

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet Member for Housing

**Date:** 21 December 2020

**Subject:** Procurement Strategy – External Wall Safety Works at Edward Woods Estate

**Report of:** Richard Buckley, Assistant Director, Property & Compliance

**Responsible Director:** Tony Clements Strategic Director for The Economy

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### Summary

This report seeks approval from the Cabinet Member for Housing to approve a procurement strategy for the External Wall Safety Works at Edward Woods Estate. The report proposes the use of the SEC Internal & External Building Works framework Lot 1B.

The works will involve opening up of the façade and removal of external wall systems including the Photovoltaic Panels.

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### Recommendations

- 1 That the Cabinet Member for Housing approves the Procurement Strategy attached as Appendix 1 for the procurement of a contractor for external wall safety works at Edward Woods Estate at an estimated cost of £4,500,000.
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**Ward Affected:** Shepherds Bush Green

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### H&F Priorities

It is expected that procuring these services will have an impact on the following Council priorities as shown in the table below:

<b>Our Priorities</b>	<b>Summary of how this report aligns with the Council's Priorities</b>
Building shared prosperity	The Council's number one priority is the safety and welfare of all its residents. This project will ensure that the Council delivers against this duty of care towards its residents.
Creating a compassionate council	This project will ensure that the Council fulfils its duty of care towards residents by following a

	compliance-based programme of works to ensure that residents are safe.
Doing things with local residents, not to them	The delivery team will continuously engage with residents while on site and Council staff will be available to deal with any queries.
Being ruthlessly financially efficient	Carrying out this project demonstrates the Council's commitment to invest where it matters most to ensure the health and safety of its residents.
Taking pride in H&F	The Council's number 1 priority is the safety and welfare of all its residents. Carrying out this project demonstrates the Council's commitment to keep resident homes safe.
Rising to the challenge of the climate and ecological emergency	The subsequent phase of this project will deal with the replacement of the existing façade. The new wall coverings will aim to achieve the highest possible safety and energy efficiency standards.

### Financial Impact

The current HRA Capital Programme as approved by Cabinet on 12 October 2020 has a budget allocation of £6,000,000 for Edward Woods fire safety works. In the HRA Capital Programme Quarter 2 budget monitoring report, an additional £3,149,169 has been added to this budget which is being presented for approval to the Cabinet in January 2021. Aside from a commitment of £79,400 for façade investigation work, this budget is uncommitted. Therefore, the budget is sufficient to cover the estimated contract value of £4,500,000.

The successful contractor will be subject to an assessment of their financial stability which at the very least will be credit check as well as confirmation of turnover. It is recommended that the minimum criteria for this is:

- A CreditSafe score of 50 or above (deemed as low risk)
- An average turnover of the last two years of at least double the contract value. This will need to be confirmed by audited accounts or if the company has a small company filing exemption then it will need to be confirmed by the company's auditors or external accountants.

### Legal Implications

1. This report recommends that the Council approves a procurement strategy to carry out the external wall safety works at Edward Woods Estate under the South East Consortium (SEC) Internal & External Building Works framework Lot 1B (Major Refurbishments over £1 million). The estimated contract value is £4,500,000.
2. The contract value is below the EU threshold for works, which is currently £4,733,252. The Public Contracts Regulations (PCR) 2015 therefore do not apply in full.

3. Although the value of the proposed procurement is below the current EU threshold for services, the Council is required to comply with the PCR and the general principles of transparency, equal treatment, non-discrimination and proportionality.
4. The procurement is classified as a high value contract under the Council's Contract Standing Orders as it is above the EU threshold for services. All high value contracts are required to:
  - a. have a Service Review Team established to oversee the procurement (CSO 17);
  - b. have a Procurement Strategy reviewed at the Contracts Assurance Board and approved by the relevant decision maker before the procurement process commences (CSO 18); and
  - c. have a Tender Appraisal Panel established following approval of the procurement strategy (CSO 19.3).
5. This report fulfils the requirement of a procurement strategy.
6. Under CSO 19 a high value contract requires the use of either an existing framework agreement or a contract notice to be published in the Official Journal of the European Union ('OJEU') along with an opportunity listing on the Council's e-tendering portal (capitalEsourcing) and publication of a contract notice on Contracts Finder.
7. This report is recommending the approval of the procurement strategy, which proposes the use of the SEC Internal & External Building Works framework Lot 1B (Major Refurbishments over £1 million). SEC confirms that the framework was procured in accordance with the EU public procurement rules and all local authorities fall within the class of permitted users. The Council is therefore entitled to access the framework.
8. When calling off the framework the Council may follow either the direct award or the mini competition process in line with the framework rules. The procurement strategy proposes exploring the direct award process under the SEC framework.
9. The decision-maker needs to be satisfied that the recommended procurement strategy is in the best interest of the Council.
10. The Council has recently adopted a Social Value policy which requires social value measures to be delivered by all contractors of the Council. The measures proposed will be subject to assessment during the contract term by an external assessor, a company called Social Value Portal ('SVP'). The successful

contractor should be required to submit its social value targets as part of the call off process.

11. The subject matter of this report is for the relevant Cabinet Member to approve pursuant to CSO 21.1.

*Implications completed by: (Natasha Barlow, paralegal at Sharpe Pritchard LLP, [nbarlow@sharpepritchard.co.uk](mailto:nbarlow@sharpepritchard.co.uk), and Sally Stock, Partner Sharpe Pritchard LLP, [sstock@sharpepritchard.co.uk](mailto:sstock@sharpepritchard.co.uk), on secondment to the Council)*

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**Background Papers Used in Preparing This Report** None

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. Following the Grenfell Tower tragedy, the government established a Building Safety Programme to ensure that residents of high-rise residential buildings are safe, and feel safe from the risk of fire, now and in the future. An independent Expert Panel was appointed to advise the Secretary of State for Housing, Communities and Local Government (MHCLG) on building safety measures.
2. The MHCLG consolidated advice note: 'Advice for Building Owners of Multi-storey, Multi-occupied Residential Buildings (January 2020)' states: External wall systems on existing buildings may incorporate insulation products, filler material, etc. which do not meet Class A2-S3,D2 or better (previously referred to as limited combustibility) but which has been subjected to a successful BR135 classification following a BS 8414 test. External wall systems rely upon correct design detailing and construction of cavity barriers, fire stopping and, in some cases, external renders to inhibit fire spread. Building owners should seek professional advice on whether the external wall has been installed correctly, and as per the BS 8414 test, and maintained as recommended by the manufacturer/supplier.

3. Around 2012, cladding was installed on the east and west elevations of the three towers at Edward Woods: Poynter House, Stebbing House and Norland House. The cladding is specified as 'Rockwool Extreme', which according to a BRE report published post Grenfell tragedy, met the BS8414 test. However, the report caveated that the presence of cavity barriers could not be validated. Recent, subsequent intrusive studies by Arup confirm they are absent.
4. The North and South faces of the towers are clad in a rockwool insulation that is rendered. On the south facing wall there is a photovoltaic array extending from the fourth to the twentieth floor. The BRE report highlighted that further information was required in terms of fire risk but as the leading authority in the country for building research was unable to provide further information. H&F commissioned Arup to review the product detailing and it is found that the panels are combustible and would not resist the spread of fire.
5. The cladding and the photovoltaic panels (PV) need to be removed to address the immediate risk. The removal of PV panels requires firestopping works to the façade.
6. The cladding was originally installed as rainscreen to protect the external wall from deteriorating. There is evidence of concrete spalling and detaching mosaic tiles. Safety works will be required where identified as cladding is removed.
7. Works will be carried out in three phases. Phase 1 will be the removal of the cladding and associated safety works. Phase 2 will be the removal of the PV array and associated safety and electrical works. Both these phases are covered by the attached procurement strategy.
8. Phase 3: the replacement of cladding in accordance with the current Building Regulations will require panels to A2 or A1. To future proof and ensure the highest level of protection for residents, A1 panels will be installed. These phase 3 works have yet to be specified and will be procured separately.
9. The proposed procurement route is outlined in Appendix 1.

### **Reasons for Decision**

10. The decision above is required to initiate a procurement process for the project and appoint a contractor to carry out the works required.
11. . The objectives set out in the Housing Asset and Compliance Strategy, agreed by Cabinet in December 2018, include the delivery of the Fire Safety Plus initiative, committing to the highest standards of fire safety. .
12. The Cabinet Paper titled, '*Asset Management Compliance Strategy and Compliance Programme*', dated 1<sup>st</sup> July 2019, further identified the need to undertake works on properties above 10-storeys using a risk based approach and authorised the '*10+ Storey and High Risk Fire Safety Works Inc. Dry Risers*', '*Wet Risers, Sprinklers and associated Fire Protection Initiatives*' and

'Edward Woods' schemes as priority categories comprising fire safety compliance works and fire safety complex schemes.

### **Equality Implications**

13. It is not anticipated that the approval of these proposals, as set out in the recommendations, will have any direct negative impact on any protected groups, under the Equality Act 2010.

*Implications completed by: Vince Conway, Senior Programme Manager, Capital Delivery Tel: 07776 672481*

### **Risk Management Implications**

14. Proposals made are in accordance with the Council's continuing ambition to improve fire safety and security for residents. Works should be undertaken in full consideration and application of HM Government, Health and Safety Executive, Public Health and Industry guidelines to maintain safe distancing at work and other measures to mitigate risks associated with Covid-19. Ensuring works of this nature happen will form a part of the recovery of the construction industry following the lockdown.
15. Prior to commencement of works the contractor's emergency contact numbers will be checked to ensure they are operating as required by the contract

*Implications verified by: Michael Sloniowski, Risk Manager, Tel: 020 8753 2587 mobile 07768 252703*

### **Local Businesses Implications**

16. The council's new Social Value Strategy became effective on the 15 May 2020 and introduced a mandatory requirement for all procurement activities over £100,000 to generate a minimum 10% in social value.
17. The prospective supplier will be required to register on the Social Value Portal, complete the appropriate questionnaire and provide method statements to demonstrate how they will create added social value for Hammersmith & Fulham if the Contract is awarded to their organisation.

*Implications completed by: Vince Conway, Senior Programme Manager, Capital Delivery Tel: 07776 672481*

### **Digital Services Implications**

18. IT Implications: No IT implications are considered to arise from the proposal in this report. Should this change, Digital Services should be consulted.

19. IM Implications: A Privacy Impact Assessment will need to be completed to ensure all potential data protection risks arising from this proposal are properly assessed with mitigating actions agreed and implemented.
20. Suppliers appointed as a result of this report will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
21. Any contracts arising from this report will need to include H&F's data protection and processing schedule which is compliant with Data Protection law.

*Implications completed by: Karen Barry, Strategic Relationship Manager, Tel: 020 8753 3481*

### **Consultation**

22. There will be general consultation with residents prior to work starting on site to explain the nature and scope of the works, programme, and timescales.
23. As the Council does not intend to recharge leaseholders in each block for this work, there will be no need to issue statutory consultation notices on the proposal.
24. Although there will be no charge to leaseholders for the work, the removal of the Photovoltaic Panels may have an impact on electricity consumption. The panels are currently thought to feed the communal lighting so their removal could increase the amount payable through the day-to-day service charge account each year

*Implications completed by: Ciaran Maguire, Major Works Manager, Leasehold Services tel: 020 8753 4500; and Jacqui Alexander, Head of Capital Direct Delivery, Tel: 07979 844 103*

### **List of Appendices:**

<b>Sr.</b>	<b>Reference</b>
Appendix 1:	Procurement Strategy for External Wall Safety Works to Edward Woods towers