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**Decision Maker:** EXECUTIVE

**AND FOR PRE-DECISION SCRUTINY BY THE  
ENVIRONMENT AND COMMUNITY SERVICES PDS  
COMMITTEE**

**Date:** Wednesday 17 November and Wednesday 24 November 2021

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** DEPOT CAPITAL INFRASTRUCTURE WORKS UPDATE

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**Chief Officer:** Colin Brand, Director of Environment and Public Protection

**Ward:** All wards

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1. Reason for report

- 1.1 On 16<sup>th</sup> July 2018, the Executive (ES18032) approved a capital budget of £6.5m for infrastructure works across a range of depot locations to:
- 1.1.1.-Facilitate the outcomes of the strategic review and proposed reorganisation of waste and grounds maintenance depots across the borough (Depot Improvement Programme);
  - 1.1.2.-Facilitate contractors to self-provide flexible facilities via independent installation of modular structures and storage;
  - 1.1.3.-Meet required standards for compliance with health and safety and environmental regulations, particularly at the waste sites;
  - 1.1.4.-Facilitate potential future disposals of sites to be made surplus through the reorganisation, following completion of relevant improvements to the remaining sites;
  - 1.1.5.-Improve current facilities to reduce significant current and ongoing maintenance costs and liabilities; and
  - 1.1.6.-Facilitate works to enable subsequently appointed contractors to deliver services more effectively to residents across the Borough through depots that are fit for purpose.
- 1.2. Following the commencement of a suite of new environmental contracts in April 2019 that included waste services and grounds maintenance, the scope of the proposed works was reviewed to ensure the proposed works would facilitate the above aims effectively.

- 1.3 Design consultants were appointed to undertake site surveys, develop design proposals and further refine the scope with the input of stakeholders. The proposals for the works have been progressed to concept design stage (classified as Stage 2 under the Royal Institute of British Architects Plan of Work, which is an industry standard organisation of the design and construction process)
  - 1.4 This report provides an update on the progress made towards the depot infrastructure works, and seeks approval for the immediate progression of the critical works for safety and operational functionality and a review of the Depot Improvement Strategy.
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## **2. RECOMMENDATION(S)**

The Environment and Community Services PDS are asked to review and comment upon the following and it is recommended that the Executive:

- 2.1 Notes the progress of the design development and agrees to progress the critical works for safety and operational functionality, as detailed in the report below;
- 2.2 Agrees to progress the critical works required at the two waste depots and Beaverwood Depot at a total estimated cost of £6.065m to be funded from the existing capital programme budget for the depot infrastructure works of £6.420m, and to reduce the capital programme accordingly;
- 2.3 Approve the proceeding to procurement for a suitable construction contractor via the use of the LCP Major Works framework at an estimated value of £4.35m, with an additional £435k delegated to the Project Manager, Capital Projects to be used as needed making the total estimated value up to £4.7m;
- 2.4 Note, as set out in paragraphs 3.17 to 3.20, that procurement is in progress (under Officer delegated authority) for urgent remedial works at an estimated total value of £350k funded from the agreed capital programme budget for depot infrastructure works;
- 2.5 Note, as set out in paragraphs 3.21, that due to urgency, the procurement of a replacement weighbridge will take place earlier than the depot infrastructure works procurement occurs; and,
- 2.6 Agree the progression of appropriate planning applications to be made in furtherance of the proposed works.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The Depot Improvement Strategy works will have an impact on residents during the construction period in the following ways:
  - a. Some disturbance during agreed operational hours to households living in the area that immediately surrounds the depot sites; and,
  - b. The partial or full closure of one of the Reuse and Recycling Centre (RRC).

Those impacted may include those households with vulnerable adults and children. Mitigation measures will be fully explored and implemented and may involve for example the instigation of a booking system for RRC access or temporary alternative locations or layouts to site to facilitate works to relevant areas. LBB will also work closely with service providers to ensure that any service communications are clear, accessible, and timely.

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### Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Excellent Council Quality Environment
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### Financial

1. Cost of proposal: Estimated Cost £6.065m (including expenditure to date)
  2. Ongoing costs: Non-Recurring Cost
  3. Budget head/performance centre: Capital Programme for Depot Infrastructure Works
  4. Total current budget for this head: £6.420m
  5. Source of funding: Capital receipts
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### Personnel

1. Number of staff (current and additional): Programme Manager
  2. If from existing staff resources, number of staff hours: Within existing hours.
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### Legal

1. Legal Requirement: Statutory Requirement: Environmental Protection Act 1990 requires local authorities to have a site that residents can access for recycling and waste disposal, provide a waste collection service and manage waste and recycling collected from residents and businesses within the borough.
  2. Call-in: Applicable
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### Procurement

1. Summary of Procurement Implications: Construction works will need to be procured in accordance with relevant Public Procurement Regulations alongside corporate procurement regulations. It is proposed to tender the contract via the London Construction Programme Major

Works Framework. This Framework has already been tendered as required for an above threshold contract and this therefore reduces the procurement timescales and implications. The contract will be awarded following a mini competition based on a priced specification and relevant method statements and quality analysis. Any subsequent changes will be implemented via the Change Control procedure specified within the Contract.

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#### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All Reuse and Recycling Centre users including households (circa 180,000) and local businesses.
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#### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

- 3.1 Depots play a key role in supporting the provision of Council services and in many cases feature in the front-line and public interface. The procurement process for the suite of Environment contracts that commenced in 2019, included a strategic review of depot provision across the Borough. This was aimed at reviewing the number, condition, and location of the current provision to ensure that sufficient geographical coverage was available to facilitate service delivery.
- 3.2 The conclusion of the strategic review was that, in addition to the two main waste related depots, seven other sites would be retained as operational service bases. Capital works required to enable this reorganisation were reviewed and high level estimates prepared to deliver key works priorities including:
- a.---- hardstanding and utility access for contractors to self-provide accommodation and storage;
  - b.---- hardstanding and slab repairs;
  - c.---- structural repairs to aging buildings; and
  - d.---- demolitions of dilapidated buildings.
- 3.3---Under the original proposals it was intended to undertake works at the following locations:
- ---- Central Waste Depot (a,b,c,d)
  - ---- Churchfields Waste Depot (a,b,c,d)
  - ---- Kelsey Park Lower Depot (a,b,d)
  - ---- Priory Gardens (a,b,d)
  - ---- London Road Cemetery (a,b)
  - ---- Croydon Road Recreation Ground (a,b,d)
  - ---- Den Barn (a,b)
  - ---- Kelsey Park Upper Depot (d)
  - ---- High Elms Country Park (a,b)
  - ---- Crystal Palace Information Centre (d)

#### Scope Refinement following Environment Contracts' Appointments

- 3.4 In November 2018, Bromley Council awarded Veolia ES Ltd the Waste Disposal, Waste Collection and Street Environment contracts and idverde the Parks and Grounds Maintenance contracts. These environmental contracts commenced on 1 April 2019.
- 3.5 Following appointment of the environmental services contractors, the proposed scope of construction works was analysed with them to ensure that it worked effectively with their proposed operational plans and addressed key operational problems within the sites. A summary of the outcomes of these reviews is included in Appendix A.

#### Design Development and Outcomes

- 3.6 The design development has been project managed by a dedicated Project Manager from the Capital Project Team and is overseen by a Project Management Board from within the Council, which has made all key decisions.
- 3.7 In accordance with the approvals and procurement processes outlined in the 2018 report, multi-disciplinary consultants were appointed to develop the design for the infrastructure works at the depots used for environmental service delivery.
- 3.8 The consultant has progressed the infrastructure works project through feasibility (RIBA stage 1) and up to the end of concept design (RIBA stage 2) in full consultation with both the Council's client team and representatives from Veolia and idverde. Detailed surveys (e.g. ecological, asbestos, drainage, pavement condition etc.) have been procured and completed to progress

the design to a suitable stage to enable appropriate assessment of the required works and therefore likely costs.

#### Stakeholder Engagement

- 3.9 As the concept design was being progressed a number of stakeholder meetings have taken place with Veolia and idverde and the Environment Agency in their capacity as regulator and statutory consultee during planning.
- 3.10 The Service Providers have provided useful contributions to the design development stage, which have been taken into consideration to ensure that they can continue to operate effectively, safely, and compliantly on the sites.
- 3.11 In regard to the two waste sites, the Environment Agency and Veolia have stated that it is important that the critical works required to repair hardstanding, the Waste Transfer Station structure and drainage as well as installation of infrastructure to reduce fire risks are progressed in a timely manner.
- 3.12 Additional feedback from the Environment Agency and Veolia also pointed the Council towards Environment Agency guidance that was published in July 2021 with regards to requirements for permitted facilities. This feedback will be further considered as part of the review of the Depot Improvement Strategy.

#### Business Case

- 3.13 The original business case for the Depot Improvement Strategy and programme of infrastructure works was outlined in the 2018 Executive Report (reference ES18032). The aim is to create sustainable infrastructure required for the statutory delivery of waste, street cleaning and parks services, and reduce the Council's long term financial liability. The capital investment will enable the provision of waste and other environmental services to operate effectively and meet the Council's statutory requirement to provide these services. It will also serve to uphold the requirements of the Waste Permits, issued by the Environment Agency in respect of Central and Churchfields Depots.
- 3.14 Through the design stage, the cost estimates provided have been reviewed and discussed with the consultancy teams to enable whole project cost build ups to be produced. This process has evidenced that the extent of the works required and therefore cost of works is above that originally anticipated and therefore outside the budget available. The primary reasons for this are as follows:
- 3.14.1 The condition of the hardstanding, particularly the floor slabs to the Waste Transfer Station areas have degraded since the previous condition survey therefore patch repairs are not feasible nor economical due to the negligible net cost benefit and a considerably reduced lifespan.
- 3.14.2 The way in which the Central Depot Waste Transfer Station floor slab drains rainwater leads to considerable water logging issues in waste bulking bays and as such needs to be reconstructed to fall appropriately to deliver new adequate drainage.
- 3.14.3 Both fire suppression and replacement weighbridges were not originally allowed for but have become key necessary works as fire suppression systems, including detection, do not currently exist on sites, are not compliant with Environment Agency guidelines and fire hazards present much greater risks. The existing weighbridges at Central Depot have exceeded their designed lifetime, and beyond economic repair having a history of breakdowns and are difficult and time consuming to repair. This leads to operational consequences in managing tracking of waste and compliance with environmental regulations.

- 3.14.4 The development of design has identified in more detail the scale of incoming services works required on sites and consequent cost allowances are needed to ensure service provisions are adequate for the needs (including appropriate condition assessments).
- 3.14.5 Arboriculture reports have revealed implications for foundations on certain sites, requiring more costly 'hand dig' approaches to avoid tree damage.
- 3.14.6 Foul drainage provision on Kelsey Park Lower site would require installation of a new drainage system due to the location of the site and the nearest foul sewer.
- 3.15 The total costs of completing infrastructure works across the nine depots totals £9.85m exceeding the capital budget available.
- 3.16 Following the feedback received by stakeholders in relation to the waste depots, it is acknowledged that these works need to be undertaken to enable them to continue to be operated in a way that is safe and does not impact the environment in the future.
- Remedial Depot Works
- 3.17 During the design stage, the following health and safety concerns were raised by Veolia and idverde at contract management meetings:
- Condition of the Beaverwood Depot offices, workshop and green waste store; and,
  - Condition of the hardstanding in the Central Depot Waste Transfer Station.
- 3.18 Following a review by the Council's Corporate Health and Safety Board and Environment Service Officers, remedial works have been organised to ensure that the immediate health and safety risks at Beaverwood and Central Depots are addressed and that the depots can continue to be used to deliver frontline environmental services. Works are either in progress or will commence within the next few months; with the works on Central Depot scheduled for the week commencing 18 October 2021.
- 3.19 To enable these emergency works to be undertaken, £350k of the capital programme budget for the depot infrastructure works is being used. The replacement of the hardstanding in a large section of the Waste Transfer Station at Central Depot was commissioned as maintenance works through the Amey Total Facilities Management Contract before facilities management was brought in house in October 2021 and those works have now been completed.
- 3.20 For the remaining section of the Waste Transfer Station, the mixed recycling storage area, where hardstanding needs replacing, and the works required at Beaverwood Depot, procurement through a compliant route has commenced due to the urgency. In accordance with Corporate Procurement Rules, this will be followed up with an award report to the relevant Chief Officer for information on any resulting contract arrangements.

#### Weighbridge

- 3.21 A recent independent structural report about the weighbridges at Central Depot, indicated that one of the two weighbridges has a limited life. Weighbridges are a vital part of providing a waste collection and disposal service. As such, the procurement of a weighbridge will need to happen before the depot infrastructure construction procurement at an estimated value of £25k. The procurement for this will be in accordance with Corporate Procurement Rules and followed up with an award report to the relevant Chief Officer.

#### Operational Property Strategy

- 3.22 Following the changes of the last few years, including during the recent global pandemic, in the way the Council delivers services an Operational Property Review was agreed by Executive to identify the Council's optimal operational estate. This review will consider whether further

refinement of the Depot Improvement Strategy is needed to meet current and future service requirements. The Operational Property Review findings are due to be presented to Executive next year.

#### 4 OPTIONS APPRAISAL AND PREFERRED OPTION

- 4.1 Following the completion of site surveys, stakeholder engagement and the completion of the concept design, officers have undertaken a review of the infrastructure works required to support service delivery and a safe and fit for purpose environment for the Council's environmental service depots in the immediate future.
- 4.2 The options considered were:
- 4.2.1 Progress with works in accordance with the original infrastructure works scope as set out in paragraphs 3.2 and 3.3 above (£9.85m)
- 4.2.2 Progress with a revised scope of 'essential' works at each site to reduce the budget deficit (£6.5m)
- 4.2.3 Progress with a reduced scope to undertake the 'critical' works only at the two waste depots and Beaverwood Depot and revisit the Depot Improvement Strategy as part of the Operational Property Review (£6.065m)

##### Preferred Option

- 4.3 The preferred option is 4.2.3, to progress with a reduced 'critical' works only scope on the basis that there is only approval in place for sufficient funding to achieve this scale of works and that the overall strategic plans for the depots may change as part of the Operational Property Review.
- 4.4 The condition of the two waste depots and Beaverwood Depot that has been identified from condition surveys shows that critical works for these depots are essential in order to support the operational service delivery of key frontline services..
- 4.5 The critical works referred to as part of this option are set out in Table 1 below.

*Table 1 - Summary of Proposed Infrastructure by Location*

Depot	Critical Works
Central Depot	<ul style="list-style-type: none"> <li>• Surface Water Drainage alterations and repairs/separator replacement</li> <li>• Floor Slab replacement to Waste Transfer Station</li> <li>• Waste Transfer Station roof and cladding repairs (including column replacements and protection and new push walls to protect the structure plus corrosion painting)</li> <li>• Fire suppression system</li> <li>• Pedestrian entrance adjustments at Waldo Road entrance</li> <li>• Replacement weighbridges</li> <li>• Some smaller repairs to the hardstanding in the Reuse and Recycling Centre and Baths Road</li> <li>• Remedial works referenced in paragraphs 3.17 and 3.18</li> </ul>
Churchfields Depot	<ul style="list-style-type: none"> <li>• Surface Water Drainage repairs/ separator replacement</li> <li>• Floor Slab replacement in Waste Transfer Station</li> <li>• Fire suppression system</li> <li>• Repairs to Waste Transfer Station cladding/walls</li> <li>• Ancillary hardstanding repairs required in relation to drainage works</li> </ul>
Beaverwood Depot	<ul style="list-style-type: none"> <li>• Building/roofing infrastructure repairs and electrical services</li> </ul>



- 4.6 There are both operational and maintenance implications and risks associated with this proposal; with the key issues being:
- 4.6.1 Ongoing maintenance liabilities on sites.
  - 4.6.2 Potential permitting issues for waste contractors if the scale of works does not address all current permitting concerns and breaches.
  - 4.6.3 Operational implications where relocations of teams and operations can no longer be accommodated.
  - 4.6.5 Ongoing or future costs for maintaining interim solutions on sites e.g., temporary lighting solutions on waste sites/demolitions of unsuitable or unusable buildings/ and operational problems.
- 4.7 The following strategy is recommended to mitigate against some of the ongoing or potential future capital and or revenue cost implications arising due to the necessary scope reduction. It is proposed, where feasible, to progress the design of some selected aspects of the originally proposed works that, whilst highly important to the operation of the sites, have had to be omitted at this stage to focus on addressing the most critical issues. On the basis that current cost estimates are still at a relatively early stage and so include some allowance for managing design risk, alongside appropriate contingencies, there may be scope for some of the omitted items to be contained within the budget set out above, should construction costs prove favourable at the point of tender. Therefore, it is proposed to facilitate the design of a small number of key items to enable these to be included in the tender but on an optional basis. If the tenders prove favourable and the items can be accommodated, they will have been priced on a competitive basis and can be taken forward. However, if they are outside the budget then there will be no procurement implications to omitting these items at the outset of the contract with no scope for challenge in doing so.
- 4.8 As the landlord, the Council is responsible for ongoing maintenance costs at the waste and parks depots. The works that will be conducted as part of the capital programme, will potentially change the type and frequency of routine maintenance, and reduce urgent maintenance needs. However, it is not possible at this stage to estimate future routine maintenance costs and as such for the purpose of the report it is assumed that these will remain largely the same and continue to be funded through the Repairs and Maintenance budget.

## **5. MARKET CONSIDERATIONS**

- 5.1 It is intended to procure the works through a single contractor to secure efficiencies in overhead costs. The Council will need to ensure that the processes used for procurement are compliant with the Public Procurement Regulations.
- 5.2 For a construction project of this value, the Council has considered that there are two potential procurement options:
- 5.2.1 A suitable Framework
  - 5.2.2 Open or restricted tender process
- 5.3 The preferred procurement approach is 5.2.1, use of a suitable Framework. The reason for this is that it reduces the time taken through the procurement process to identify service providers that meet basic pre-qualification requirements. There is no up-front cost to the Council to use a Framework. A Framework can facilitate soft market testing to ensure both buildability and contract interest from the market helping to support a competitive tender return. Whereas with an open or restricted tender process there is more risk involved in terms of gaining too much or too little interest from the market.
- 5.4 Officers, including representatives from Property Services and Procurement, have investigated and evaluated three relevant Frameworks (LCP, Pagabo and SCAPE). Officers consider that

the LCP (London Construction Programme) Major Works Framework would be most appropriate for this scheme as it includes a dedicated lot for highways infrastructure works, which best aligns with the type of works proposed (most notable of which are the surfacing and drainage works). It is therefore recommended that Members approve the use of this framework for the contractor procurement.

- 5.5 The LCP Framework facilitates the use of mini competition in tendering amongst the pre-selected members of the framework for the relevant lot and allows users flexibility in the proportion of price to quality ratio. Contractors will be expected to provide relevant information to evidence their ability to deliver the scheme via scheme specific quality requirements alongside the provision of a lump sum tender. It is proposed to procure the scheme on a single stage tender approach. All providers on the relevant lot will also be asked to express interest in tendering in advance of the tender to ensure sufficient competition within the process.

## **6. SOCIAL VALUE AND LOCAL / NATIONAL PRIORITIES**

- 6.1 Social value is embedded within the LCP Framework that will be used to procure the construction company. For example, the Framework aims to offer greater opportunities to small and medium-sized enterprises as well as the larger suppliers particularly in London. The Framework also aims to support sustainability in construction, assist the implementation of central and local initiatives (e.g. Air Quality, SME's and Social Value). Questions within the mini tender can be used to assess social value.

## **7. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS**

- 7.1 The all-in cost of delivering the proposed scheme is £6.065m as set out in Table 2 below.

Table 2 – Summary of the Programme Budget

<b>Programme Activity</b>	<b>Budget</b>
Immediate remedial works (inc construction fees and surveys)	£350,000
Construction contract (waste sites including weighbridges)	£4,352,158
Fees (consultant, survey, building control, planning, programme management, etc)	£ 927,126
Client contingency	£435,216
<b>Total</b>	<b>£6,064,500</b>

- 7.2 The value of the procurement for the construction will be £4.352 million.
- 7.3 The Executive approved an initial capital budget of £6.5m at its meeting in July 2018, which was subsequently refined and amended to £6.462m. Actual expenditure to date stands at £326k which is included in the total scheme costs set out in Table 2 along with all current commitments.
- 7.4 The proposed works will improve some key aspects of the sites and increase the lifespan of the components that are to be replaced or repaired. This will reduce medium term maintenance costs for those aspects of the sites, particularly in relation to reactive maintenance costs, which have increased over time due to the heavy-duty nature of the site uses, particularly in relation to hardstanding, Waste Transfer Station structural damage and surface water drainage. There will remain routine and cyclical maintenance costs associated with the sites overall, which will continue to be met from the corporate Repairs and Maintenance budget.

- 7.5 There will also remain maintenance costs associated with aspects of the originally proposed works that cannot be accommodated within the budget. Such maintenance requirements will be considered for inclusion within the planned works programme on a year-by-year basis and funded through the Repairs and Maintenance budget.
- 7.6 In line with the original programme budget agreed in 2018, the budget presented in Table 2 includes a 10% construction contingency, within the construction contract sum to cover unforeseeable conditions arising on site. Delegated authority will remain with the Programme Manager to authorise variations against the construction and/ or consultancy contracts within this tolerance. There is also a 10% client-side contingency allowed to manage any unforeseen additional necessary client side requirements. As set out in the recommendations, delegated authority for the management and authorisation to expend this sum is requested to sit with the Director of Environment and Public Protection.
- 7.7 An allowance has been made within the cost estimate figures to support operational continuity on waste sites during the proposed works to ensure that a fully consistent and compliant service will continue throughout. Once the scope of the scheme has been approved by Members, detailed planning will be undertaken to establish the options and solutions available. It is proposed to revert to Members of the ECS Policy Development and Scrutiny Committee with details of these proposals in a further report once fully developed. This issue will continue to be managed appropriately through the project risk register and plans will be coordinated with construction phasing proposals as these are further developed as part of the next design stage.

Proposed Programme and Contract Period:

- 7.8 The following indicative programme is anticipated for progression of the proposed works:

Stage	Start	Finish
Remedial Works	October 2021	February 2022
Detailed Design	December 2021	March 2022
Planning	February 2022	May 2022
Technical design	March 2022	July 2022
Tender	July 2022	December 2022
On site	January 2023	March 2024

- 7.9 In accordance with the Public Contract Regulations 2015 and Contract Procedure Rules, a mini competition will be organised to select a suitable contractor from the LCP Framework. The Council's standard 60:40 split for financial value and quality will be used during the evaluation stage of the mini tender.

## **8. POLICY CONSIDERATIONS**

- 8.1 The "Building a Better Bromley" objective of being an Excellent Council refers to the Council's intention to provide efficient and effective services and value for money to our residents. For the objective of maintaining a 'Quality Environment', the depot strategy capital works will help to 'sustain a clean, green and tidy environment through value-for-money services provided to a consistently high standard'.
- 8.2 The infrastructure works will assist the Council in delivering the action 'Improve our Waste Transfer Stations' set under Priority 2 (Minimising waste and maximising recycling) within the Environment and Community Services Portfolio Plan 2021-22 (the Council's environmental service aims and objectives).
- 8.3 The implementation of the infrastructure works assists the Council in maintaining its Reuse and Recycling Centres. Therefore, contributing to the delivery actions set out in Bromley's

Reuse and Recycling Plan and demonstrating general conformity with the Mayor of London's London Environment Strategy.

- 8.4 The London Plan requires boroughs to protect their existing strategic waste management sites. Bromley's Local Plan, which was adopted in 2019 identifies Waldo Road and Churchfields as two of three strategic waste sites in the borough, with the other being a privately-owned composting facility in Swanley. Strategic waste sites are required to be safeguarded for the management of waste especially with the numerous pressures on land in Bromley for new housing, office and industrial development making the acquisition of land competitive and expensive. It is vital that the critical works are conducted to make these sites fit for purpose going forward.
- 8.5 With the impact of changes to waste tonnages as a result of the Covid-19 pandemic and the forthcoming changes to waste policy to enable the delivery of the Environment Bill, the Council's waste sites are strategically important to the authority delivering key frontline services.

## **9. PROCUREMENT RULES**

- 9.1 This report seeks to proceed to procurement for a suitable construction contractor via the LCP Major Works framework at an estimated value of £4.37M which includes an amount of contingency spend available.
- 9.2 In accordance with Clause 3.5 of the Contract Procedure Rules, the Head of Procurement has been consulted regarding the use of the Framework. A further competition will be used to appoint a provider. As the value of the contract is above the thresholds set out in the PCR 2015, it must be conducted in line with cl. 33 of the same.
- 9.3 The Council's Contract Procedure Rules require the following for authorising an award via a framework for a contract of this value; the Approval of the Executive following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder, must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 9.4 This report also notes that some immediate health and safety risks were identified at Beaverwood and Central Depots up to a value of £350k. In accordance with 2.1.3 of the Council's Contract Procedure Rules, which makes allowances for extreme urgency, procurements have commenced in order to resolve the issues at the Depots, and will be followed up with an award report to the relevant Chief Officer for information on any resulting contract arrangements.
- 9.5 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

## **10. FINANCIAL CONSIDERATIONS**

- 10.1 This report recommends a programme of works to a total value of £6.065m as set out in Table 2, inclusive of expenditure to date of £326k and also additional urgent works of £350k.
- 10.2 This will be funded from the existing approved Capital Programme for Depot Improvement Works of £6.420m, which can now be amended to £6.065m accordingly.
- 10.3 There will remain ongoing routine and reactive maintenance costs, which will vary year to year. These will need to continue to be funded from the existing corporate Repairs and Maintenance budget.

- 10.4 The report also recommends that a revised Depot Improvement Strategy is considered as part of the Operational Property Review, which will aim to address any further issues that will not be addressed by the proposals set out in this report. In deciding to commit significant expenditure on the Council's depots now, it should be noted that the outcome of the Operational Property Review will not be reported to Executive for consideration until July 2022.

## **11. LEGAL CONSIDERATIONS**

- 11.1 The Council has the legal power to hold, maintain and develop its landholdings and buildings in connection with its functions in particular with regard waste and recycling, under the Environment Act 1990 and associated regulations. In furtherance of these powers the Council may provide and commission through a contract the works and services outlined in this report. Failure to ensure that its properties and buildings are maintained to a level to avoid risks to its staff, contractors and members of the public can lead to criminal, civil and contractual liability.
- 11.2 The commissioning of a works contract to carry the necessary improvements, repairs' maintenance and ancillary works is a public works contract within the meaning of the Public Contracts Regulations 2015 (Regulations). Due to the estimated value falling on and around the relevant threshold, Officers have decided to comply with the Regulations through the use of a Regulation compliant Framework which is available to the Council to use for its commissioning needs. This seems a sensible approach to take.
- 11.3 Insofar as any works and services contracts brought about by the immediate health and safety risks identified at Beaverwood and Central Depots (up to a value of £350k) officers will need to ensure any such above Regulation threshold contracts are procured in accordance with the Regulations and in any event demonstrate value for money and have complied with the Council's Contract Procurement Rules.
- 11.4 Similarly those professional services referred to in Table 2 of this report must comply with the Regulations where applicable, produce value for money and comply with the CPR's.
- 11.5 The Procurement section of this report sets out in more detail the application of the Council's CPR's.
- 11.6 Officers may wish to contact the Legal team for any legal advice including contract drafting and amendments to standard industry contracts
- 11.7 All works will need to be carried out with due regard to the council's statutory obligations, the Council's contractual obligations to contractors performing their obligations (such as the Council's waste contractor) which may be affected by this project and to owners and occupiers of all adjoining and neighbouring land.

## **12 STRATEGIC PROPERTY CONSIDERATIONS**

- 12.1 This report seeks authority to progress critical works at three operational properties:
- Central Depot, Waldo Road, Bromley, BR1 2QX
  - Churchfields Depot, Churchfields Road, Beckenham, BR3 4QY
  - Beaverwood Depot, Beaverwood Road, Chislehurst, BR7 6HF
- 12.2 The Council owns the freehold at all affected sites. The sites have been leased in part as set out in the table below; the lease interest is connected to the delivery of the services under the environment contracts referenced in paragraph 3.4.

Property	Leased to	Lease Term
Central Depot	Veolia	16 years from 1 <sup>st</sup> April 2019
	idverde	16 years from 1 <sup>st</sup> April 2019
Churchfields Depot	Veolia	16 years from 1 <sup>st</sup> April 2019
	idverde	16 years from 1 <sup>st</sup> April 2019
Beaverwood Depot	idverde	16 years from 1 <sup>st</sup> April 2019

- 12.3 Under the terms of these leases, there is split of maintenance responsibilities between the landlord and the tenants; the Council has retained some maintenance obligations in respect of these sites, including those relating to building fabric and site infrastructure. The scope of the critical works set out in this report are the responsibility of the Council under these lease arrangements.
- 12.4 As Landlord, the Council has statutory and contractual obligations to ensure that these properties are safe and that risks to the health and safety of staff, contractors and members of the public arising from the property are appropriately mitigated.
- 12.5 Currently, the maintenance requirements at these properties are managed within the annual Repairs and Maintenance budget which was set at £3.2m for 2021/22 and through an annual programme of planned maintenance which is funded in the capital programme. The Repairs and Maintenance budget funds statutory compliance testing and reactive maintenance across the Council's estate where the Council has maintenance responsibilities. Planned and preventative maintenance to site infrastructure is generally funded through bids to the capital programme. The investment in these critical works would have been made or rendered unnecessary if the original programme scope had been delivered. However, for the reasons set out in the body of the report, it is now recommended that the Council proceed with the critical works only and review the Depot Improvement Strategy. It should be noted that whilst this investment will deliver essential maintenance which will reduce pressure on the Repairs and Maintenance budgets (see paragraphs 4.8 and 7.4), there are other maintenance liabilities at these Depot sites that the Council will need to invest in over the medium-term to keep sites operational and safe. This will be managed in accordance with paragraph 7.5.
- 12.6 The proposals set out in this report are supported by the Corporate Landlord Officer Board and the Property service has been fully engaged in the delivery of the Depot Improvement Strategy. The Depot Improvement Strategy will be reviewed as part of Operational Property Review as referenced in paragraph 3.22.

<b>Non-Applicable Sections:</b>	Personnel
Background Documents: (Access via Contact Officer)	N/A

Appendix A Table 1 – Summary of Scope Refinement for each Depot

Site	Changes following scope review	Reasons	Refined scope design
Central	<ul style="list-style-type: none"> <li>Repairs to WTS structure</li> <li>Addition of fire suppression system.</li> <li>Repairs and/or replacement of push walls</li> <li>Lighting improvements</li> <li>Replacement of weighbridges</li> <li>Retaining western boundary wall following demolition</li> <li>Ductwork for future fleet charging</li> </ul>	<ul style="list-style-type: none"> <li>Operational and environmental compliance issues with existing degraded WTS structure.</li> <li>Fire suppression non-compliant with EA guidelines and substantial safety hazard with increased incidence of fire and insufficient water pressure capacity,</li> <li>Weighbridges need replacement due to mechanical failures and problems with repairs and operational impacts of downtime</li> <li>Lean to buildings require demolition which requires substantial retaining of boundary wall.</li> <li>Efficiency sought with installation of ductwork to support future infrastructure changes whilst other surfacing undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>Replace WTS floor slab, roofing and cladding, structural repair and protection and corrosion resistance, fire suppression.</li> <li>Repair/replace push walls.</li> <li>Drainage works.</li> <li>Demolish redundant building/retain wall.</li> <li>Lighting improvement.</li> <li>New weighbridges.</li> <li>Hardstanding repair across site,</li> <li>Ductwork for future fleet charging points.</li> </ul>
Churchfields	<ul style="list-style-type: none"> <li>Replace rather than repair WTS slab</li> <li>WTS structural repairs</li> <li>Addition of fire suppression system</li> <li>Lighting improvements</li> <li>Separation of incoming supplies to separate contractors</li> <li>New incoming power supply housing</li> <li>New pedestrian access gate from road for safety</li> <li>Vehicle washdown area</li> </ul>	<ul style="list-style-type: none"> <li>Condition of hardstanding in WTS needing new structural floor slab</li> <li>Fire suppression non-compliant with EA guidelines and safety hazard with increase in fire incidence and implications</li> <li>Lighting deficiencies across site</li> <li>Relocation of idverde to site requires appropriate metering and billing arrangements</li> <li>Building demolition requires new housing for electrical supply located in building.</li> <li>Provision of pedestrian access arrangements to site.</li> <li>idverde require vehicle washdown area in site for operational functionality.</li> </ul>	<p>Veolia side:</p> <ul style="list-style-type: none"> <li>replace WTS floor slab and repair walls, demolish redundant buildings, separate metering, house incoming electrical supply, fire suppression, lighting, drainage, pedestrian access gate, fencing.</li> </ul> <p>idverde side:</p> <ul style="list-style-type: none"> <li>surfacing, drainage, slabs for install of mess, workshop, office, storage, new incoming services to supply</li> </ul>
Kelsey Park Lower	<ul style="list-style-type: none"> <li>No changes to scope but increase in scale of works due to site conditions</li> </ul>	<ul style="list-style-type: none"> <li>Hardstanding and fencing replacement.. Arboriculture implications for site layout and excavation. New pumped drainage system to reach main sewer at higher level (protecting water course from contamination).</li> </ul>	<ul style="list-style-type: none"> <li>Demolish existing structures,</li> <li>Resurface,</li> <li>Drainage</li> <li>Fencing,</li> <li>Provide bases for idverde to install mess workshop and storage facilities,</li> <li>Storage bays</li> <li>Vehicle washdown</li> <li>Parking and access gates.</li> </ul>
Priory Garden	<ul style="list-style-type: none"> <li>Discontinued</li> </ul>	<ul style="list-style-type: none"> <li>Originally identified for potential disposal with works to enable this. Operational needs due to scope changes mean this site will remain part of the operational estate. EA access to borehole needed due to right of way over site and maintenance access path to museum store needed to facilitate GLL access under licence.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

<b>London Rd Cemetery</b>	<ul style="list-style-type: none"> <li>Discontinued</li> </ul>	<ul style="list-style-type: none"> <li>Originally identified for potential disposal with works to enable this. Operational needs due to scope changes mean this site will remain part of the operational estate.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Croydon Road Rec</b>	<ul style="list-style-type: none"> <li>Addition of replacement 'friends' kiosk</li> </ul>	<ul style="list-style-type: none"> <li>Demolition of dilapidated buildings removes existing park 'friends' accommodation. Scope extended to cover replacement of equal scale.</li> </ul>	<ul style="list-style-type: none"> <li>Demolish 2 existing structures and provide base and service connections for <i>Idverde</i> to install mess and storage facilities</li> <li>Replacement unit for friends group.</li> <li>Ancillary service and drainage connections</li> </ul>
<b>Den Barn</b>	<ul style="list-style-type: none"> <li>Discontinued</li> </ul>	<ul style="list-style-type: none"> <li>Originally identified for potential disposal with works to enable this. Operational needs due to scope changes mean this site will remain part of the operational estate.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Kelsey Park Upper</b>	<ul style="list-style-type: none"> <li>No changes (Site conditions deteriorated over time and potential for buildings to be demolished forming a current boundary wall identified - new boundary subsequently allowed for during design)</li> </ul>	<ul style="list-style-type: none"> <li>NA</li> </ul>	<ul style="list-style-type: none"> <li>Demolish existing structures and turf/return to parkland.</li> </ul>
<b>High Elms</b>	<ul style="list-style-type: none"> <li>Discontinued</li> </ul>	<ul style="list-style-type: none"> <li>Originally identified for potential disposal with works to enable this. Operational needs due to scope changes mean this site will remain part of the operational estate.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Crystal Palace Info Centre</b>	<ul style="list-style-type: none"> <li>Discontinued</li> </ul>	<ul style="list-style-type: none"> <li>This site became redundant following transfer to the CPP Trust.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>