

## PART 2 – CONFIDENTIAL FACTS AND ADVICE

**MD3013**

**Title: Demolition Contract for Rank Hovis Building, Royal Victoria Dock, London**

**This information is not suitable for publication until the stated date because:**

This part 2 contains commercially sensitive details of the arrangements of GLAP and third parties, disclosure of which could prejudice their interests; and, therefore, such information should not be in the public domain.

**Date** at which Part 2 will cease to be sensitive or when this information should be reviewed with a view to publication: **May 2023**

**Legal adviser recommendation on the grounds for not publishing information at this time:**

The contents of Part 2 of this decision form include sensitive information that relates to GLAP's and a third party's commercial interests, the disclosure of which could prejudice those interests. For those reasons it is considered that the information contained in this report and appendices is exempt from publication and should be reserved from publication in reliance upon the exclusions contained in section 43 (2) (Commercial Interests) of the FOI Act 2000; and because the public interest in withholding the information outweighs the public interest in releasing it.

If this information is considered for release pursuant to the provisions of the Environmental Information Regulations 2004, this information should be considered exempt information under regulation 12(5)(e) – where disclosure would adversely affect the confidentiality of commercial or industrial information where such confidentiality is provided by law to protect a legitimate economic interest.

**Legal Adviser** – I make the above recommendations that this information is not suitable for publication at this time.

**Name:** TfL Legal

**Date:** 4/7/22

*Once this form is fully authorised, it should be circulated with Part 1.*

**Decision and/or advice:**

The Mayor approves:

- the signing of the demolition contract with the successful bidder (Rhodar Industrial Services Ltd (company re: 6426331)) to enable the expenditure detailed below

- expenditure of £2,027,723 to fund the demolition of the Rank Hovis building, a figure that combines:
  - Rhodar Industrial Services Ltd returned tender of £1,116,112
  - A contingency of £911,611 suggested by the project management consultancy Avison Young. The contingency figure arises due to the inability to access the site for intrusive surveys, as a result of the current health and safety risks. A further breakdown of this contingency figure is as follows:
    - £700,000 additional cost for asbestos removal
    - £100,000 additional cost for removal of rubble already on site
    - £111,116 general contingency (10 per cent of contract value).

## 1. Tender award

1.1. With assistance of TfL Procurement and Supply Chain, the Demolition Lot of the CCS Construction Framework was used to identify suitable contractors to bid for this project.

1.2. Five compliant bids were received from the following contractors:

- Dem-Master Demolition
- DSM Demolition
- Erith
- Rhodar
- Squibb.

1.3. The evaluation criteria and scoring allocation used to evaluate the received bids were as follows:

	<b>Technical</b>	<b>Scoring</b>
Q1	Mobilisation plan	10%
Q2	Works methodology	20%
Q3	Programme and resources	15%
Q4	Management of works	10%
Q5	Subcontracting	Pass/fail
Q6	Risks	10%
	<b>Health and safety</b>	<b>Scoring</b>
Q1	Quay health and safety risks	5%
Q2	Staff and site visitors	5%
Q3	Health and safety personnel	Pass/fail
Q4	Asbestos risk	5%
	<b>Environmental</b>	<b>Scoring</b>
Q1	Environmental risks	5%

Q2	Suppliers	5%
Q3	Waterway	5%
Q4	Disposal of waste	5%

1.4. Three contractors successfully passed the above evaluation criteria:

- DSM Demolition
- Erith
- Rhodar.

The three above contractors successfully passed technical evaluation criteria, scoring two or higher on every individual question and 30 or higher out of 50 for overall technical score. The other two contractors (Dem-Master and Squibb) scored below that level and were not considered further within this process.

1.5. Of the three successful bids, Rhodar was identified as the highest-scoring bidder overall and was therefore named the successful contractor in line with criteria detailed in the Invitation to Tender. Rhodar was awarded a maximum score for price (having submitted the lowest cost) and, although it received the lowest technical score of the three, the gap between all three technical scores was small (ranging from 30.6 to 36.3).

1.6. The final consensus on scoring is outlined below:

Bidder	DSM	Erith	Rhodar
Technical score	36.25%	34.38%	30.63%
Total cost	£1,998,666	£1,200,000	£1,116,112
Financial score	10.46%	46.24%	50.00%
<b>Total score</b>	<b>46.71%</b>	<b>80.62%</b>	<b>80.63%</b>

1.7. The 0.01% gap between the first and second bidder was further scrutinised in order to ensure no errors were made in reaching these scores. For technical scores, a Commercial Manager from TfL Procurement and Supply Chain – not previously involved in the project – reviewed rationale and scoring to ensure scores were in line with the rationale, and that no calculation errors had been made. The Commercial Manager was satisfied on both points. For the financial score, the Avison Young building consultancy team re-reviewed the Erith and Rhodar submissions and found no discrepancies or errors in scoring.

## 2 Financial comments

2.1. The decision is seeking approval to demolish the Rank Hovis building, which was substantially damaged by a fire in 2019. The extent of damage to the building was confirmed in a detailed structural survey performed by Avison Young. Rhodar Industrial Services Ltd is the selected contractor to carry out the demolition of the building.

2.2. The demolition cost is estimated at £2,027,723. A budget was created for this project, which is included in GLAP's 2022-23 budget and contains adequate headroom to accommodate the

estimated cost in the decision. GLAP received compensation (£550k) from its insurance for the damage done by the fire. The compensation received will contribute towards the demolition cost and the remaining cost will be funded from GLAP's resources. GLAP will seek to recover the demolition cost from the developer (TSP) as part of the ongoing negotiation and when development commences in 2029.