



# Cabinet

18 JULY 2011

**DEPUTY LEADER  
(+ ENVIRONMENT  
AND ASSET  
MANAGEMENT)**

*Councillor Nicholas  
Botterill*

**PROJECT: MTC FOR RISK ASSESSMENT &  
REMEDIAL WORKS ON WATER SYSTEMS  
BOROUGH-WIDE IN NON-HOUSING  
PROPERTIES 2011-2015**

**Wards  
ALL**

**WORKS: RISK ASSESSMENT & REMEDIAL  
WORKS ON WATER SYSTEMS**

This report seeks approval to accept a tender for Risk Assessments And Associated Remedial Works On Communal Hot & Cold Water Systems, to ensure effective control of Legionella in Non-Housing properties.

A separate report on the exempt part of the agenda provides exempt information about the tendering process.

**CONTRIBUTORS:**

- ENV(BPM)
- DFCS
- ADLDS

**Recommendation:**

**To note that the contract is expected to start on 1 October 2011 for a period of 4 years, with an optional extension of a further three years, as set out in this report.**

<p><b>HAS A EIA BEEN COMPLETED? YES</b></p>
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<p><b>HAS THE REPORT CONTENT BEEN RISK ASSESSED? YES</b></p>
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## 1. BACKGROUND

- 1.1. The existing Measured Term Contract (based on bespoke Schedules of Rates) expired in February 2011 and has been extended to September 2011. The contract is for the carrying out of Risk Assessments to Water Systems at two yearly intervals (as required by Statute) for all Non-Housing properties owned or operated by the Council on a rolling programme, and for carrying out any Remedial Works found necessary during these Risk Assessments and surveys. Monthly temperature monitoring in accordance with HSE ACOP L8 (Legionella) has also been included. The contract does not give any details of specific remedial works or any guarantees of work as these are given on an ad-hoc basis as the need arises and are the subject of separate individual orders.
- 1.2. The proposed works form part of the CPMP Revenue programme.
- 1.3. These works need to be undertaken because under the Health & Safety at Work Act 1974, and specifically Approved Code of Practice (ACOP) L8 - Prevention of Legionella Regulations it is required that regular inspections of communal cold water storage cisterns and their associated hot and cold water systems are carried out to assess the risk of the proliferation of Legionella bacteria and to carry out any associated remedial works required to minimise this risk. The contract will ensure that all communal hot and cold water installations within properties comply with these regulations.
- 1.4. A Tender Appraisal Panel (TAP) was set up to oversee the tendering process. This panel consists of officers from Procurement and IT Strategy, Legal Services and Building & Property Management.
- 1.5. The value of this contract exceeds the threshold for service contracts and has therefore been tendered in accordance with the Public Contracts Regulations 2006 (as amended) - EU Public Procurement rules. The Contract was sent for publication in the Official Journal of the European Union (OJEU) on 11 August 2010 and appeared in that publication on 14 August 2010 under reference 2010/S157 – 243169.
- 1.6. 33 pre-qualification questionnaires (PQQs) were received from interested contractors of which two were not valid. The valid PQQs were scored by members of the TAP.
- 1.7. The TAP met on 9 December 2010 at which the six highest scoring contractors were shortlisted and invited to tender.
- 1.8. The new contract is for a period of four years, with an option to extend for a further three years. The contract contains annual price fluctuations clauses linked to published industry indices to allow for inflation over the term of the contract.

## **2. DETAILS OF TENDER**

- 2.1 The procurement arrangements followed the previous Term Contract process for a contractor to be identified following a tendering exercise for recommendation to Members on tender award. The proposed overall expenditure (over 4 years) required that a Contract Notice seeking expressions of interest was published in the Official Journal of the European Union (OJEU) and this was carried out. The recommendation for the contractor to be appointed is based on the lowest notional tender received. The selection of contractors for the tender list was based upon a quality evaluation (utilising a pre-defined weighted appraisal) of all submitted Pre-Qualification Questionnaires and was approved by a Key Cabinet Decision in February 2011.
- 2.2 The tenders were invited primarily as percentage adjustments to pre-priced schedules of rates for various categories of services required, but also included supplementary rates for works valued on a Daywork or out-of hours working basis. The tenders were based upon bespoke schedules of rates given in the tendering documents (as was the previous contract) and the Conditions of Contract give a pre-defined mechanism for adjustment in respect of inflation.
- 2.3 The tender portal was closed on 19<sup>th</sup> April 2011 and the tenders “opened” in accordance with Council procedure on the 20<sup>th</sup> April. Tenders remain open for acceptance for a period of 4 months from the date of return.

## **3. FEES**

- 3.1 The professional services previously provided by Building & Property Management (Environment Directorate) are now, following market testing, being provided by EC Harris LLP. Consequently fees are calculated on the basis of the tendered schedule of rates plus the cost of the Client Agent Team, which is funded via a percentage fee to the value of the commissions placed. Fees are charged on the basis of 15% with final account reconciliation at the end of each financial year. Scheme financial approval will include the appropriate fees.

## **4. COMMENTS OF THE DIRECTOR OF ENVIRONMENT AND DETAILS OF FUNDING PROVISIONS**

- 4.1 The proposed works form part of the 2011/2012 CPMP Revenue Programme.

These works need to be undertaken because under the Health & Safety at Work Act 1974, and specifically Approved Code of Practice (ACOP) L8 - Prevention of Legionella Regulations it is required that regular inspections of communal cold water storage cisterns and their associated hot and cold water systems are carried out to assess the risk of the proliferation of Legionella bacteria and to carry out any associated remedial works required to minimise this risk. The contract will ensure that all hot and cold water installations within corporate properties comply with these regulations.

## **5. ANTICIPATED PROGRAMME**

### **5.1**

EMT	8 June	2011
Cabinet (Key Decision)	18 July	2011
Issue Letter of Acceptance:	27 July	2011
Proposed Commencement:	1 September	2011
Anticipated Completion:	31 August	2015

## **6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

- 6.1 Officers from the Finance Department have examined the financial implications for this report. The details of funding are contained in the exempt part of the report.

## **7. COMMENTS OF THE ASSISTANT DIRECTOR FOR PROCUREMENT & IT STRATEGY**

- 7.1 The Corporate Procurement Team has provided advice and the AD has been represented on the TAP. The AD agrees with the recommendations contained in this report.

## **8. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

- 8.1 The Assistant Director (Legal and Democratic Services) agrees with the recommendations in this report.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	OJEU Notice, Contractor Applications, Short Listing Details, TAP Documents, Tender Report	A. McGahan EC Harris LLP 07810 850 330.	EC Harris 181 King Street Hammersmith W6 9JU
2.	Project documents, tender preparation details, specification, correspondence, Quality Assurance Plan (Bsi)	A. McGahan EC Harris LLP 07810 850 330.	EC Harris 181 King Street Hammersmith W6 9JU
3.	Project Development	P. Nolan Ext. 4516	BPM/ENV 6 <sup>th</sup> floor HTH Ext King Street Hammersmith W6 9JU

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PROCON NUMBER: \_\_\_\_\_

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