed companies within their framework to ensure that RBC have a viable option through this framework. Five out of six firms invited have responded positively.
- 3.4 The LHC framework appears to be the most suitable as other existing frameworks within close proximity to Reading are either expired or not designed to address our needs:
- Procurement for All Framework, has only 2 contractors for works above £150,000.
  - Fusion 21 framework is for asbestos surveys only, no removal works.
  - ESPO Framework has expired.
- 3.5 The Council has no established internal team for dealing with asbestos removal, the levels of training, resources, certification and insurances required do not make the use of an in-house team a viable option.
- 3.6 This proposed Framework Agreement will be for a fixed 4-year period. The current arrangements with existing contractors have now expired or are shortly about to expire.

### **4. CONTRIBUTION TO STRATEGIC AIMS**

- 4.1 The contract will support the achievement of the Council's strategic aims of 'providing safe homes for its tenants' and 'remaining financially sustainable to deliver service priorities' by using a cost effective means of delivering improvements to the Council's Housing Stock and Corporate Buildings.
- 4.2 Utilisation of existing frameworks provides the most cost effective way of delivering this service; these have been market tested using agreed rates based on a far larger demand than the Council can muster as a single local

authority. This is a highly specialised area and the option for delivery through an in-house service is not viable. Utilisation of an agreed framework, used across the Council will remove duplication and establish a unified approach with common methods of engagements and most importantly, demonstrate best value for money.

## **5. COMMUNITY ENGAGEMENT AND INFORMATION**

- 5.1 Due to the nature of the work, there is no opportunity for community engagement, however, it is acknowledged that the use of airlocks, decontamination units and PPE can be disconcerting for local residents or employees and therefore the contractors will be expected to fully engage with local residents, tenants and employees to ensure that suitable advice is presented and communication and reassurance is maintained, before, during and after any works.

## **6. EQUALITY IMPACT ASSESSMENT**

- 6.1 There is no Equalities Impact Assessment required for these contracts.

## **7. LEGAL IMPLICATIONS**

- 7.1 The Asbestos Removal and Remediation Framework Agreement will be awarded using the Joint Contracts Tribunal Standard Form of "Measured Term Contract - 2011".
- 7.2 There is a legal requirement for the Council to maintain its buildings in a safe condition free from hazards that are likely to cause harm. The Control of Asbestos Regulation 2012 (CAR2012) places specific duties and obligations on landlords and duty holders (including landlord agents), to identify, manage and prevent/reduce the risk of exposure to asbestos in a premises. The proposed contracts are required to ensure that the Council can comply with these duties.

## **8 FINANCIAL IMPLICATIONS**

- 8.1 No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be undertaken during the course of the year. However, based on expenditure records, typically the total expenditure across a 4-year lifespan is expected to be circa £1,600,000 (£400,000p.a)
- 8.2 The budget for these contracts is included within the existing Housing Revenue Account (HRA) Repairs and Maintenance budgets, as agreed in the Council's annual budget setting process, as well as relevant corporate maintenance budgets.

8.3 Tenderers are advised that the Council's current Low Wage policy expects the payment of the Living Wage rate set independently by the Living Wage Foundation and updated annually in the first week of November each year. All providers appointed are expected to pay a Living Wage in accordance with this policy, to all staff working on Reading Borough Council contracts.

## 9.0 BACKGROUND PAPERS

9.1 None applicable.