

PROJECT DEFINITION DOCUMENT (PDD) APPENDIX 1

1. General Information			
Directorate	<i>Place</i>	Portfolio/Committee	<i>Sustainability</i>
Project Title	<i>Waste Depot Modernisation Programme Phase 1 (Lifford Lane and Perry Barr)</i>	Project Code	CA-01941
Project Description	<p>The main deliverables of the Waste Depots Modernisation Programme Phase 1 proposal is to provide fit for purpose back of house accommodation and facilities for the Council's operational and administration workforce at Lifford Lane and Perry Barr Depots. This includes addressing the potential increase of female operatives joining the Service since the introduction of wheelie bins. In order for the Council to meet its statutory obligations it must also meet current health and safety related legislation and provide a safe place for its employees to work. There are currently 220 operatives and 20 office staff based at Lifford Lane Depot and 250 operatives and 14 office staff based at Perry Barr Depot employed by the Council. This proposal will provide improved working conditions and support opportunities for women to enter the waste industry.</p> <p>There is also the need to ensure the public have safe access to the Household Recycling Centres (HRC) and Green Waste Recycling at both Perry Barr and Lifford Lane Depots. Currently there is a lack of clarity separating the operational traffic from that of the public accessing the recycling centres. The proposal will investigate the feasibility of clear demarcation separating operational and public vehicles. Other areas of work on both sites will also be carried out to ensure compliance with current legislation including a review of the electrical and mechanical installations, installation of CCTV and Wi-Fi and new furniture and equipment in the offices, canteen and changing areas.</p> <p>Waste Management Services (WMS) are responsible for collection and disposal of domestic waste, and some trade waste in Birmingham. The waste disposal contract was contracted out for 25 years in 1994 to Veolia ES Birmingham (VESB), an international recycling and waste management company. The two depots at Perry Barr and Lifford Lane currently accommodate both BCC and VESB staff. Both sites are owned by BCC but leased to VESB. Approval will be required from VESB for the proposed new build at Lifford Lane which will be sited on land that has designated shared use between the Council and VESB. The responsibility for the buildings currently occupied by VESB will revert back to either BCC or a provider of a new waste contract on termination of the current contract on the 16th January 2019.</p> <p>Waste Management have historically struggled to recruit and retain suitably qualified drivers for their refuse and recycling services. Part of the issue has been the perception of the role as a 'dirty job' and the facilities available to employees as being below industry standard. This makes it difficult to recruit a workforce that reflects the community that it serves, particularly female applicants who perceive it as not the type of role a woman would want to undertake. The introduction of wheelie bins has meant that there are more opportunities for employing women in what used to be a very physical role. Open days were held in December 2015 to support a recruitment process for new drivers. Overall it was well attended; however unfortunately none of those women who attended saw the process through to the application stage. The current inadequate facilities do not support the engagement of new employees into the industry especially women. Modernising and updating the welfare facilities for staff will make a significant contribution to improving the City Council's offer as an employer of choice.</p> <p>In order to achieve the deliverables of the Phase 1 Waste Depots Modernisation Programme the following areas of work are proposed at Perry Barr and Lifford Lane depots;</p>		

Perry Barr Depot -This will include the reconfiguration and refurbishment of the existing offices, welfare and ablution block at Perry Barr Depot. The BCC offices on the ground floor will be relocated to the first floor. Currently much of the first floor accommodation is used as storage. This will be reconfigured and refurbished to accommodate the BCC office accommodation and supporting facilities e.g. meeting rooms, kitchenette, stores and toilets. The canteen area for the operatives will also be relocated to the first floor. The ground floor which currently houses the male ablutions, changing/ locker room, drying rooms and the operational booking in office will be refurbished and the building extended to incorporate fit for purpose female ablutions and associated facilities which are insufficient at present.

Lifford Lane Depot – This will include the procurement and installation of a new two storey prefabricated building to be sited on part of the existing staff car park. The building will accommodate the male and female ablutions, changing and drying facilities and operational booking in office on the ground floor and BCC office accommodation and operatives' canteen on the first floor. The building will also benefit from a lift to facilitate disabled users accessing the first floor accommodation. The existing ablutions and canteen building will be demolished as major structural failings have been identified effecting the floor slab and structural walls. The area will be reinstated for vehicle parking. Other areas of work on both sites will also be carried out to ensure compliance with current legislation including upgrading the electrical and mechanical installations, installation of CCTV and Wi-Fi and new furniture and equipment. A review of the traffic management system will also be carried out to ascertain improved separation of the public visiting the HRC from operational traffic.

These proposed capital works are to be financed by prudential borrowing over a 20 year period. The approval for this prudential borrowing over a 20 year period will be sought at FBC stage when the final target cost is known. There is provision within the Waste Management revenue budget to meet the estimated prudential borrowing charges for this project.

There should be a reduction in revenue running costs for the new and refurbished buildings. This is difficult to quantify at this stage and further details will be provided at FBC stage.

The construction contract will be administered by Acivico. A contractor has been appointed,, in principle pending receipt of a target cost, through the Constructing West Midlands (CWM) Framework (Lot 7). The contractor will work at risk prior to approval of the Full Business Case and Contract Award. All four CWM Contractors tendered percentages were assessed as part of the direct allocation price / quality evaluation. Social Value did not form part of the evaluation for Direct Allocations which is the standard procedure agreed with Corporate Procurement Services. The contractor allocation was determined from an 80:20 price: quality ratio matrix. The pricing model is based on the percentages which were accepted as part of the CWM Framework (Lot 7). The allocation is based on an assessment of their tendered rates combined with their ongoing performance measure using prescribed KPIs. The KPIs measure Client satisfaction, cost predictability, programme performance and health and safety performance. The selected contractor will be required to adhere to the principles of the BBC4SR and prior to contract award an action plan proportionate to the contract sum will be agreed with the contractor on how the charters principles will be implemented and monitored throughout the contract period.

A Full Business Case will be presented to Cabinet in September 2016 with a start on site proposed for early November 2016. Works will commence on both sites in parallel although completion and handovers will be site specific. Final completion is proposed for the summer of 2017.

Links to Corporate and Service Outcomes	<p>Upholding the priorities of 'Prosperity, Fairness and Democracy' as set out in the Council's Business Plan and Budget 2016+. The objective is to reduce waste and where possible treat it as a resource rather than rubbish. To also encourage females into employment for this business area. The proposal supports the key strategic outcomes of 'A strong economy'; 'A great future for young people'; 'Thriving local communities' and 'A modern council'</p> <p>The aim of 'The Future Council' is to create a sustainable future proof model of public services- focused on supporting the needs of people, partnering working, empowered staff and community engagement. This proposal will support this framework.</p> <p>The proposal is in line with the new draft Municipal Waste Strategy 20016 - 2026 currently under development; in order for BCC to manage waste efficiently and effectively the back of house facilities must be fit for purpose in order to support the staff in delivering the service.</p>
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Project Benefits	<ul style="list-style-type: none"> • Compliance with health and safety and equalities requirements will be addressed as part of this proposal. • Council office and operational staff accommodation is fit for purpose and offers a sound working environment that supports staff morale. • The life of the depots is extended for another 20 years + if maintained appropriately. • The refurbished and new accommodation can facilitate the potential future growth of female operatives into the workforce. • Clear segregation of the public visiting the HRC's and operational traffic with new improved signage. • Release the Council from ongoing high maintenance requirements on the existing building at Lifford Lane Depot which is no longer fit for purpose.
Project Deliverables	<ul style="list-style-type: none"> • A mix of new and refurbished fit for purpose accommodation allowing the staff to deliver the service more efficiently and effectively. • Buildings which will require less frequent repairs with an extended life of 20 years + • Potential reduction in revenue costs with the introduction of more energy efficient heating/lighting/water consumption. • Improved traffic management. • New CCTV to enhance security.

Key Project Milestones	Planned Delivery Dates
Cabinet Approval for Project Definition Document	17 th May 2016
Receipt of target cost	July 2016
Planning Approval	August 2016
Cabinet Approval for Full Business Case	September 2016
Start on Site	Early November 2016
Completion	August 2017
Furniture and Equipment fit out	June – August 2017
Project Post Implementation Review	August 2018

Dependencies on other projects or activities	<ul style="list-style-type: none"> • Planning permission • Union/Veolia/staff consultation • Green Waste Recycling season end. This will enable the contractor to utilise space for site compound. • Outcome of the proposed surveys and target cost. • Finalisation of funding package • Approval of Full Business Case • Legal Agreements with VESB contract • Placing orders with contractors
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Achievability	Birmingham Property Services (Operational Projects), Acivico (Contract Administration) have all got extensive experience and knowledge of working on large successful refurbishment projects The project team will include and involve the Depot Managers in the delivery of this project.		
Project Manager	Lesley Steele; Birmingham Property Service, Business Centre Manager – Operational Projects, 0121 303 8857; Lesley.Steele@birmingham.gov.uk		
Project Accountant	Russell Gatfield; 0121 303 6909; Russell.Gatfield@birmingham.gov.uk		
Project Sponsor	Stuart Jackson, Director Waste Management Services, Place Directorate, 0121 303 6171, Stuart.Jackson@birmingham.gov.uk		
Proposed Project Board Members	Lesley Steele (details as above), Sara Smith, Acivico PM, 0121 303 6704, Sara.Smith@Acivico.co.uk , Ian Keenan, Acivico Quantity Surveyor, 0121 303 7080, Ian.Keena@Acivico.co.uk , Lot 7 Contractor, John Burke, Lifford Lane Depot Manager, 0121 303 1924 John.Burke@birmingham.gov.uk , Nick Reid, Perry Barr Operations Manager, 0121 303 1975 Nick.Reid@birmingham.gov.uk		
Head of City Finance (HoCF)	Paul Quinney	Date of HoCF Approval	04/05/2016
<i>Other Mandatory Information</i>			
• Has project budget been set up on Voyager?			yes
• Issues and Risks			yes

2. Options Appraisal Records

The following sections are evidence of the different options that have been considered in arriving at the Project Definition. All options should be documented individually.

Option 1	Do nothing
Information Considered	The condition of the existing buildings that the service is delivered from. The cost of retaining/replacing the existing buildings. A joined up service delivery approach. Site safety. Capital and revenue funding. Legislation requirements. Future Operating Model.
Pros and Cons of Option	<p>Advantages: No long term financial commitment on the Waste Management Services revenue budget in respect of prudential borrowing.</p> <p>Disadvantages: Legislative requirements are not addressed and therefore the Council is not meeting their statutory duties as employer and landlord. No investment in the existing assets will impact on service delivery as the buildings are no longer fit for purpose. Financial pressure on the repairs and maintenance budget to keep the buildings operational. No incentive for women to take up a career in Waste Management. Site safety issues not addressed</p>
People Consulted	Acting Strategic Director Place, Waste Management Services staff, Unions, Veolia, Cabinet Member for Sustainability, other BCC officers.
Recommendation	Abandon
Principal Reason for Decision	It does not address the outstanding health, safety and equality issues impacting on Council employees and service delivery.

Option 2	Refurbish both sites in their entirety as per the master plan
Information Considered	<p>The condition of the existing buildings that the service is delivered from.</p> <p>The cost of retaining/replacing the existing buildings.</p> <p>A joined up service delivery approach.</p> <p>Site Safety.</p> <p>Capital and revenue funding.</p> <p>Legislation requirements.</p> <p>Future Operating Model.</p>
Pros and Cons of Option	<p>Advantages:</p> <p>The delivery of the master plan as one phase of works means no further disruption from construction works to the 2 sites for the next 20 years plus.</p> <p>Future proofs service delivery and builds in capacity for growth in the workforce in line with increased demand e.g. the new homes agenda.</p> <p>Reduced revenue maintenance on both sites.</p> <p>Maximises the use of the depots as assets.</p> <p>The introduction of fit for purpose facilities would be more attractive to recruiting female operatives.</p> <p>Site safety addressed.</p> <p>Disadvantages:</p> <p>This option is unaffordable. The prudential borrowing would exceed the revenue resources available within the Waste Management Services Budget.</p> <p>Some works could be deemed excessive in the current climate and may be abortive depending on the outcome of the establishment of the waste contract in 2017/18.</p> <p>Delivery of the works for this option would create a high level of disruption to service delivery. Consideration would have to be given to doing one site at a time and temporarily transferring some services to other sites or closing in the interim.</p>
People Consulted	Acting Strategic Director Place, Waste Management Services staff, Unions, Veolia, Cabinet Member for Sustainability, other BCC officers.
Recommendation	Abandon
Principal Reason for Decision	Unaffordable.

Option 3	To address health and safety and equality issues and carry out works to extend the life of the office accommodation and ablutions/changing facilities occupied by Council staff, and infrastructure for a minimum of 20 years
Information Considered	<p>The condition of the existing buildings that the service is delivered from.</p> <p>The cost of retaining/replacing the existing buildings.</p> <p>A joined up service delivery approach.</p> <p>Site Safety.</p> <p>Capital and revenue funding.</p> <p>Legislation requirements.</p> <p>Future Operating Model.</p>
Pros and Cons of Option	<p>Advantages</p> <p>Provides office accommodation and ablutions/changing facilities with a life of 20 year plus.</p> <p>Future proofs service delivery and builds in capacity for growth in the workforce in line with increased demand e.g. the new homes agenda.</p> <p>Ensures the Council meets its statutory obligations.</p> <p>Delivers a proposal that is affordable.</p> <p>Potential reduction in revenue costs with the introduction of more energy efficient heating/lighting/water consumption.</p> <p>Addresses Site Safety issues.</p> <p>Disadvantages</p> <p>Creates a long term financial commitment for Waste Management Services as the revenue pay back for the prudential borrowing is over a 20 year period.</p> <p>Limited service transformation.</p>

People Consulted	Acting Strategic Director Place, Waste Management Services staff, Unions, Veolia, Cabinet Member for Sustainability, other BCC officers.
Recommendation	Proceed
Principal Reason for Decision	This delivers the first phase of works that addresses BCC's statutory obligations whilst also addressing the equality and health and safety issues.

3. Summary of Options Appraisal – Price/Quality Matrix							
Criteria	Options			Weighting	Weighted Score		
	1	2	3		1	2	3
Total Capital Cost	9	0	6	10	0.9	0.0	0.6
Rev Consequences/Affordability	4	0	8	10	0.4	0.0	0.8
Quality Evaluation Criteria							
1) Health & Safety	1	9	8	20	0.2	1.8	1.6
2) Statutory Obligations	1	9	8	20	0.2	1.8	1.6
3) Council Business Plan 2016+	1	8	8	20	0.2	1.6	1.6
4) Impact on services	1	9	8	20	0.2	1.8	1.6
Total				100	2.1	7.0	7.8

4. Option Recommended	Option 3 is the preferred way forward. It offers an affordable solution to address all the legislative/health and safety and equality issues associated with the staff accommodation whilst extending the life of the assets by 20 years plus.
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5. Budget information (see Private Report)

6. Project Development Requirements/Information	
Products required to produce Full Business Case	<ul style="list-style-type: none"> • Detailed technical design • Environmental impact assessment • Risk assessments/register • Stakeholder analysis • Resource implications • Surveys • Planning application • Programme of activities • Consultation
Estimated time to complete project development	3 months
Estimated cost to complete project development	£139,000
Funding of development costs	Initially Waste Management Services Revenue Budget.

Planned FBC Date	<i>September 2016</i>	Planned Date for Technical Completion	<i>August 2017</i>
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Risk Register

Description of risk	Impact	Probability	Existing controls	Action Required	Lead responsibility
Programme of work is delayed	High	Low	A draft programme will be compiled in line with the schedule of activities	Work activity schedules will be revisited and amended as is appropriate.	Acivico and Contractor
Unforeseen additional works are identified that are outside the programme	Medium	Low	Intrusive surveys and extensive consultation is being carried out as part of the feasibility study to identify all unknowns where possible. Unknown risks are costed and included as contingency sums as part of the overall target cost.	The project will be designed to ensure value for money is achieved and kept within the available budget. Appropriate contingencies will be included to mitigate unknowns where appropriate. If necessary value re-engineering exercises will be undertaken to ensure costs remain within budget.	Acivico.& Contractor
User expectations are insufficiently managed.	Low	Low	Extensive consultation has commenced with the client, unions, Veolia and BCC representatives to ensure expectations are realistic.	Regular progress updates will be held and shared with stakeholders.	BPS and Waste Management Services
Departure of key staff members	Low	Low	Much work is done on a team basis so cover is in place	Recruit and replace	All
Proposal does not get Building Regulations/Planning approval	High	Low	Acivico have commenced consultation with Building Control and the Planning Officer to ensure the proposals meet legislation	An ongoing dialogue will be maintained with Building Control /planning throughout the delivery of the project and issues addressed as they arise.	Acivico
Resistance from Veolia (VESB) over the access to site during construction	High	Medium	A programme of works will be agreed prior to start and a BCC project manager will monitor progress and quality against project plan and attend regular on site meetings.	The majority of works will not impact on VESB as the focus is on buildings occupied by BCC. VESB will be invited to meetings with the contractor to discuss construction site set up to ensure it does not impact on the day to day	Waste Management Services

				operations of the site. Any operations which could impact on the day to day operations will be carried out after working hours or at weekends.	
Resistance of VESB to sign a variation agreement in relation to asset responsibility to allow works to be undertaken	High	Medium	Early consultation has commenced which includes representation from VESB and the unions to ensure they are supportive of the proposed works. Also to start a dialogue with VESB to look at changes in asset responsibilities.	To have an ongoing dialogue with VESB throughout the planning and delivery stages of the proposal to ensure they are fully informed of progress and scope of works.	Waste Management Services
New contractor provider does not want to use Lifford Lane and Perry Barr Depots as part of their operations	High	Low	The location of both sites strategically lends itself to being optimally placed for the north and south of the city. The works in this proposal will allow the depots to be handed over with fit for purpose facilities for staff.	The proposed new contract will endeavor to ensure the 20 year payback period for the prudential borrowing funding is not a financial liability for the city.	Waste Management Services