

**REPORT TO:           HOUSING COMMITTEE - 26 JUNE 2006**

**REPORT ON:           UNIT RATE CONTRACT FOR LOW RISE HOUSING DEMOLITION  
JUNE 2006 - JUNE 2008**

**REPORT BY:           DIRECTOR OF HOUSING AND CITY ENGINEER**

**REPORT NO:           340-2006**

## **1       PURPOSE OF REPORT**

- 1.1     This report details the Unit Rate contract for demolition of low rise housing (5 storeys or less) submitted by contractors from Dundee City Council's Select Tender list of Contractors.

## **2       RECOMMENDATION**

- 2.1     It is recommended that the Committee approve acceptance of the Unit Rate's for the period June 2006 - June 2008, and note the priority allowance for the letting of any resultant contracts.

## **3       FINANCIAL IMPLICATIONS**

- 3.1     All demolitions will be funded from demolition allowance in 2006/2007 planned maintenance estimates.

## **4       LOCAL AGENDA 21 IMPLICATIONS**

- 4.1     Removal of vacant and derelict buildings will provide an opportunity to enhance immediate environmental conditions for the betterment of residents.

## **5       EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1     None.

## **6       BACKGROUND**

- 6.1     The purpose of the unit rate contract is to allow the demolition of the most common low rise housing types and to be carried out without the need for individual tenders thereby reducing lead-in times and the costs of fees. Contractors are invited to submit rates for prescribed house types and other processes together with provision for insurance for the works and site security. This procurement method will also give increased flexibility should additional demolitions be required at short notice, and reduce security costs.
- 6.2     The unit rates submitted by the contractors have been examined and bench marked against a best value review of demolition undertaken jointly by the Director of Housing and the City Engineer and found to be comparable.
- 6.3     The unit rate for the period June 2006 - June 2008 will operate as follows:
- Tendered rates for all tenderers will remain live for the duration of the contract period.

- For any particular project, the Engineer compares the tender rates for each of the house types and other work activities received from each contractor and establishes which contractor can offer the most advantageous price.
- Each project may differ slightly in terms of the extent of asbestos in each house type and existing site utilities. In such instances the contractor offering the lowest rates for the unit rate elements will be invited to price these work items.
- The appropriate contractor will be selected on the terms of price and the ability to commence and complete demolitions safely and timeously. He will then be asked to make a formal offer to undertake the works at the prices calculated from the unit rate contracts.
- Details of all such offers and acceptance will be reported retrospectively to Committee.

6.4 Tender rates have now been received from eight contractors on the Council's Select Tender List and these rates will apply for the period stated above.

## **7 CONCLUSIONS**

7.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) and Director of Housing have been consulted and are in agreement with the contents of this report.

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Elaine Zwirlein  
Director of Housing

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Ken Laing  
City Engineer

KL/EC

24 May 2006

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