

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Strategic Director for Place in Consultation with the Cabinet Member for Economy

Date: 21/08/2024

Subject: Replacement Of Fridges / Freezers and Postmortem Room Upgrade including equipment at the Public Mortuary, 200 Townmead Road, London, SW6 2RE

Report of: Chris Nolan, Head of Service Hard FM

Report author: Ethelbert Clarke, Project Manager

Responsible Director: Strategic Director for Place – Bram Kainth

SUMMARY

1. This paper recommends a direct award to Mortuary Solutions estimated at £700,000 to undertake the requirements at the Council's mortuary facility to replace end of life equipment and meet the recommendations of the Human Tissue Authority (HTA) during their recent visit, during the financial year 2024/25.
2. The supplies and works are required following a recent site visit by the Human Tissue Authority (HTA) (who provide the license for the Operations at the Public Mortuary, which caters for the west London boroughs) and replace end of life equipment. The HTA made a series of recommendations regarding the post-mortem room, to be actioned within tight timescales. This included flooring, anatomy tables and drainage.
3. The specialist nature of the market applicable to several of the recommendations has been considered by the Facilities Management project team in depth and it is recommended that a process to resolve the matters identified by the HTA is prioritised for completion.
4. It is recommended that Mortuary Solutions be awarded the contract, due to their track record with other Council mortuary services. The facilities management project team have undertaken site visits and discussions with other boroughs who have used Mortuary Solutions who have provided assurance of the quality of the assets provided and their installation and have competitively secured work in other boroughs.

RECOMMENDATIONS

1. Award Mortuary Solutions the contract to provide the requirements identified by the HTA, at the Council's Mortuary facility in financial year 2024/25.

Wards Affected: Sands End

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
Building shared prosperity	Well maintained buildings will reduce the CO2 emission and less greenhouse gas. This improves the service provided to all users. The contractor will be required to deliver Social Value equivalent to 20% of the contract values for all spend over £100,000. This will have a positive impact on local wellbeing and prosperity.
Creating a compassionate and inclusive council	The maintenance of LBHF council's buildings to suit and meet all personnel requirements and needs. The inclusion of the updated service will further enhance the local environment and contribute to the overall residents' wellbeing.
Doing things with local residents, not to them	This new equipment and the upgraded environment will provide an efficient service and enhance the visual appearance, whilst reducing energy cost and improving efficient energy usage of the buildings and compliant for public use. This will reduce the CO2 emission and greenhouse gases whilst enhancing a more resident friendly environment for resident to live, work and play.
Being ruthlessly financially efficient	Negotiating with the specialist contractors will ensure award of contract will be as competitive as possible, whilst ensuring the HTA's recommendations are addressed in the shortest timescale. Consideration has been given to quality, technical competencies of existing installations, and value for money.
Taking pride in H&F	The installation of energy efficient and carbon reducing equipment in well maintained buildings can be used as models of the Council's corporate assets on improving and providing an efficient service and in part addressing the decarbonisation target and strategy
Rising to the challenge of the climate and ecological emergency	Buildings serviced and maintained to meet LBHF population expectations and wellbeing as well as providing a service that will last for a further 20+ years will enhance the climate and ecological standards by reducing CO2 emission and greenhouse gases to help meet LBHF Climate Strategy commitments towards net zero target for 2030.

Financial Impact

1. The estimated full cost of contract is £700,000 with all the spend expected to be incurred in the financial year 2024/25.
2. Expenditure will be contained within the approved Capital Planned Maintenance programme (CPMP) for 2024/25.

3. A credit check of J Marston Engineering of which Mortuary Solution is a subsidiary gives rise to a credit score of 63/100 which is an indication of it being of low risk. The check also confirms a contract limit of £75,000.
4. To mitigate the contract limit risk payment will be on receipt of the goods.

Completed: Will Stevens, Finance Manager (ECO) 03/07/24

Verified: Danny Rochford, Head of Finance, Head of Finance (ECO & HRA), 03/07/24

Legal Implications

1. As the need for replacement fridges, freezers and equipment has arisen in circumstances which could not reasonably have been anticipated, a waiver of contract standing orders is justified.
2. Since the equipment cost in the proposed contract will constitute most of the expenditure, this is a public supply contract to which the Public Contracts Regulations 2015 will apply. However, as the need for the supply has arisen in circumstances which could not have reasonably been foreseen and the equipment is required urgently, there will be good grounds for awarding the contract using the negotiated procedure without prior publication. This is a high value contract under Contract Standing Orders. The circumstances set out in the report justify waiving the relevant standing order so that the equipment can be provided and installed as soon as possible.

John Sharland, Assistant Director of Legal Services, 03 July 2024

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Proposals and Analysis of Options

5. **Option 1: Doing nothing.** *Not recommended*

The Council has committed to providing a programme of installation works to the HTA at their next review meeting in September 2024. The HTA have the power to withdraw licenses and even close services. The Council is required to deliver on its commitment to the HTA in accordance with its role providing mortuary services for West London Boroughs.

6. **Option 2: Procure the works via a framework.** *Not recommended.*

This option is limited to the suppliers on the Framework, which reduces the Local Authority's ability to invite a wider range of suppliers to quote for the contract when compared to alternative routes to procurement. The Council's review of available frameworks has identified a limited number of specialist contractors are available via associated frameworks. A more competitive procurement route would enable the Council to engage with a wider range of suppliers who possess the ability to deliver the contract, thereby increasing the likelihood of quality outcomes and value for money. This goes to one of LBHF's statements of being ruthlessly financially efficient.

7. **Option 3: Run an open tender via the capitalSourcing portal for the appointment of one supplier.** *Not recommended.*

This option enables procurement of the contract on the open market, to identify suppliers with the technical competency and experience in the supply and installation of the specialist equipment. Depending on the complexity of the contract and associated specialist knowledge required to prepare full and appropriate technical specifications, it is understood this process would require a longer period of time to procure than available under the programme of installation works, which require satisfaction by the HTA's visit in September 2024, and for this reason, it is not recommended on this occasion.

8. **Option 4: Use of the Negotiated Procedure Without Prior Publication, to award the contract to Mortuary Solutions.** *Recommended.*

Having carried out due diligence by visiting several other Public Mortuaries and a NHS hospital mortuary reviewing their installations and the services provided from the designing, supplying and installation of mortuary fridges and freezers and postmortem room equipment we are confident that the supplier can meet the tight timeline set by the HTA.

Risk Assessment and Proposed Mitigations

9. The process of negotiation with organisations known to have the specialist technical competencies and experience to deliver this requirement will ensure availability of the fridges / freezers and Post-mortem Room equipment. The Council will work with the supplier to manage and ensure the availability and deliverability of the contract by the chosen supplier in line with LBHF requirements and contractual agreement.
10. Considerations include the risk profile of the procurement such as: value of the procurement; complexity of the proposed procurement approach; strategic importance of the procurement arrangement.

Selection and Award Criteria to inform Recommended Option

11. The service conducted a negotiated price with several specialist suppliers. The costs received during that process demonstrate the supplier's various competencies and experience, such as Contract Management, Health, and Safety Management, recent experience of similar works, competency to deal with issues arising during the installation phase, conflict resolution, and ability to deliver the programme on time and within budget.

Reasons for Decision

To replace some equipment at the mortuary and secure supplies and complete works to meet the Health Tissue Agency requirements within required timelines. I

Equality Implications

12. There are no equality implications or risks relevant for this proposed contract as procurement is only relevant to fridges, freezers and post-mortem room equipment installation parameters and manufacturer's guarantee.

Yvonne Okiyo, Strategic lead for EDI 11th July 2024

Risk Management Implications

13. There is a project risk that the accelerated nature of the engagement and its accompanying complexity will endanger implementation and startup and risk non-compliance to any potential regulatory health and safety inspections by the Human Tissue Authority (HTA). To mitigate this project manager will ensure that the new contract will adhere to Construction Design and Management (CDM) Regulations 2015. The contractor must produce a risk assessment via their Risk Assessment Method Statement (RAMS) submission prior to commencement with specific focus on site fridges, freezers, and Postmortem Room equipment installation before the commencement of the project works on site.
14. The financial risks of the engagement are recognised above in Financial Impact, that payment is not made until installation and operational checks are completed satisfactorily.

Jules Binney, Risk and Assurance Manager, 8th July 2024

Environment Implications

15. This award aligns with our decarbonisation strategy to replace existing end of life equipment, not fit for purpose with new low carbon technologies that will reduce the usage of fossil fuel across the council's corporate portfolio.
16. The replacement of these 20-year fridges with new Viessmann units will see a reduction in the buildings carbon footprint. Market analysis, carried out by TÜV

Süd, has proven that compared to the market average, the energy consumption of a Viessmann cold room is 18,1% lower per cold room due to its insulation properties and management of thermal bridges These upgrades will reduce the greenhouse gas emission, improves the air quality, health, and safety of the entire environment as well as wellbeing of the occupants and users.

17. These will reduce future costs from the impacts of climate change and maintenance cost of the infrastructural assets of the building.

Approved by Hinesh Mehta, Assistant Director Climate Change, 07/07/2024

Procurement implications

18. There are matters outside the Council's influence which have informed the need to procure this contract within urgent timescales.
19. The value of this requirement is above the Goods and Services Threshold value, therefore is required to rely on [Regulation 32](#) of the [PCR2015](#), which identifies grounds for the use of a negotiated procedure without prior publication (proposed in this report).
20. The Contracting Officer must ensure use of [Regulation 32](#) of the [PCR2015](#) is authorised and must clearly set out how the full grounds of use of [Regulation 32](#) are satisfaction.
21. The project and contract must be established on the Council's eProcurement system, and a Contract Award Notice must be published on the Find a Tender Service (FTS) and Contracts Finder, to satisfy the requirements of the Public Contracts Regulations 2015 for contracts equal to and over £30,000 (including VAT). This must be completed using the using the Council's eProcurement portal.
22. A named contract manager must be allocated to the contract on the Council's eProcurement portal.

Chris Everett, Category Lead – Procurement and Commercial, 11/07/2024

Local Economy and Social Value

23. The supply chains for this project will be seamless and within the contract time limit.
24. The building will be provided new fridges and freezers with a greater energy efficiency of the existing ones there are replacing providing lower levels of energy usage in line with government and the councils carbon zero commitments there is a drive to replace CO2 producing assets.

25. It is a requirement that all contracts awarded by the council with a value above £100,000. Bidders should propose social value measures for this contract award before the contract is awarded.
26. This social value proposal should count as 10% of the overall value of each bid. Mortuary Solutions are agreeable to this and have asked for proposals from LBHF for consideration.

Local Economy and Social Value Implications completed by Paul Clarke, Social Value Officer 03 July 2024.

LIST OF APPENDICES

None