

CARLISLE CITY COUNCIL

Report to:- **CARLISLE CITY COUNCIL**

Date of Meeting:- 7th March 2006

Agenda Item No:-

Public	Operational	Delegated Yes/No
---------------	--------------------	-------------------------

Accompanying Comments and Statements	Required	Included
Environmental Impact Statement:	Yes	No
Financial Comments:	Yes	Yes
Legal Comments:	Yes	Yes
Personnel Comments:	No	No

Title:- **CREMATOR REPLACEMENT**

Report of:- **DIRECTOR OF COMMUNITY SERVICES**

Report reference:- **CS.02/06**

Summary:-

This report as appended outlines proposals for replacing the two cremators to ensure compliance with new legislation on the control of mercury emissions from crematoria by 2012. This report has been considered by the Executive on the 20th February 2006 (minute ref. EX.025/06).

Recommendation:-

1. The City Council approves the installation of two new cremators and associated works during 2006/07.
2. The City Council approve the bringing forward of allocated capital resources of £330,000 from 2008/09 to 2006/07 to give a total capital budget of £780,000 to facilitate the award of works in 2006/07 of the replacement cremators and associated works at the crematorium.

Contact Officer: **MIKE BATTERSBY**

Ext: 5005

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: YES

23 February 2006



PORTFOLIO AREA: ENVIRONMENT HOUSING INFRASTRUCTURE & TRANSPORT

Date of Meeting: 20 February 2006

Public

The Key Decision:	Yes	Recorded in Forward Plan:	No
-------------------	-----	---------------------------	----

Inside Policy Framework

Title: CREMATOR REPLACEMENT AND ASSOCIATED WORKS
Report of: DIRECTOR OF COMMUNITY SERVICES
Report reference: CS 02/06

Summary:

The report identifies the required budget for the Cremator replacement and the early release of 2008-09 Capital budget in order to allow procurement of two new cremators plus associated works and the project completed during 2006-07.

The report also summarises the procurement method and timetable.

Recommendations:

The Executive is requested to:

- i) Approve the installation of two new Cremators and associated works during 2006-07.
- ii) Approve the bringing forward of 'earmarked' capital resources, in the sum of £330K from 2008/09 to 2006/07 producing a total capital budget of £780K to facilitate the award of works in 2006 of the replacement and associated works of the Cremators at the Crematorium.
- iii) Agree the Contractor Evaluation Matrix.

Contact Officer: Michael Battersby

Ext: 5005

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: FS34/04

1. BACKGROUND INFORMATION AND OPTIONS

1.1 The Secretary of State's Guidance for Crematoria has introduced the 'control of mercury emissions from Crematoria'. The statutory guidance is under regulation 37 of the Pollution Prevention and Control (England and Wales) Regulations 2000, SI 1973.

The deadline for implementation of the requirements for 50% of cremations at existing crematoria is December 2012.

It is the Bereavement Services Manager's opinion that this applies to Carlisle City Council establishment. As such a Capital budget bid was made in 2004 In order to allow the works to be programmed and installed.

The Bereavement Services Manager is endeavouring to have this work complete by 2007 in order to minimise the risk of not completing the works by December 2012.

There are a limited number of specialist contractors available with possibly insufficient joint capacity to accommodate all the work in the UK in the future, up to the December 2012 deadline. There are some 274 Crematoriums requiring this work to be carried out in the UK with the work taking approximately 12 months to install.

1.2 The work is required to comply with the Pollution Prevention and Control (England and Wales) Regulations. This requires the removal and replacement of the existing two cremators, with two new cremators incorporating mercury filtering systems, equipment and associated works, to conform with the emission guidelines. Also the foundations, building and civil engineering works to accommodate the new plant.

1.3 A capital bid was presented to the Executive Committee in 15th November 2004 by the Head of Finance (FS34/04) and approved. The original Capital bid funding was budgeted for in 2006/07 in the sum of £450K and a further £330K earmarked for 2008/09. The budget was originally earmarked over the two years 2006-07 / 2007-08 because it was envisaged the project would have to be phased over two years in order to keep the Crematorium operating. The latest information from the Specialist manufactures indicate all the "Cremator Works" can be manufactured and installed during 2006-07 whilst still operating the Crematorium, albeit at a reduced service. The Bereavement Services Manager is in favour of this one year proposal and can accommodate the building works. The other advantage of carrying out the work over one financial year is a more advantageous price from a specialist market.

1.4 If it agreed by Members to allow the New Cremators and auxiliary works to take place during one financial year, 2006-07, then the 2008-09 budget provision of £330,000 will have to be brought forward into the 2006-07 financial year in order

that Contracts can be procured and tenders awarded giving a 2006-07 budget of £780,000.

- 1.5 Advice has been sought from Legal Services regarding the letting of this contract. The contract procurement will comply with the EU Directives and as such may involve advertising in Europe for suitable Manufacturers / Installers.
- 1.6 Members are asked to approve the suggested matrix (See Appendix A) for selecting suitable Manufacturers / Installers in order to ensure that the Council accepts the most economically advantageous tender. It is recommended that the Evaluation Process for the selection of Design & Build Contractors be broken down into Cost / Programme 65 points and Experience, Completed projects, maintenance implications 35 points, a total of 100 points. The highest scoring Contractor will be selected. This Officers believe this will ensure “Best Value” for this Technical Project.

2. PROJECT PLAN

- 2.1 The Proposed programme for Procuring, Manufacturing and Installing the said works is as follows :
- Advertise for Interested Manufacturers / Installers in European Journal
 - Select 5 Manufacturers / Installers from Matrix response list
 - Design & Build Competitive Tender
 - Appoint Design & Build Contractor October 2006 using Matrix
 - Commence Manufacture
 - Install manufactured equipment
 - Complete Contract September 2007
 - Hand Site back to Bereavement Services Manager October 2007

3. RISK REGISTER

- 3.1 A Risk Register has been carried out for this project. In order to minimise Risk, the Project will be managed under a Prince 2 Process Model.

Current Risks envisaged for this project are :

- 1) Ensuring the funding of £780,000 is in place before any Contracts are let. No contracts can be let until Officers are assured sufficient budget is available.
- 2) If delay in commencement during 2006, as per programme, then there is a risk due to the specialist market and limited number of manufacturers and Contractors that the December 2012 deadline for 50% compliance may not

be achieved. Delays in commencement increase the risk of inflation / supplier profiteering due to market forces and also reduction of supplier choice due to their progressive increase in workload up to 2012.

- 3) Programme works, on site, to complete before Winter, when there is greater demand on Crematoria services.
- 4) Design and install cremators such that one is kept operational and in use at all times.
- 5) Failure to meet the 2012 deadline could result in Closure of the Crematorium, Enforcement Notice, reduced or no service provision and Poor Public relations for Carlisle City Council.

4. CONSULTATION

- 4.1 Consultation has taken place with the Bereavement Services Manager.

5. RECOMMENDATIONS

- i) Approve the installation of two new Cremators and associated works during 2006-07.
- ii) Approve the bringing forward of 'earmarked' capital resources, in the sum of £330K from 2008/09 to 2006/07 producing a total capital budget of £780K to facilitate the award of works in 2006 of the replacement and associated works of the Cremators at the Crematorium.
- iii) Agree the Contractor Evaluation Matrix.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Provide secure capital funding for 2006/07 to enable project to be awarded in 2006-07.
- 6.2 There are a limited number of specialist contractors available with possibly insufficient joint capacity to accommodate all the work in the future, up to the deadline of December 2012.
- 6.3 Completion of the project as soon as practicable minimises the risk of additional inflation costs and or profiteering by the limited number of suppliers.

7. IMPLICATIONS

- Staffing/Resources – None
- Financial – The £330,000 has been earmarked to be spent in 2008/09. By bringing the budget forward, there is an impact on cashflow and a potential loss to the Council of 330,000 in investment interest. Payments will be made over 3 years (2006/7 – 2008/9) with a retention payable in the third year.
- Legal – Procurement will comply with EU Directives.
- Corporate – None.
- Equality Issues –
- Environmental – As per report.
- Crime and Disorder – None.
- Impact on Customers – 50% capacity during installation.

Evaluation Matrix for Contractor Tender

This matrix is used to review and assess the returned tenders via a point system. The company achieving the most points is recommended to be awarded the Contract.

COST

The Tenderer fulfilling the total requirements for the minimum cost receives maximum points up to 55. 55

PROGRAMME

Ability to comply with the programme requirements, totally, receives 10 points with those who cannot receiving less 10

DESIGN & BUILD EXPERIENCE

Evidence of successful Design & Build projects completed within similar restraints, including references, along with an environmental emphasis on Cleaner / Greener aspects would receive maximum marks. 10

PROVEN COMPLETED PROJECTS

Those companies with completed projects, available for inspection, utilising their intended plant and equipment score maximum marks. 10

MAINTENANCE SERVICE AVAILABILITY

Ability to respond for maintenance, servicing and emergencies, in accordance with the tender (Carlisle City Council) requirements receive maximum points. 7

REVENUE / RUNNING COSTS

Those with minimum Revenue / running costs and Whole life costing over life span receive maximum points. 8
100