



London Borough of Hammersmith & Fulham

Cabinet

18 JULY 2011

**CABINET MEMBER
FOR HOUSING**

*Councillor Andrew
Johnson*

**TENDER ACCEPTANCE TO APPOINT A
CONTRACTOR TO CARRY OUT RISK
ASSESSMENTS AND ASSOCIATED REMEDIAL
WORKS ON COMMUNAL HOT & COLD WATER
SYSTEMS IN HOUSING PROPERTIES**

**Wards
All**

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 Housing properties.

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

CONTRIBUTORS:

ENV(BPM)
HRD
DFCS
ADLDS

Recommendation:

- 1. That approval be given to the acceptance of the most economically advantageous tender submitted by Severn Trent Metering Services Ltd.**
- 2. To note that the contract is expected to start on 1 September 2011 for a period of 4 years, with an optional extension of a further three years.**

HAS A EIA BEEN COMPLETED? YES
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1. BACKGROUND

- 1.1 The proposed works form part of the Housing Revenue programme for which the Cabinet Member for Housing has responsibility.
- 1.2 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 housing properties comply with these regulations.
- 1.3 The existing contract with Clearwater Technology Ltd expires on 31 August 2011.
- 1.4 A Tender Appraisal Panel (TAP) has been set up to oversee the tendering process. This panel consists of officers from H&F Homes, 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 16 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 9th December 2010 at which the six highest scoring contractors were shortlisted for invitation 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.
- 1.9 In the light of Housing & Regeneration Department's Strategic Procurement Review, the contract includes a one-way, non-default break clause. However, in order to secure best value for money in a competitive exercise (i.e. offering the potential for some longevity in the contract) the tender pricing document asked for tenderers to enter a specific separate cost in the event of the break clause being implemented.

2. BRIEF DETAILS OF THE WORKS

- 2.1 The contract includes for risk assessments and associated remedial works on communal hot and cold water systems, to ensure effective control of Legionella in Housing properties, comprising the following works:
- i) two yearly risk assessment survey
 - ii) associated remedial works identified from the survey
 - iii) Microbiological testing of water
 - iv) Monthly water temperature monitoring
 - v) 3 monthly cleaning of shower heads
 - vi) Electronic storage and web based access to contract documentation

3. DETAILS OF TENDER

- 3.1 Tenderers were asked to provide prices to undertake risk assessment surveys to a schedule of properties in the housing portfolio (including a provisional quantity of 700 street-based properties where, at the time of tendering, it was unknown as the extent of surveys which would be required), together with prices for notional quantities of remedial works. The Tender model sum is a notional value for comparative purposes only and actual expenditure will be undertaken according to available client budgets and demand.
- 3.2 The tenders received on 7/2/2011 are on a fixed price basis and remain open for acceptance until 8/6/2011.
- 3.3 As part of the tender process tenderers were required to provide with their tender a detailed method and resources statement in response to a pro-forma compiled by Building & Property Management. The method and resources statements were scored by members of the TAP in accordance with the scoring criteria included within the contract documents.
- 3.4 The evaluation of the tenders undertaken by the TAP concluded that Severn Trent Metering Services Ltd provided the best value bid and therefore the TAP recommend they be appointed for this contract.
- 3.5 The tender return details and results of the financial analysis are in the separate report on the exempt part of the agenda.

4. COMMENTS OF THE DIRECTOR OF HOUSING AND DETAILS OF FUNDING PROVISIONS

- 4.1 The proposed works form part of the 2011/2012 Housing 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 communal hot and cold water installations within housing properties comply with these regulations.

5. LEASEHOLDER CONSULTATION REQUIREMENTS.

- 5.1 The individual leaseholder contributions are likely to exceed £100 which require specific statutory consultation to be undertaken with the leaseholders. Should the consultation not be concluded in the prescribed way we will only be able to recover a maximum amount of £100 per leaseholder. Notices of Intent were served on the 8th September 2010 and we received 78 observations within the observation period which were responded to. Notices of Proposal were issued and a summary of the observations received and responses given has been attached to this report.
- 5.2 Cabinet is advised only to approve the acceptance of any tender once due regard has been given to the observations.

6. PROGRAMME OF APPROVAL

- 6.1 The anticipated programme of approval is as follows:

EMT	1 st June	2011
Cabinet (Key)	18 th July	2011
Issue Leaseholder Notices of Proposal	1 st April	2011
Leaseholder Notices of Proposal Expire	1 st May	2011
Issue Letter of Acceptance:	27 th July	2011
Proposed Commencement:	1 st September	2011
Anticipated Completion:	31 st August	2015

7. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 7.1 Officers from the Finance Department have examined the financial implications for this report. The details of funding are contained in paragraph 4 above.

8. COMMENTS OF THE ASSISTANT DIRECTOR FOR PROCUREMENT & IT STRATEGY

8.1 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.

9. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

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

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Tender preparation details, Bills of Quantities/Specification (<i>delete as appropriate</i>), correspondence, project file, Quality Assurance Plan	Danny Reynolds Ext.4780	BPM/ENV, 6 th floor Hammersmith Town Hall Extension, Hammersmith W6 9JU
2.	Tender returns, tender evaluation details	Danny Reynolds Ext. 4780	BPM/ENV, 6 th floor Hammersmith Town Hall Extension, Hammersmith W6 9JU
3.	Project development	Paulette Roberts Ext.	H&FH 3 rd floor Hammersmith Town hall Extension Hammersmith W6 9JU

FOR BTS USE ONLY:

Word/Business Support/Admin/Committee Reports/Original/Key Decisions

PROCON NUMBER: _____

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