

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet Member for Housing and Homelessness, Councillor Frances Umeh

Date: 20/02/2024

Subject: Contract Award to Baily Garner for consultancy services to oversee feasibility and of fire sprinklers in higher risk buildings

Report author: Nicholas Marco-Wadey, Head of Contract Governance

Responsible Assistant Director: Richard Buckley, Assistant Director of Building and Resident Safety.

SUMMARY

The Grenfell tragedy has led to several landmark changes in how high-rise buildings and fire safety are managed through legislation, Approved Codes of Practice, British Standards and Guidance. The Building Safety Act places new duties on H&F as a landlord of residential homes including the requirement to register all higher risk buildings (7 storeys and above) with the new Building Safety Regulator and any new build over 11 metres in height now requiring fire suppression systems.

As part of H&F's ongoing drive to enhance residents and buildings safety it is proactively extending the installation of fire suppression systems across its higher risk buildings, with over 600 homes already protected. H&F has committed further investment of circa £20 million to achieve this goal.

To deliver this work programme, we are procuring a competent consultant to act as the Principal Designer (required in law). We are therefore recommending a compliant direct contract award under the Southeast Consortium Consultancy Framework- LOT 11 'Multi-disciplinary services' to the 1st ranked bidder- Baily Garner.

This report has been assured by Contracts Assurance Board on 8th November 2023 and the recommendations have the support of the Departmental Management Team including the Director of Housing and the Assistant Director, Residents and Building Safety.

RECOMMENDATIONS

1. To approve the procurement strategy to direct award a £1,000,000 contract to Baily Garner under the Southeast Consortium Consultancy Framework, LOT 11 'Multi-disciplinary services'
2. To approve the contract award of £1,000,000 to Baily Garner under the Southeast Consortium Consultancy Framework, LOT 11 'Multi-disciplinary services'.

Wards Affected: All.

Timetable

1. Please include an estimated timetable of the competition process through to contact commencing.

Key Decision Entry (Procurement Strategy and Contract Award)	31/08/2023
Contracts Assurance Board (Procurement Strategy and Contract Award)	08/11/2023
SLT/Cabinet Member/Cabinet Sign off (Procurement Strategy and Contract Award)	16/11/2023
Contract engrossment	01/12/2023
Contract mobilisation and implementation	01/12/2023
Contract Commencement date	15/01/2024

Meeting H and F Value's

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The contractor will be required to deliver Social Value as per the Framework call-off. This should have a positive impact on local wellbeing and prosperity.
Creating a compassionate council	The works undertaken via this programme will ensure that our buildings will have robust and compliant fire-safety infrastructure and therefore by undertaking this programme we are providing our residents with safe and quality housing.
Doing things with local residents, not to them	This work is driven by strict regulation and building control guidelines. The service however do inform residents of their workplan via coffee morning, letters/flyers and attendance at resident forums.
Being ruthlessly financially efficient	This framework category evaluated and ranked suppliers based on a 40% cost and 60% quality weighting. The cost evaluation was comprehensive as it based costing evaluation on a comprehensive schedule of rates. We will look to direct award to the highest ranked suppliers first.
Taking pride in H&F	It is important that the Council provides tenants with homes to be proud of. Safe and compliant

	buildings is the first and foremost fundamental step in achieving this ambition.
Rising to the challenge of the climate and ecological emergency	Baily Garner has confirmed that regarding their corporate position on climate and the environment, they are ISO 14001 (Environment management systems) accredited. This accreditation sets out a framework that a company or organization can follow to set up an effective environmental management system. They have further provided their company environmental policy which addresses their approach to the environment.

Financial Impact

The report seeks approval to appoint Baily Garner to provide consultancy services and act as Principal Designer to oversee feasibility, design and implementation of fire sprinklers in higher risk buildings.

The works are expected to be delivered over a 4-year period for a total cost of £1.0m (up to £0.250m per annum), this is anticipated to be funded by the ongoing budget for Fire suppression Works (£2.0m per annum).

The work will be capital in nature as it will result in a direct enhancement of Council assets, increasing the lifespan and ensuring function according to its intended design.

A Credit Safe report was run on Baily Garner LLP on 12/10/2023 which provided a risk score of 79, above the Council's minimum of 50, as well as an annual contract limit of £2.750m. This is sufficient for the value of the contract proposed in this report.

Once the contract is implemented and the main body of works for the fire suppression retrofitting are accurately costed, Finance will conduct further reviews to establish the availability and profile of the funding from available budgets within the 4-year Capital Programme.

Llywelyn Jonas, Principal Accountant – Housing Capital

Verified by: Danny Rochford, Head of Finance (HRA & Economy), 13 October 23

Legal Implications

The Council is subject to legal obligations to keep its buildings safe from fire under the Regulatory Reform (Fire Safety) Order 2005. The services to be procured from Baily Garner will assist the Council in fulfilling this duty.

The award of the contract for these services will be a public services contract under the Public Contracts Regulations 2015 (PCR). The Council is therefore a duty to undertake the procurement in accordance with these regulations. The proposal is to

do a direct award under the South East Consortium Framework for consultancy services, lot 11 Multi-disciplinary services. The framework was let in accordance with the requirements of the PCR and the Council is entitled to call-off under it. The terms of the framework allow for direct awards. The proposed award is therefore compliant with the PCR.

This is a high value contract under the Council's Contract Standing Orders. The use of a suitable third party framework in accordance with its terms is a permitted method of procuring a contract of this value. The proposed award is therefore compliant with CSO 18.

The award will be a key decision under the Council's constitution. It will therefore need to be published under the key decision list on the Council's website.

John Sharland, Senior solicitor (Contracts and procurement)
12 October 2023

Background Papers Used in Preparing This Report

Appendix 1- Service Workplan.

DETAILED ANALYSIS

Background

2. The Building Safety Act 2022 and the Fire Safety Act 2021 and associated Fire Safety Regulations 2022 post Grenfell place rigorous prescriptive requirements on landlords. These include the registering of higher risk buildings (7 storeys or more) with the Building Safety Regulator and demonstrating the buildings are safe both in terms of fire and structure. This requires an in depth understanding of the fire strategy for the buildings based on the original design intent in terms of active and passive fire safety measures, any subsequent modifications, the assessment of any risks and required control actions/works, the management of the building including maintenance and repairs and compliance checks.
3. Higher risk buildings are higher risk owing to their height, design, layout, number of staircases, firefighting arrangements etc, which in the event of a fire increase the risk owing to increased firefighting time and in a significant emergency altering the evacuation strategy from stay put to get out. There can be a greater risk to those with disability who are unable to evacuate if a fire starts in their own flat but also evacuate the wider building where the only escape route is a single staircase.
4. Reducing the risk and enhancing safety to our residents as a landlord and the Principle Accountable Person and Responsible Person is a key focus for H&F. Installing suppression systems is known to significantly reduce the risk by controlling a fire at source and limiting its likelihood of reaching temperatures

that can lead to the fire extending beyond its seat of origin and spreading further either internally or externally enabling escape for the residents within the flat, protecting other residents in the building and firefighters reaching the scene who will be met with a smaller if not extinguished event. All new residential builds over 11 metres in height now require fire suppression systems.

5. The provisional installation programme is set out in Appendix 1. This work programme will be undertaken over a four-year period and is estimated to cost £20 million pounds.
6. To deliver these works we are legally required to appoint a Principal Designer to undertake design and feasibility in a manner that achieves health and safety, quality, cost and time-based outcomes and resident engagement . The appointment of a multidisciplinary consultant will also ensure we have contract administration, building surveying, cost control and Construction Design Management capacity and capability.
7. To ensure procurement compliance and rigour, the service is aiming to direct award a 4-year, £1 million pound contract to Baily Garner via the Southeast consortium consultancy Framework, Lot 11 'multidisciplinary services'.
8. Baily Garner has been ranked 1st on the 'Lot' based on a 40%-cost and 60%-quality scoring matrix.
9. As well as the assurance offered from the Framework, Baily Garner also has a proven track record of consultancy work at Hammersmith and Fulham as they currently support several works programmes within the Economy directorate. Baily Garner has performed well against these contracts.
10. Based on points 6 and 7, we are therefore seeking approval to compliantly direct award the contract to Baily Garner.

Reasons for Decision

11. For the programme of fire safety suppression works (as described in Appendix 1) to be delivered in a manner that meets health and safety, quality, time and value for money requirements, we require specialist consultancy services (to which we do not have inhouse) to ensure that these outcomes are achieved.
12. Given the analysis provided in 'procurement route analysis of options' section, we believe a direct award via the Southeast Consortium Consultants Framework is the most viable option.

Contract Specifications Summary

13. See table below for a description of the works or services being procured:

Contract	Contract value	Description of works/services
JCT Consultancy Contract.	Up to £1,000,000 over a 4-year period.	In relation to the programme described in Appendix 1, this contractor will lead on the contract administration/building surveying, cost control construction design management (CDM) functions.

Procurement Route Analysis of Options

14. There are a range of procurement options available to procure providers of these works:
 - I. Competitive tender
 - II. Mini-competition from a suitable framework or Dynamic Purchasing System (DPS)
 - III. Direct award from a suitable framework

15. These options provide varying levels of assurance that the resulting providers are value for money. Competitive tender is the best guarantor of value as it is open to the whole market, whereas direct award from a framework provides a limited degree of assurance (from the fact of the competition required to get onto the framework in the first place).

16. The disadvantage with the first two options is that the time it takes to deliver them. Competitive tender can take up to 4 to 6 weeks to seek tenders and evaluate the results, before 3 or 4 weeks required for the contract award Governance. Mini-competition is only a little bit quicker.

17. The service urgently requires this consultant to be in place for as a matter of urgency, and therefore have ruled out the first two options because of the time required to deliver them.

18. Direct Award from a suitable framework would be the quickest option. H & F does have its own consultancy Framework however it is still in the mobilization phase and therefore we have chosen to use an external framework instead. Based on the number of available suppliers on the Southeast Consortium Consultancy Framework, Lot 11 'Multi-disciplinary services' we have chosen this route to market. Baily Garner received a 1st place ranking based on a system which ranked suppliers via using a weighting of 40% cost and 60% quality. On this basis, we would therefore look to direct award to Baily Garner

19. The only other option is a direct award outside of any framework. This route is less desirable than a call off through a competitively tendered framework as it would not meet the requirements of Contract Standing Orders.

Market Analysis, Local Economy and Social Value

8. The Consultancy Services for construction works market is well developed and mature. There are several consultants available to choose from via a range of well-developed procurement frameworks. Given the specialist and complex advice offered via these consultants, the companies tend to be either SME's or Large companies with a national focus, rather than SME's only focusing on limited geographies. Due to the mature nature of the market, we have a strong insight into market rates and market delivery models.

Risk Assessment and Proposed Mitigations

20. The Client team will proactively monitor and closely contact manage the Contractor to ensure that the contract KPI's are delivered in line with the contract.
21. The contract will contain default/termination clauses in the event that the consultant's performance is either consistently inadequate or cannot be remedied.

Contract Management

22. The contract will be monitored and managed by the Fire Safety Works client team. The contract will include a requirement for regular contract reviews. These reviews will include: a review of progress against the programme, performance against the KPI's and wider contract terms and conditions, discussions and resolutions around any issues that have materialized and any emerging contractual risks.
23. The contract sets out programme timelines, these timeline are the main key performance indicator of the contract. The client closely monitor and manage this KPI delivery.
24. The contract will also set out general working practices expected of the consultant. Adherence to these practices is again managed by the client team.
25. Social Value will be monitored and managed by the Fire Safety Works Service with support of the Contract Governance Team.

Equality Implications

26. These works will help our most vulnerable residents as we inputting infrastructure that will protect safety of our housing residents (which are mostly social housing residents).

Risk Management Implications

27. The report recommends awarding a contract via a competitively procured framework to the top ranked provider on that framework. This is in line with the

objective of being ruthlessly financially efficient and will enable the appropriate management of the works programme and to provide robust mitigations around fire safety risks for residents. The report identifies the need for robust contract and programme management arrangements to ensure the programme is delivered to the required standard, on time and to budget.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 13 October 2023

Climate and Ecological Emergency Implications

28. This provider has confirmed that regarding their corporate position on climate and the environment, they are ISO 14001 (Environment management systems) accredited. This accreditation sets out a framework that a company or organization can follow to set up an effective environmental management system.
29. They have also confirmed that they are currently committed to and in process of developing a net zero strategy.
30. They have further provided their company environmental policy which addresses their approach to the environment.
31. The Contractor have also signed our low-carbon supplier charter.

Verified by: Jim Cunningham, Climate Policy and Strategy Lead, 06 October 2023

Local Economy and Social Value Implications

32. It is a requirement that all contracts awarded by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract.
33. Baily Garner has proposed a proxy value of circa 12%.
34. It is recommended that the commissioner works with the supplier and the Council's Social Value Officer to ensure a delivery plan is in place to realise the Social Value commitments made by the supplier in addition to ensuring Social Value outcomes are monitored against deliverables as part of the suppliers contractual obligations.
35. It is recommended that the commissioner works with the Legal Service to ensure appropriate social value clauses are included in the contract so that the council can enforce its right to financial remedies if social value commitments are not delivered.

Implications completed by Oliur Rahman, Head of Employment and Skills, 24/10/2023

Consultation

36. As these works are driven by legislation and Health & Safety regulation, there is no consultation because the client team are required to adhere to a strict framework of rules.
37. That said however briefings and updates will take place with those affected by the programme.

Property Implications

38. This programme involves work to our housing stock, the works are managed in manner that avoids disruption to residents.
39. This programme ultimately will have a positive impact on our properties as they will have safer fire-safety assets within their properties. .

Danny Doyle, Head of Fire Safety Works, 06/09/2023.

LIST OF APPENDICES

Appendix 1- Work Programme:



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