

<b>Committees:</b>	<b>Dates:</b>
Residents Consultation Committee Barbican Residential Committee	02 March 2015 16 March 2015
<b>Subject:</b> Issue Report: Water System Monitoring and Testing, Risk Assessments and Associated Safety Works at the Barbican Residential Estate	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services	<b>For Information at RCC For Decision at BRC</b>

### Summary

Project Status	Amber
Time Line	<b>Overall programme:</b> 2 years – 2015/16 – 2017/18 <b>Key dates:</b> June 2015 – new monitoring & testing contract in place. Winter 2015 – risk assessments completed, works programme developed and options brought to RCC & BRC for approval. Works Programme - to be confirmed, dependent upon Option approved.
Programme status	Between Gateway 1/2 (Project Proposal) and Gateway 3/4 (Options Appraisal)
Latest estimated costs	Monitoring & Testing - £60,000 per year Risk Assessment Costs - £20,000 (one-off cost for all blocks. Ongoing revenue requirements for future risk assessments will be determined based upon the frequency required.) Estimate of Works Cost – up to £1,500,000
Expenditure to date	N/A

#### **Gateway Reports to Date:**

The Gateway 1/2 report outlined a project approach to address both the statutory requirement of monitoring & testing, and the completion of remedial/minor and major works that are identified and recommended for completion.

The Gateway 3/4 report represented the same approach and was presented at the Residents Consultation Committee (RCC) and Barbican Residential Committee (BRC) in November and December 2014 respectively. There was some discussion about whether a combined contract for both monitoring & testing and remedial/minor works, would offer best value for money and furthermore, whether a contractor would be incentivised by the combined contract, to recommend works in order to generate income.

The department were asked to return to the Committees with further information about the intended approach.

Following further discussions and options appraisal, this report outlines the intended approach. It sets out 4 options for delivery of the required aspects, and there is some variation from the approaches outlined in the Gateway 3/4 report at the last committee. There are three strands that need to be procured and delivered as part of this project:

### **Monitoring & Testing**

Monitoring involves monthly visits to and inspections of all communal water systems. Testing involves removing samples of the water and submitting them for assessment for contaminants or bacteria. The testing is only carried out where the need is identified as part of the monitoring. Monitoring is required by statute to be undertaken monthly and cannot be halted. The current contract arrangements for monitoring & testing expire in May 2015, and the department is required to undertake a procurement process to have a compliant contract in place in order to continue monitoring & testing the water tanks and associated systems.

### **Risk Assessments**

Risk assessments are carried out to examine existing tanks and pipe layouts to determine if they pose low, medium or high risks. Such assessments used to be required every 2 years, the legislation has now changed, and the requirement is now to risk assess equipment on a risk-based approach. Where existing tanks and layouts pose medium or high risk, more frequent risk assessments are required (recommended frequency will be confirmed at the point of assessment) and the assessor will make a recommendation for how the risk could be reduced. For example, by undertaking works such as cleaning/descaling the tank, replacing the tank or altering the pipework layout.

### **Works**

Works can be identified three ways. The monitoring will identify necessary remedial/minor works such as filter replacements or tank lid fittings. Risk Assessment reports will identify and recommend major works, such as full tank replacement. Both remedial/minor and major works may also be identified and be required to be completed reactively, for example, if a leak occurs or a health and safety risk is identified. For clarity, works are not proposed to be included in either the monitoring & testing contract or the risk assessment contract. Where works are identified, they will be reported back to the Barbican Estate Office for action, and they will be procured and completed independently.

### **Risks/Issues:**

There is a risk of the monitoring & testing contract expiring without a new contract being in place. It is not possible to suspend the monitoring & testing at any point.

For this reason, the first stage Section 20 consultation has been issued, however, this does not commit the City to any approach and it is noted in the letter that the procurement is subject to BRC approval of the intended approach.

## Recommendations

- Procurement proceeds for a 2 year monitoring & testing contract for the Barbican Residential Estate (independently of the Housing Revenue Account) to ensure safety and statutory compliance.
- Procurement proceeds for the Risk Assessments to both meet statutory requirements and confirm the works that need to be carried out.
- The department returns to both RCC and BRC, following completion of the risk assessments, with a works programme, seeking approval of the programme and budget prior to procurement for a contractor to complete these works.

## Main Report

<b>1. Issue description</b>	<p>The previous report recommended amalgamating monitoring &amp; testing and remedial works requirements into one contract. This approach was not approved.</p> <p>Following the concerns raised at the last Committee regarding the options not being directly comparable, the department propose to separate out the requirements in accordance with the Options outlined below.</p> <p>A further matter has come to light since the last report was brought to Committee. In 2017, the City-wide contract for water monitoring &amp; testing will be reviewed. As such, the department propose to procure a 2 year contract for water monitoring &amp; testing services to ensure safety and statutory compliance, as this cannot cease. The department will then consider the option of joining the City-wide contract in 2017; however, there is no obligation to join this contract if it does not offer both better value for money and an equivalent or improved service for residents. Furthermore, the initial 2 year contract will include provision to terminate or extend, should the City-wide review not offer the best option for the department or proceed to the planned schedule.</p>
<b>2. Last approved limit</b>	N/A.
<b>3. Options</b>	<p>The procurement of a monitoring &amp; testing contract is a fixed part of all options, as it is a non-optional safety and statutory requirement.</p> <p>1. Procure a monitoring &amp; testing-only contract. Carry out remedial/minor and major works reactively as items fail, or pose too high a risk for continued use. Undertake risk assessments independently of this project and act upon the recommendations separately and individually.</p> <p>2. Procure a monitoring &amp; testing contract which includes a schedule of rates for remedial/minor works. Remedial/minor works may be completed at the point of testing. Carry out major works reactively as items fail, or pose too high a risk for</p>

	<p>continued use. Undertake risk assessments independently of this project and act upon the recommendations separately and individually by block.</p> <p>3. Procure a monitoring &amp; testing contract which includes a schedule of rates for remedial/minor works. Remedial/minor works may be completed at the point of testing. Carry out major works reactively as items fail, or pose too high a risk for continued use. Procure a risk assessment contract to both comply with statutory requirements and to generate a list of recommendations to inform a works programme. Return to committee with the works programme to seek approval to proceed, once the extent of the works is identified.</p> <p>4. Procure a monitoring &amp; testing-only contract. Carry out remedial/minor and major works reactively as items fail, or pose too high a risk for continued use. Procure a risk assessment contract to both comply with statutory requirement and to generate a list of recommendations to inform a works programme. Return to committee with the works programme to seek approval to proceed, once the extent of the works is identified.</p> <p>N.B. – procurement processes and contracts will be separate for each aspect.</p>
<b>4. Recommendation</b>	Option 4 is the recommended option.

### **Contact**

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