

Name of meeting: Cabinet
Date: 5th April 2022

Title of report: Outcome of tender evaluation & Contract Award; Fire Safety improvements to low rise residential blocks District wide

Purpose of report:

This report follows on from the report to Cabinet on December 14th 2021 (Compliance Review) and outlines the outcome of a recent competitive tender inviting suppliers to undertake fire safety improvements to 865 low rise blocks across the District

The report outlines the outcome of the tender evaluation and to recommend acceptance of a tender and to appoint the preferred bidder.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes If yes give the reason why Spending in excess of £250k and affects all electoral Wards
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Key Decision – Yes Public Report - Yes Private Appendix – Yes – (Appendix 1)
The Decision - Is it eligible for call in by Scrutiny?	Yes If no give the reason why not
Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	David Shepherd: 15/3/22 Eamonn Croston: 15/3/22 Julie Muscroft: 17/3/22
Cabinet member portfolio	Give name of Portfolio Holder/s Cllr Cathy Scott - Housing and Democracy

Electoral wards affected: All

Ward councillors consulted: Yes

Public or private: Public report with private Appendix 1

Appendix 1 is private in accordance with Schedule 12A Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006 namely it contains information relating to the financial and business affairs of third parties (including the Authority holding that information). It is considered that the disclosure of the information would adversely affect those third parties including the Authority and therefore the public interest in maintaining the exemption, which would protect the rights of an individual or the Authority, outweighs the public interest in disclosing the information and providing greater openness and transparency in relation to public expenditure in the Authority's decision making.

Has GDPR been considered? Yes

1.0 Background and Summary

- 1.0.1 The report to Cabinet dated 14th December outlined the findings of an independent review into compliance carried out from January to May 2021. Commissioned by Kirklees Council the review identified 48 recommendations, 35 of which have been completed and formed the basis of an overall compliance improvement plan; 8 recommendations related to fire safety including Recommendation 25: namely the timely completion of all outstanding fire safety actions arising from Fire Risk Assessment (FRA) inspections in a priority order.
- 1.0.2 Work programmes to complete high priority (AA) actions to low rise blocks and medium/low priority actions to High rise blocks are underway and being delivered in-house by Property Services and expected to complete by end April 2022.
- 1.0.3 The remaining programme relates to over 16000 medium and low risk fire risk actions to over 865 blocks district wide and hence requires significant and dedicated resource without distraction to complete within a reasonable timescale. These were packaged into a single project and tendered with a view to appointing 1 Main Contractor responsible for the overall project.
- 1.0.4 The compliance team spent over 3 months developing a schedule and detailed specification of work based on the following improvements in both flats and communal areas to 865 blocks:
- Replacement of flat, communal and store fire doors
 - Repairing breaches of compartmentation in the fabric of the building
 - Mechanical/electrical upgrades to fire, heat and smoke detection systems and ventilation
 - Relocation of Bin and scooter stores

2.0 Information required to take a Decision

2.0.1 Route to market

The council operates an effective dynamic purchasing system (DPS) and includes a good mix of local and regional providers therefore it was decided that an expression of interest (EOI) would be issued via the DPS to gauge market interest; this yielded a number of positive responses and established the basis of the procurement route.

2.0.2 Tender

The tender specification was developed by the Compliance team and appended to a measured term contract JCT deemed the most suitable for this type of project.

The project team determined the pricing model based on an extensive schedule of rates to achieve cost certainty per block and keep variations to a minimum also offering the facility to price unforeseen items through a robust and formal variation process if required.

It was determined by the project team the following split of quality price and social value was the most appropriate given the scale and complexity of the project and therefore to achieve the best outcome for the council:

- Price: 30%
- Quality: 60%
- Social value: 10%

Details of price, quality and social value and scores for all bidders can be found at Appendix 1 to this report.

2.0.3 Procurement Timetable

Procurement Stage	Date
Tender Issue	10/08/2021
SITE VISIT - BY APPOINTMENT IN THIS PERIOD.	10/08/2021- 20/09/2021
Clarification Deadline for Bidders	14/09/2021
Deadline for the Council to Respond to Clarification Questions	20/09/2021
Tender Submission Deadline	20/10/2021
Evaluation period	20/10 - 17/12
10 Day Voluntary Standstill Period end	07/1/2022
Contract Award / Appointment. (Subject to cabinet approval)	April 2022

2.0.4 Tender evaluation results

Bids were received from 6 bidders in total with the winning bid from: Fortem Solutions Limited.

2.0.5 Tender Evaluation Panel

- The price submission was assessed by council officers from procurement and asset management.
- The tender evaluation for the quality aspect was carried out by a team of council officers from procurement, building safety and asset management teams. Consensus was used to award scores against each quality question for each bidder
- The Social Value assessment was undertaken by council officers from Procurement using Kirklees TOMs guidance 2020

2.1 Issues to Consider/Risk Register

Low Rise Fire Safety Improvements: Risks:	Mitigation
Lack of available project resource	Ongoing recruitment to the fire safety team will ensure adequate officers, use of temporary or fixed term agency staff, specialist consultancy support as required
Lack of project funding	Sufficient compliance capital allocation committed in the 10 year HRA business plan
Procurement delays due to Brexit/Covid	Ongoing early market engagement to lock in supply chain
Construction delays & cost: Materials	Early agreement on specification, nominated suppliers and client order commitment
Delayed completion and handover	Agreed phase completion, realistic programme with sufficient time allowance and contingency, Liquidated damages and or early completion incentives

2.2 Conclusions

2.0.2 The tender process and subsequent evaluation of tenders submitted has had thorough due diligence, is compliant with the procurement regulations currently in force and in accordance with the council's Contract Procedure and Financial Procedure Rules (CPR). The key considerations that underpinned the evaluation were based on the following principles:

- The duty to ensure tenant safety and regulatory compliance
- What is important to tenants and leaseholders – the Tenant's Voice
- Establishing a robust building safety case for all blocks
- Value for money
- HRA affordability and other priorities
- Appointing competent, experienced and reliable suppliers

3.0 Implications for the Council

3.0.1 Working with People

Keeping tenants safe is the council's highest priority. The project will not only deliver fire safety improvements but also improve the way we share information with residents, consult on proposals and establish a building safety case for all buildings in scope and those deemed higher risk, it aligns to the recommendations of Chapter's 1 and 5 of the Social Housing White Paper 2020:

1. *To be safe in your home. We will work with industry and landlords to ensure every home is safe and secure*
5. *To have your voice heard by your landlord, for example through regular meetings, scrutiny panels or being on its Board. The government will provide help, if you want it, to give you the tools to ensure your landlord listens.*

3.0.2 Working with Partners

A multi-agency approach is required for the delivery of the compliance and building safety programme, relationships internally, and with external partners are key to success. The Council cannot deliver programmes on its own; partners will play a vital part in shaping and delivering successful outcomes

3.0.3 Place Based Working

Consultation informs a Placed based approach; we continue to develop our overall engagement plan in consultation with the Housing Advisory Board and members of the Tenant and Grants Panel (TAG). Project specific consultation is underway in collaboration with Partnership colleagues as we develop remediation programmes across all areas of compliance specific to individual estates and blocks, those are reinforced with updates on communal notice boards and face to face interactions as well as building safety updates on our website

3.0.4 Climate Change and Air Quality

Fire Safety remediation programmes that affect the fabric of the building are designed to achieve compliance to Part L of the current Building Regulations therein achieve the best possible U Value and thermal rating.

3.0.5 Improving outcomes for children

The compliance review will deliver safer, compliant homes and support the best start for children living in Council Housing

3.0.6 Other (e.g., Legal/Financial or Human Resources)

The HRA takes account for this project and makes provision for the anticipated cost in the approved 5-year Capital plan and there will be no impact on the General Fund.

Statutory consultation under section 20 of the Landlord and Tenant Act 1985 (as amended) is not required because the council does not seek to pass the cost of these fire safety works onto leaseholders through their service charge

The review makes recommendations in accordance with the current and proposed Regulatory Framework:

- Building Safety Bill 2020
- Fire Safety Act (FSO) 2021
- MHCLG Advice Note 2020
- Building Regulations Part B and L
- Social Housing White Paper 2020
- Gas Safety Regulations 1998
- The Control of Asbestos Regulations 2012
- The Electrical Safety Regulations 2019
- HSE ACOP L8: Water Quality
- Lifting Operations and Lifting Equipment Regulations (LOLER) 1998

Contract administration and delivery will be managed by the Building Safety team using existing members of the team and additional positions currently being recruited, we aim to assign 2 project officers, 2 clerk of works with support from 2 technical officers and the lead for fire safety to be among a number of colleagues that will form the project team as detailed in the Project inception document.

3.0.7 Integrated Impact Assessment

Not required

4.0 Consultees and their opinions

In the annual star survey tenants have told us they want their home to be safe and that the council invests in building safety. Our regular dialogue and relationship with the Tenants' Advisory and Grants Panel has also impressed the need to prioritise tenant safety. Supporting business cases and outline options have been presented to the Growth and Regeneration Directorate's Senior Leadership Team and the Portfolio Holder Responses and views have been considered and considered prior to finalising this report.

We continue to consult, engage and communicate with tenants and all stakeholders as we develop compliance remediation programmes ensuring this feedback is used to shape delivery. As each phase of the fire safety remediation programme to low rise blocks develops, we will share proposals with residents and ward councillors confirming the programme for the blocks, the extent of works and the sequence of delivery. We will continue to communicate with and share progress with those affected throughout the delivery stage. We expect to commence works to 6 story blocks in Autumn 2022 and will therefore aim to commence engagement in the Spring of 2022.

5.0 Next Steps and Timelines

Cabinet approval	5th April 2022
End of call-in period	12th April 2022
Issue project Contract	April
Execute project Contract	May
Commence project team meetings	May
End of pre commencement period	August
Commence phase 1: 6 storey blocks	Sep
Anticipated Project Duration (subject to supplier proposals)	2-3 years

6.0 Officer Recommendations and Reasons

6.0.1 That Cabinet:

- (a) Consider the report and note the tender evaluation and results
- (b) Approve the appointment of Fortem Solutions Limited for fire safety improvements to low rise residential blocks within Kirklees District.
- (c) The Service Director Homes and Neighbourhoods to continue to monitor progress against programme
- (d) Approve the delegation to the Service Director Homes and Neighbourhoods to sign off final contract sum within a tolerance of 5% of the approved tender sum.

6.0.2 Reasons:

Kirklees Council remains wholly accountable as the landlord and Registered Provider for the safety of council housing residents and therefore should be fully sighted on all risks associated to building safety with the potential to cause injury, harm or inconvenience; it is therein duty bound to ensure existing and proposed arrangements are adequate and proportionate with respect to tenant safety.

7.0 Cabinet Portfolio Holder's Recommendations

The Cabinet Portfolio Holder supports the officer recommendations at paragraph 6.0.1 Keeping the council's tenants safe is the highest priority. I am pleased to see that the council has, since the transfer of engagements, acted as quickly in driving the actions required and scoped out, tendered and secured a preferred contractor in a challenging market and circumstances. I fully support the approach to keeping our tenants safe and meeting our obligations detailed against the regulations and the award of this contract and delivering the fire safety actions at the council's low rise housing blocks.

8.0 Contact Officer

Asad Bhatti: Head of Building Safety
Tel: 01484 221000 and ask for Asad Bhatti
Email: asad.bhatti@kirklees.gov.uk

9.0 Background Papers and History of Decisions

Confidential in accordance with Schedule 12A Local Government Act 1972:

- Pre-qualification to DPS
- Invitation to Tender
- Tender submission
- Tender evaluation and panel scoring
- Report to Cabinet dated 14th December 2021: Building Safety, Compliance Report. Anthony Brown, RM Consulting: April 2021

10.0 Service Director responsible

Naz Parkar, Homes and Neighbourhoods

11.0 Supplementary information:

Private Appendix 1: Tender Evaluation Result Fire Compartmentation and Associated Refurbishments