

Decision Maker: FULL COUNCIL
EXECUTIVE

FOR PRE-DECISION SCRUTINY BY THE ENVIRONMENT AND
COMMUNITY SERVICES PDS COMMITTEE on 22 NOVEMBER 2022

Date: 12 December 2022
30 November 2022

Decision Type: Non-Urgent Executive Non-Key

Title: DEPOT INFRASTRUCTURE WORKS STAGE 3 UPDATE

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Ward: All

1. REASON FOR REPORT

- 1.1 On 16th July 2018, the Executive (ES18032) approved a total capital budget of £6.5m for infrastructure works across a range of depot locations.
- 1.2 Following the appointment of design consultants and the refinement of scope at Design Stage 2 (under the Royal Institute of British Architects Plan of Work - industry standard organisation of the design and construction process), on 24th November 2021, the Executive (ES20109) approved progression to Design Stage 3 and 4 and the procurement of a suitable construction contractor through a construction procurement framework. The construction contract at that time had an estimated value of £4.35 million.
- 1.3 Ordinarily further approval would not be required at the end of the detailed Stage 3 Design. However, the indicative costs for the works are significantly higher than anticipated and it is considered that altering the procurement process may provide better value for the Council. Therefore, this report seeks approval for additional capital funds and a change in procurement route to ensure that the vital infrastructure works at the two Council Waste Sites required to deliver key frontline services are implemented.

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 Note that the total capital budget for the depot infrastructure works remains at £6.107m within the capital programme; with revenue funding from maintenance budgets now identified to fund the critical repair works at Central Depot Waste Site and Beaverwood Parks Depot referenced in Executive Report ES20109;
- 2.2 Note the progress of the design development for the two Council Waste Sites, as detailed in the report below;
- 2.3 Recommend that Full Council approve an additional £3m capital funds from the capital programme to be allocated to the depot infrastructure works, giving a total all-inclusive budget of £9.107m;
- 2.4 Approve the proceeding to procurement for a suitable construction contractor via a restricted or competitive procedure with negotiation procurement process for the main works contract, along with the proposed variation of the Veolia contract as per *Paragraph 2.5* below. The combined estimated total construction value of these works is £7.145m, with an additional £715k client contingency delegated to the Project Manager, Capital Projects to be used as needed making the total estimated value up to £7.860m; and,
- 2.5 Approve varying the Veolia Waste collection contract to enable them to design and build two new weighbridges on the operational road within Waldo Road Waste Transfer Station section. The construction costs of which will be contained within the above figures.

Full Council is requested to:

- 2.6 Approve an additional £3m capital funds from the capital programme to be allocated to the depot infrastructure works, giving a total all-inclusive budget of £9.107m

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 Centres (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.

Transformation Policy

1. Policy Status: Existing Policy:
 2. Making Bromley Even Better Priority:
 - (4) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: Estimated Cost: £9.107m
 2. Ongoing costs: Non-Recurring Cost:
 3. Budget head/performance centre: Capital Programme for Depot Infrastructure Works
 4. Total current budget for this head: £6.107m
 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: Proceeding to procurement for capital works, and variation to the Councils contract with Veolia, in accordance with CPRs and procurement legislation.
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Property

1. Summary of Property Implications: The proposed works to the waste management depots fall within the Council's responsibilities as freeholder of the sites and in accordance with the allocation of maintenance responsibilities within the relevant leasehold terms with the operator, Veolia. The Council has statutory and contractual responsibilities to ensure that these properties are safe and that risks to health and safety of staff, contractors and members of the public arising from the properties are appropriately mitigated. The proposed works are necessary to comply with this responsibility.
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: TBC
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Customer Impact

1. Estimated number of users or customers (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? Yes
2. Summary of Ward Councillors comments: Ward Councillors in the areas that the two Waste Sites are located posed questions about the proposals that have been answered. They also highlighted the importance of an annual maintenance plan following completion of the works.

3. SUMMARY OF THE BUSINESS CASE

- 3.1 The original business case for the Depot Capital Infrastructure Works was outlined in the 2018 Executive Report (reference ES18032) with the aim of creating the sustainable infrastructure required for the statutory delivery of waste, street cleaning and parks services, and reduce the Council's long term financial liability. It also serves to uphold the requirements of the Waste Permits, issued by the Environment Agency in respect of Central and Churchfields Depots.
- 3.2 The scope of the works was refined within the 2021 Executive Report (ES20109) following Royal Institute of British Architects (RIBA) Design Stage 2. The condition surveys, cost estimates and stakeholder consultation at Design Stage 2 provided a business case to focus the capital budget on the critical works at the two Waste Sites and Beaverwood Depot as set out within Table 1. The capital budget within the capital programme currently stands at £6.107m.

Table 1 – Depot Infrastructure Works Proposed Scope 2021

Depot	Critical Works
Central Depot	<ul style="list-style-type: none"> • Surface Water Drainage alterations and repairs/separator replacement • Floor Slab replacement to Waste Transfer Station • Waste Transfer Station roof and cladding repairs (including column replacements and protection and new push walls to protect the structure plus corrosion painting) • Fire suppression system • Pedestrian entrance adjustments at Waldo Road entrance • Replacement weighbridges • Some smaller repairs to the hardstanding in the Reuse and Recycling Centre and Baths Road • Early remedial works to the hardstanding in the Waste Transfer Station in 2021.
Churchfields Depot	<ul style="list-style-type: none"> • Surface Water Drainage repairs/ separator replacement • Floor Slab replacement in Waste Transfer Station • Fire suppression system • Repairs to Waste Transfer Station cladding/walls • Ancillary hardstanding repairs required in relation to drainage works
Beaverwood Depot	<ul style="list-style-type: none"> • Early remedial works including building/roofing infrastructure and electrical services repairs

Remedial Works

- 3.3---Remedial works were required urgently during 2021 to improve the condition of the Beaverwood Depot offices, workshop, and green waste store; and the condition of the hardstanding at Central Depot Waste Transfer Station to meet safety standards to prevent substantial risks to service delivery.
- 3.4---On 24th November 2021, the Executive agreed that £350k of the Depot Capital Infrastructure Works budget could be used for the remedial works. Subsequently, relevant Facilities Maintenance revenue budget was identified for depot maintenance and as such this was used to fund the remedial works referred to in *Paragraph 3.3*, which are now complete. These works had a total final value of £336,882 (constituting £216,269 for Beaverwood and £120,613 for Central Depot).
- 3.5---Therefore, the £6.107m budget remains for the Depot Capital Infrastructure Works programme.

RIBA Design Stage 3 Outcome

- 3.6 In accordance with the approvals outlined in the 2021 Executive Report (ES20109), the appointed design consultants progressed RIBA Design Stage 3 to provide a detailed design. This was undertaken in full consultation with the Council's client team and representatives from Veolia. The design development continues to be 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 ordinary circumstance, at the end of RIBA Stage 3 the Council would proceed to planning submission and progress the technical design stage (4) followed by procurement as authorised by the Executive. However, there has been a substantial increase in the indicative costs for the works since Design Stage 2 because of the following factors:
- 3.7.1 --- Construction market inflationary changes particularly as a result of world events i.e. the war in Ukraine.
 - 3.7.2 --- More detailed analysis of the ground investigation reports and consequent proposals to excavate and replace substantial abnormal levels of made ground.
 - 3.7.3 --- Progression of the fire suppression system design indicates that a higher volume of water needs to be stored and the run off then collected and tanked for removal to achieve the flow rates and times to deal with a fire.
 - 3.7.4 --- The substantial extent of works required to repair Waste Transfer Station structures, which was revealed through further survey work in this stage.
- 3.8 A review of each element of the scope of works has been conducted alongside an assessment of risks and the future compliance of the Waste Sites if an individual element was removed, reduced in specification or delayed. Appendix A provides a summary of this assessment.
- 3.9 The conclusion is that removing or reducing specification of any of the work packages from the depot capital infrastructure programme would lead to risks around:
- 3.9.1 --- future site compliance in relation to environmental permitting,
 - 3.9.2 --- both waste and health and safety legislation,
 - 3.9.3 --- significant maintenance cost implications and risks to the delivery of statutory waste services.
- 3.10 This report, therefore, recommends that additional funds of £3m are provided from the capital programme to enable the full scope of works to proceed to RIBA Stage 4 (Technical Design) and procurement. The capital programme review will identify the specific funds used.
- 3.11 In addition, given market changes, the procurement approach has been reviewed since the last stage. In the current construction sector climate, it is considered that a competition that is advertised within the open market may provide the Council with the opportunity to achieve better value.

Central Depot Weighbridges

- 3.12 The Executive (ES20109) approved the procurement of a replacement of one of the two current weighbridges for Central Depot before the main depot infrastructure construction procurement. This was at an estimated value of £25k and followed the results of an independent structural report, which indicated that there was a risk that the weighbridge may fail before the main works could begin.
- 3.13 Maintenance works have subsequently taken place to both existing weighbridges at Central Depot and they are currently operating sufficiently. However, the weighbridges, due to their age, are at the end of their life.

- 3.14 During stakeholder engagement, the relocation of the weighbridge function to the operational roadway that leads from Baths Road into the Waste Transfer Station was suggested. This will involve providing the two new weighbridges that are proposed as part of the depot infrastructure capital works in a different location, rather than replacing the existing ones in the same location. There are several important benefits to this adjustment. For example, moving the location of the weighbridges will improve traffic flow around the whole site, and particularly at the public entrance at Waldo Road, where traffic is sometimes slowed as operational vehicles manoeuvre to access the weighbridge. This will further improve safety for all site users. The change will also allow vehicle manoeuvres within the WTS to be conducted in a safer, more efficient manner, leading to greater safety for operatives and operational effectiveness on site.
- 3.15 The relocation of the weighbridges will assist with infrastructure works phasing at Central Depot, particularly if this element of the works is brought forward. It will reduce the impact of the works on the service and, also minimise phasing costs, as it will mean that temporary weighbridges will not be required whilst work is completed to replace the existing weighbridges. It will also mean that the operational efficiencies will be achieved earlier in the process and benefit throughout the construction project and beyond.
- 3.16 To enable the new weighbridges to be installed as early as possible it is feasible for the weighbridges and the works required to install them to be separated from the main depot infrastructure works procurement process. This is beneficial not only due to the limited life of the existing weighbridges but also to ensure that the depot infrastructure works can be undertaken in a more timely and efficient manner.

Operational Property Review

- 3.17 The Council is in the final stages of its Operational Property Review to identify the Council's optimal operational estate. This review considers the long-term strategy for all operational depots to meet current and future service requirements. Financial cost pressures faced by the Council mean that it is unlikely there will be further investment in the two Waste Sites under this review, which makes it imperative that the full scope of works set out in Table 1 are undertaken as part of the Depot Capital Infrastructure Works programme to address short to medium term critical repairs and compliance requirements. It is relevant to note that, as with all services, there is an ever evolving regulatory and guidance environment for waste management and therefore it is not possible to confirm with certainty that this will not bring forth other infrastructure requirements at a later date.
- 3.18 Relocation of the two Waste Site was considered as part of the Operational Property Review and discounted as an option for several reasons. The capital costs would be tens of millions and these additional costs are unlikely to be offset by the sale of the sites due to their geological context and current use. The two sites are two of just three Strategic Waste Sites identified by the Local Plan, and there is a statutory requirement that London boroughs protect existing strategic waste management sites within their boundaries. There are practical constraints to relocating the two Waste Sites with less central locations bringing additional waste collection costs because of the logistics of transporting waste and recycling. It would also take a significant period to develop a new waste site and obtain necessary environmental permits and planning permissions.

Service Profile

- 3.19 The Council's Waste Sites play a key role in supporting the provision of Council frontline waste collection and disposal and street cleaning services. Waldo Road and Churchfields Waste Transfer Stations (WTS) process around 150,000 tonnes per annum of Bromley's local authority collected waste and provide Reuse and Recycling Centres to ensure Bromley Council meets its statutory obligations.

3.20 Waldo Road and Churchfields are identified as strategic waste sites under planning policy and as such Bromley Council has a requirement to safeguard them for the management of waste.

4. OPTIONS APPRAISAL AND PREFERRED OPTION

4.1 Following the completion of RIBA Design Stage 3 and further stakeholder consultation, officers have undertaken a review of the infrastructure works required to support service delivery and provide 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 Further reduce the scope of the depot infrastructure works by removing selected work packages to meet the agreed capital budget (£6.107m)

4.2.2 Progress with the proposed scope of works but reduce the works from a refurbishment to a maintenance only basis (£6.107m)

4.2.3 Progress with the full scope of depot infrastructure works but limit to only undertaking them at Central Depot (£6.5m)

4.2.4 Progress with the infrastructure works scope as set out in *Paragraph 3.2* and *Table 1* (£9.107m)

4.3 Considerations made in relation to options 4.2.1 to 4.2.3:

4.3.1 Should any of the work packages be removed in its entirety, this would create compliance issues across both sites in relation to waste and health and safety at work regulations. It may also prove complex or impossible to remove some packages due to the interdependent nature of them. A specific example would be the removal of drainage works would prevent completion of fire suppression system installation because the existing drainage would be unable to cope with the fire water runoff and would not comply with regulation for disposal of contaminated water.

4.3.2 Whilst options to decrease the specification of various aspects of the works have been reviewed, there are substantial maintenance implications to reducing the works in this way. The resultant works would not achieve the outcomes necessary of a capital works scheme of protecting and preserving the structures on the site and providing appropriate compliant systems. It is considered that in reducing the scope of aspects of the works, this would decrease the resulting life of the works by half or more leading to increased short to medium term maintenance budget liabilities and medium-term capital replacement liabilities.

4.3.3 There are compliance issues at the Churchfields site which if left unattended would further impact upon current extensive maintenance liabilities.

Preferred Option

4.4 The preferred option is 4.2.4, to progress the infrastructure works scope as set out in *Paragraph 3.2* and *Table 1* to minimise maintenance costs, comply with environmental and safety standards and to futureproof the delivery of waste and street cleaning services.

4.5 There continue to be operational and maintenance implications and risks associated with this proposal; with the key issues being:

4.5.1 Ongoing maintenance liabilities on sites.

4.5.2 Potential permitting issues for the waste contractors, who hold the Environmental Permit for the Waste Sites on the Council's behalf if the scope of works does not address all permitting concerns.

- 4.5.3 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.
- 4.6 Further work will continue in RIBA Design Stage 4 to ensure that the most economical design proposals, that appropriately achieve the aims of the programme are included within the tender. For example, the final depth of the excavations for slab replacement will be finalised once further testing has been completed.
- 4.7 The construction cost estimates for the works include an allowance for managing design risk, at 5%, to reflect the current stage of the process and market uncertainties, alongside the usual 10% construction contingency for construction projects. There is also a further 10% client side contingency allocated to manage unforeseen consequences of the proposed works or essential changes once on site, including ensuring that operations can continue without service disruption to the public. The increased contingency reflects the age and use of the site as well as the current uncertainty in the global construction market.
- 4.8 As the landlord, the Council is responsible for ongoing maintenance costs at the waste 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, which are currently frequent and generally highly urgent to maintain safe operation given the general state of existing facilities. However, it is not possible at this stage to estimate future routine maintenance costs. As such, for the purpose of the report, it is assumed that due to the high impact nature of the operations carried out within the sites, these will remain largely the same and continue to be funded through the Repairs and Maintenance budget.

5. MARKET CONSIDERATIONS

Depot Capital Infrastructure Works

- 5.1 The Council plans to procure the main works through a single contractor to secure efficiencies in overhead costs and also ensure the smooth transition of works between sites, via a single responsible party, as the works must follow in sequence to prevent service delivery impacts. 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 the following procurement options:
- 5.2.1 A suitable framework
 - 5.2.2 Open tender process
 - 5.2.3 Restricted tender
 - 5.2.4 Competitive procedure with negotiation
- 5.3 The approach recommended in the Executive Report (ES20109) was 5.2.1, use of a suitable Framework, specifically the London Construction Programme Major Works Framework. This was selected because it reduces the time taken through the procurement process to identify service providers that meet basic pre-qualification requirements. However, with current market conditions, the use of a framework, whilst it may provide some time efficiency, cannot protect against the impact of high levels of inflation and increased material and energy costs, which are leading contractors to be more selective in tendering to manage risks. The aim of the tender process is to generate competition to drive best value. In the case of the framework, feedback from the provider has suggested that their contractors are preferring 2 stage design and build tenders. In this case, whilst the basis of the project design could be changed from its current traditional fully designed basis, it is a relatively late stage to do so and still gain benefits of early contractor input. Also, as a complex refurbishment job, it is considered that the current basis remains a better fit and retains appropriate control over the final specification. Therefore, it

would not be possible to ascertain in this case whether enough of the contractors on the framework would be interested in the job at an early enough stage. This raises potential for there to be insufficient bids to drive competition. In this instance, it is therefore considered beneficial to move to an open market advert to widen the pool of potential contractors as a mechanism to try to generate better competition by identifying interested parties with whom to progress the full tender.

- 5.4 With Option 5.2.2, open tender, the widest market is available. However, as a single stage process indications are that in practice, due to the time involved in preparing a full tender, with the uncertainty in the scale of competition, suppliers are less likely to tender. Therefore, this option is unsuitable.
- 5.5 Options 5.2.3 and 5.2.4, restricted tender and competitive procedure with negotiation, both provide a two-stage process with the initial selection stage enabling the Council to both identify interested parties and then take through the most suitable suppliers to the full tender stage. Therefore, by reducing the field for undertaking the full tender process contractors are more likely to tender as they have already expressed interest but the scale of competition makes the cost of submitting a tender worthwhile. These options therefore appear to present the most suitable possibilities.
- 5.6 It is relevant to note that Option 5.2.4, competitive dialogue with negotiation does increase the potential procurement timetable due to the negotiation process. However, this process can be useful where there are less defined sections to the scheme where design and cost benefits may be achieved through discussions with contractors..
- 5.7 At the present time, there are potential benefits from both Options 5.2.3 and 5.2.4 Therefore, the Council proposes to further explore these at Design Stage 4 through soft market testing and consideration of whether there are elements of the specification that would benefit from negotiation. The final selection will be made in agreement with the Head of Procurement.
- 5.8 In either case it is proposed that the tender evaluation and selection process will be based on a 60:40 price/quality split, with relevant consideration given to the relative weighting of specifically designed quality questions to secure the most economically advantageous tender. It is also proposed to ensure that a sufficient period for tender preparation is allowed to ensure that tender returns enable contractors to sufficiently identify and manage potential risk through site visits and time for tender queries to be raised, reviewed, and addressed. It is proposed to use a construction industry standard contract for the works, with input from LBB's Legal Department to ensure that contract terms adequate balance risk and protect the Council's interests.

Central Depot Weighbridge Enabling Works

- 5.9 The phasing of the infrastructure works will benefit from replacing and relocating the two Central Depot weighbridges as an enabling package carried out in advance of the main works, as detailed within *Paragraphs 3.11 to 3.15*.
- 5.10 The two options for this package of works considered have been:
 - 5.10.1 Procure as part of the larger Depot Infrastructure Works programme
 - 5.10.2 Modify the Veolia Waste Collection Contract to include the delivery of the weighbridges and the associated works in accordance with Public Procurement Regulations 2015 Regulation 72b and 72f
- 5.11 Option 5.10.2 is the preferred approach as it will enable the weighbridges to be installed before the wider Depot Infrastructure Works programme, which will have benefits for the operation and safety of the site, for reducing the phasing implications of the main works and reducing the time

of site for the main contract. There is also a potential benefit that may be offered in terms of value for money due to Veolia's established supply chain for weighbridges with the existing provider, whose systems and bridges are compatible with current reporting software functions.

5.12 It is proposed that the completion of the necessary change control notice will follow a benchmarked quotation process to ensure value for money. The cost information associated with this package of works is detailed in the Part Two report due to the commercial sensitivity.

6. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES

6.1 Social value and sustainable construction will be included within the procurement criteria for the construction contract procurement. Energy saving plant including pumps, motors, and lighting will all be utilised. This contract will also be a considerate contractor scheme, which imposes sustainability criteria on the main contractor and its whole supply chain.

6.2 Infrastructure works at the Council's Waste Sites will assist in ensuring that vital frontline services continue to be delivered and that waste collected from residents and businesses in Bromley is managed in a way that minimises impact to the environment.

6.3 The two Waste Sites are recognised as strategic waste sites within the Council's Local Plan.

7. STAKEHOLDER ENGAGEMENT

7.1 Regular stakeholder meetings have been undertaken as part of the design process with Veolia and the Environment Agency, in their capacity as regulator.

7.2 Veolia, as the Waste Disposal and Collection Service Provider, has provided useful contributions, which have been taken into consideration during all design stages. Veolia's comments and inputs have focussed on ensuring that they can continue to operate effectively, safely, and compliantly on the sites both during and post works. Veolia have stated that it is important that the scope of works is not reduced. They have formally asked the Council to expand the scope further to incorporate the Environment Agency guidance for permitted facilities published in July 2021 to ensure continued compliance with industry requirements.

7.3 Through stakeholder meetings it has been made clear that it's important to progress the critical works required to repair hardstanding, the Waste Transfer Station structure and drainage as well as delivery of vital fire suppression systems.

8 PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

8.1 The estimated costs set out in Table 2 are inclusive of both the main works contract and the proposed enabling works contract for the weighbridges, which are included for and will be managed within the overall budget allowance. Separate details of the estimated cost for the enabling package is contained in Part 2 of this report due to commercial sensitivity.

Table 2 – Summary of Depot Improvement Programme Total Costs

Construction contracts (main works and enabling package)	£7,145,240
Fees (consultancy, surveys, statutory fees, project management)	£1,200,524
Client Contingency	£714,524
Discontinued sites (surveys and feasibility design fees)	£46,712
TOTAL	£9,107,000

- 8.2 In accordance with the details of previous report (ES18032) it was originally intended as part of the depot infrastructure works to undertake works to 4 of the Borough's grounds maintenance depots and to improve the accommodation provision at Central Depot. Both of these aspects of the original scope were omitted in November 2021 (report ES 20109) in order to reduce the overall project costs. The total cost of fees and surveys associated with the work undertaken to the end of design stage 2 is captured separately in the cost estimate above as this is a fixed cost and is therefore separated from the current estimate for the remaining works.
- 8.3 Table 3 sets out the costs incurred to date in relation to the project. These costs exclude those incurred in relation to works at Beaverwood Depot along with urgent surfacing works at Central Depot referred to in paragraphs 3.3-3.5 above, which are to be covered by maintenance revenue budgets.

Table 3 – Details of the Depot Improvement Programme Spend to Date

Construction contract (main works and enabling package)	£0
Fees (consultancy, surveys, statutory fees, project management)	£355,958
Client Contingency	£0
Discontinued sites (surveys and feasibility design fees)	£46,712
TOTAL	£402,670

- 8.4 It is currently anticipated that the works will take approximately a year on site. This will be staged between the two sites with Churchfields needing to be complete before works to Waldo can begin. This will allow Veolia to manage operational demands during the works period. It is likely that Churchfields will need to be closed temporarily to household and trade waste, which will be directed via Waldo and the need for other short term local recycling points will be considered. A small part of the site will remain operational during the works to ensure that Veolia can manage street cleansing operations without service disruptions. Works at Waldo Road will be phased on site to facilitate ongoing service delivery during the works. Relevant phasing requirements will be set out in the contract.
- 8.5 The proposed procurement strategy is outlined in section 5 of this report. It is intended that the project will be procured either via a restricted or competitive dialogue with negotiation process. Due to the potential for negotiations, additional time would need to be included in the programme for the second option. Programme outlines for the two options are provided in *Tables 4 and 5*.

Table 4 - Programme outline – restricted

Stage	Start	Duration
Design stage 4 (including planning submission and final surveys)	January 23	4 months
Tender stage 1 (mandatory exclusion and technical capability)	May 23	1 month
Tender stage 1 evaluation	June 23	2 weeks
Tender stage 2 (priced tender)	June 23	1.5 months
Tender stage 2 evaluation	August 23	5 weeks
Award report to committee	October 23	1 month

Contract award notice (including standstill)	November 23	2 weeks
Mobilisation and contract execution	November 23	2 months
Onsite	January 24	1 year
Completion	January 25	NA
End of defects (1 year post completion)	January 26	NA

Table 5 - Programme outline - competitive procedure with negotiation

Stage	Start	Duration
Design stage 4 (including planning submission and final surveys)	January 23	4 months
Tender stage 1 (mandatory exclusion and technical capability)	May 23	1 month
Tender stage 1 evaluation	June 23	2 weeks
Tender stage 2 (tender for fixed minimum requirements and proposals for negotiated sections)	June 23	1.5 months
Tender stage 2 evaluation	August 23	3 weeks
Negotiations (as needed, reserve the right to award based on the stage 2 submission where criteria met) and final evaluation	September 23	2 months
Award report to committee	November 23	1 month
Contract award (including standstill)	December 23	2 weeks
Mobilisation and contract execution	January 24	2 months
On site	March 24	1 year
Completion	March 25	NA
End of defects	March 26	NA

9. IMPACT ASSESSMENTS (INCLUDING VULNERABLE ADULTS AND CHILDREN)

9.1 Further consideration of impact assessments will be undertaken with the Construction Contract Award report.

10. TRANSFORMATION/POLICY IMPLICATIONS

10.1 The “Making Bromley Even Better” Objective 5 refers to the Council’s intention to provide efficient and effective services and value for money to our residents. This objective will be met through the infrastructure works supporting the futureproofing the two Waste Sites as well as ensuring best value is gained by applying the most appropriate procurement strategy.

10.2 The depot infrastructure works will also help to meet Objective 4 by sustaining a clean, green, and tidy environment through value-for-money services provided to a consistently high standard.

10.3 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).

10.4 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.

- 10.5 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.
- 10.6 With the forthcoming changes to waste policy to enable the delivery of the Environment Bill, the Council's waste sites continue to remain strategically important.

11. STRATEGIC PROPERTY CONSIDERATIONS

- 11.1 The depot sites owned by the Council are operational assets and are therefore within the scope of the Operational Property Review which has been underway since 2021, and which is due to be reported on the same Agenda as this Report at the Executive Committee on 30 November 2022.
- 11.2 The Operational Property Review has concluded that the depots referred to within this report are retained for continued operational purposes.
- 11.3 It should be noted that the additional £3m capital funds sought has been included in the Operational Property Review, however no further provision of sums has been identified by the service for any additional works to the Depots.

12. PROCUREMENT CONSIDERATIONS

- 12.1 This report seeks to proceed to procurement for a construction contractor for the depot infrastructure works detailed in this report, at a value of £7.860m.
- 12.2 Either a restricted process or competitive procedure with negotiation will be used, and timetables are included in Section 8.
- 12.3 Due to the estimated contract value and the classification of the contract as a works contract, the procurement process shall comply with the Public Contract Regulations 2015 for an above threshold procurement process.
- 12.4 The Council's specific requirements for authorising proceeding to procurement are covered in 1.3 of the Contract Procedure Rules with the need to obtain the formal Approval of the Executive following the Agreement of the Portfolio Holder, Chief Officer, Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 12.5 Further, this report seeks to approve a variation to the Veolia contract for the provision of the design and build of two weighbridges.
- 12.6 The Council's contract with Veolia was originally procured as an above-threshold contract following a competitive tendering process. The variation stated above can be completed in compliance with Regulation 72 (b) of the Public Contract Regulations.
- 12.7 The Council's requirements for authorising a variation are covered in CPR 23.7 and 13.1. For a contract of this value, the Approval of the Portfolio Holder following Agreement by the Chief

Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services, and the Director of Finance must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.

12.8 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.

12.9 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.

13. FINANCIAL CONSIDERATIONS

13.1 This report requests approval for an additional £3m of capital funds from the capital programme to be allocated to the Depot Infrastructure works, which currently has a capital budget of £6.107m.

13.2 The additional £3m will be funded from the capital programme and will be included in the Q2 Capital Monitoring report which will be presented to the Executive during November 2022. Once approved, the revised capital budget for Depot Infrastructure works will be £9.107m. The Council faces a significant shortfall in resources available to finance future capital expenditure, though irrespective of the shortfall, the works detailed in the report do need to be urgently progressed.

13.3 Any ongoing routine and reactive maintenance costs, which will vary year to year, will be revenue costs and will continue to be funded from the existing corporate Repairs and Maintenance budget.

14. LEGAL CONSIDERATIONS

14.1 The Council has the legal power to hold, maintain and develop its landholdings and buildings in connection with its functions 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 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.

14.2 This report is seeking from the Executive approval to i) increase the capital budget to carry out the proposed depot capital works programme ii) agree the procurement strategy for these works and iii) agree a variation to the Veolia contract in relation to new weighbridge works at the depot.

14.3 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 above the relevant threshold, the Council must comply with the Regulations which may be using a Regulation compliant Framework which is available to the Council to use for its commissioning needs. Officers are however recommending following either of the procurement routes provided for within the Regulations, namely a restrictive procedure or a competitive procedure with negotiation as being the most appropriate procurement strategy.

14.4 Insofar as the works required in relating to the weighbridges, due to their value these would not need to be procured in accordance with the Regulations but must still comply with the Councils Contract Procedure Rules (CPRs). However, the report is recommending a direct award to Veolia under their existing Council Contract and as a result this would be categorised as a modification of that contract and therefore can only be achieved by compliance with Regulation 72. The Procurement comments to this report have set out the relevant modification available under

Regulation 72. In terms of complying with CPR's the justification for taking this course is explained in the report which appears to be sensible.

- 14.5 The Procurement section of this report sets out in more detail the application of the Council's CPR's and approvals.
- 14.6 Officers may wish to contact the Legal team for any legal advice including contract drafting and amendments to standard industry contracts
- 14.7 All works will need to be carried out with due regard to the council's statutory obligations, the Councils contractual obligations to their contractors in 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 and users.

15. WARD COUNCILLOR VIEWS

- 15.1 Ward Councillors from Bromley Common and Holwood, and Clock House where the two Waste Sites are located were asked to comment. Comments received included:
 - The procurement approach and processes are sensible based on the current procurement climate; and,
 - A robust maintenance plan is needed following the completion of the works, which should be reviewed annually.
- 15.2 Questions were also raised and answered about how much contingency has been factored in for future cost increases and the need for any immediate emergency works at the two Waste Sites before the Depot Infrastructure Works construction phase commences.

Non-Applicable Headings:	IT and GDPR, Personnel
Background Documents: (Access via Contact Officer)	Stage 3 Design Report

APPENDIX A – ASSESSMENT OF SCOPE OF WORKS

Site	Work Description	Compliance Considerations	Other Considerations
Central	Installation of new weighbridges in operational site road (Baths Road side)	Environmental Permitting Regulations 2020 - Records of weight of waste collected, stored, and processed must be taken. Weights and Measures Act 2015 - Weighbridges need to measure weight accurately. With age accuracy decreases.	Current weighbridges have a short life expectancy and site cannot operate without them New location enables the phasing of infrastructure works New location improves site efficiency and traffic flow.
Both	Installation of Fire Suppressant System, Tanks and Pump House	Environmental Permitting regulations - need to take appropriate measures to prevent fires on site and minimise the risk of pollution from them. Section 2(d) of the Health and Safety at Work – The Council has a duty of care	Supports in minimising damage to depot infrastructure and the service disruption in the event of a fire.

		for contractors staff working at the two Waste Sites	
Both	Waste Transfer Station slab replacement and repair	Indirectly the Environment Permitting Regulations - Assists in the prevention of pollution being emitted from the site. Section 2(d) of the Health and Safety at Work – Uneven ground is a safety risk.	The slab will need to be dug up to enable the drainage works. There is significant maintenance liability related to not undertaking this work.
Both	Waste Transfer Station drainage	Environmental Permitting regulations 2020 – Requirement to take appropriate measures to prevent water contaminated entering local water courses. Also link to fire system. Section 2(d) of the Health and Safety at Work – pooling of water in the Waste Transfer Station is a safety risk	Payment for waste is by weight and as such it is important that water drains away appropriately to keep cost to a minimum. Good drainage is required to enable the fire suppressant system to be compliant.
Both	Surface finishes to the hardstanding	Section 2(d) of the Health and Safety at Work – Uneven ground is a safety risk.	There is significant maintenance liability related to not undertaking this work, as the more expensive slab is likely to be impacted. Also, the surface will be impacted by the drainage works and as such needs to be put right.
Central	Push Walls repair	Section 2(d) of the Health and Safety at Work – Improve safety for those working near push walls	Work to the slab and surfaces may undermine the push walls. A number of push walls are cracked due to age and require replacement for continuation of use.
Central	Waste Transfer Station refurbishment, including repairs to the cladding.	Environmental Permitting regulations - need to take appropriate measures to prevent water contaminated flowing into local water courses.	Water can become contaminated by waste. With appropriate drainage it may not be such an issue. Water mixing with waste potentially a source of odour.
Churchfields	Waste Transfer Station refurbishment including to the rear push walls	Section 2(d) of the Health and Safety at Work – Improve safety for those working near push walls and in the WTS.	Work to the slab and surfaces may undermine the push walls. The WTS rear wall is damaged and needs repair. Some of the cladding.

