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Committees: CWP Peer Review Group Corporate Projects Board Corporate Asset Sub Committee Project Sub Committee	Dates: Urgency Urgency 19 July 2021 23 July 2021
Subject: Walbrook Wharf Roof Replacement Unique Project Identifier: PV Project ID 12004	Gateway 4 Issues Report Regular
Report of: City Surveyor Report Author: Dorian Price	For Decision
<h1>PUBLIC</h1>	

1. Status update	<p>Project Description: To provide a solution to the water ingress problems on the Walbrook Wharf existing roof and drainage goods which have undergone unsuccessful patch repairs.</p> <p>RAG Status: Red; this is due to the delay to programme since G3-5; the project has taken a step back due to potential future development and need to reduce costs. ('Amber' at last report to Committee).</p> <p>Risk Status: Low (Low at last report to committee); this is due to risks reducing as a result of surveys and clarification of works.</p> <p>Total Estimated Cost of Project (excluding risk): £920,000</p> <p>Change in Total Estimated Cost of Project (excluding risk): Decrease of £199,295 since last report to Committee; revised scope to reduce cost.</p> <p>Spend to Date: £47,913.75</p> <p>Costed Risk Provision Utilised: £Nil</p> <p>Slippage: Due to a potential future development opportunity at Walbrook Wharf, the project programme at G3-5 was paused, whilst an alternative value engineered option was investigated to downgrade works from roof replacement to patch repairs.</p>
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Progress and Status Update:

At Gateway 3-5 the following options were presented to Committees in December 2019 (Project Sub Committee) and January 2020 (Corporate Asset Sub Committee):

- Replacing the roof.
- Repairing the roof.
- Installing Solar PV on the roof.

The option approved was to replace the roof and a detailed scope of works was developed for this option. Surveys were undertaken and a contractor had been procured via compliant tender processes.

However, in February 2020, the project was put on hold due to a potential future development opportunity at Walbrook Wharf.

A revised scope to downgrade works from roof replacement to repairs received approval in July 2020 Corporate Asset Sub Committee. This maintains the roof in line with the medium-term strategy for Walbrook Wharf, approved by Members, which states the end date for leases and service agreements as 2027; the strategy beyond is yet to be determined, but asset is approximately 60 years old and may require significant future investment.

Further condition surveys of the roof were commissioned in November 2020 to provide a snapshot of the current condition and to develop a cost-effective solution to remedy the water ingress issue. The remedy would also need to fit within the medium-term strategy of Walbrook Wharf.

Revised Programme

Members are asked to note the revised completion date of July 2022 due to the issues noted above. In addition, there is a need to undertake enabling works for pest control to mitigate annual Seagull nesting and a need to deliver works on site during the generally warmer, drier months:

	Revised Programme	
	Start	Finish
Appoint Consultant	August 2021	August 2021
Surveys, Design development etc	August 2021	October 2021
Procurement, Lead in & Approvals	November 2021	February 2022
Works on site	May 2022	July 2022

A minimal repair approach to some roof areas was carried out by City of London (CoL) Measured Term Contractor, Wates

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	<p>during December 2020 to help mitigate roof leaks during the winter period; repair works were funded through Repairs and Maintenance budget. This entailed application of a single layer waterproofing system over small areas known to suffer from water penetration. These repairs are still insufficient, and leaks have since appeared elsewhere in the building; to be effective the roof requires treatment.</p> <p>With the information obtained through the Condition Survey and the limited success of the repair it has helped to establish a potential lower cost option to alleviate the roof leaks; installation of a layered liquid waterproofing system over the whole roof area.</p> <p>Consultant fees for a Lead Designer/ Project Manager & Quantity Surveyor have been received by CoL to progress the revised scope repairs option to G5. In addition, as a result of the recent surveys and known issues of annual Seagull nesting at the site, a quote for pest control has been obtained to mitigate this risk up to the estimated programme start on site date.</p> <p>Drawdown funding of £85k (from previously approved funding of £920k from the Additional Capital Funds for City Fund Properties) is now requested to get to the next Gateway for the revised scope.</p> <p>Walbrook Wharf Roof Replacement is an approved scheme with funding from the Additional Capital Funds for City Fund Properties.</p> <p>Authority is sought for the G5 to proceed under delegation to Chief Officer, so long as the works tender exercise does not increase the total estimated cost outlined in the Issues Report (£920K).</p>
<p>2. Requested decisions</p>	<p>Next Gateway: Gateway 5 - Authority to Start Work (Regular)</p> <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. Approve drawdown of £85,000 (from previously approved funding of £920k from the Additional Capital Funds for City Fund Properties) for staff costs, fees, survey costs and pest control to reach Gateway 5. 2. Approve repair solution option; application of a liquid overlay roofing system with guarantee to overcoat the roof minimising the risk caused by roof coverings, retaining the operational status of the facility until 2027. 3. Note the revised total estimated cost of the project at £920,000. 4. Note a Costed Risk Provision of £182,700. Further information available in the Risk Register (Appendix 2).

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	<p>5. Delegated Authority be granted to the City Surveyor to Approve a Gateway 5 Report, on condition total estimated project costs remain within the budget envelope of £920,000.</p> <p>6. Note revised completion date of July 2022.</p>																								
3. Budget	<p>Enquiries have been made to obtain estimated works costs and inform this report.</p> <p>Due to the large variance in works costs received, ranging from £453k to £920k, it is intended to undertake a competitive tender against a performance specification to obtain best market value. The range in costs obtained can be explained by the large variance in materials costs of different liquid roofing systems. CoL will request a minimum guarantee from suppliers and allow tenderers to propose any system that meets the performance criteria.</p> <p>City Procurement will be consulted to advise on all required procurement activities.</p> <p><u>Additional Drawdown Funding Requested to G5</u></p> <table><tr><th>Item</th><th>Approved Funds/ Source of Funding</th><th>Cost (£)</th></tr><tr><td>Staff Costs</td><td rowspan="7">Additional Resources for City Fund Properties</td><td>5,000</td></tr><tr><td>Lead Designer/ Project Manager Fees</td><td>22,500</td></tr><tr><td>Quantity Surveyor Fees</td><td>11,500</td></tr><tr><td>Mechanical & Electrical Engineer</td><td>4,000</td></tr><tr><td>Pest Control Fees</td><td>22,000</td></tr><tr><td>Survey Costs</td><td>20,000</td></tr><tr><td>Total</td><td>85,000.00</td></tr></table> <p><u>Total Estimated Cost to G6</u></p> <table><tr><th>Item</th><th>Cost (£)</th></tr><tr><td>Spend to Date</td><td>47,913.75</td></tr><tr><td>Funding Requested in GW4 Issues to Reach G5</td><td>85,000</td></tr></table>	Item	Approved Funds/ Source of Funding	Cost (£)	Staff Costs	Additional Resources for City Fund Properties	5,000	Lead Designer/ Project Manager Fees	22,500	Quantity Surveyor Fees	11,500	Mechanical & Electrical Engineer	4,000	Pest Control Fees	22,000	Survey Costs	20,000	Total	85,000.00	Item	Cost (£)	Spend to Date	47,913.75	Funding Requested in GW4 Issues to Reach G5	85,000
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	Estimated costs, G5 to G6 (works, fees etc.); calculated as average works estimates above (£920k, £453k) + 14.5% approximately for fees, enabling surveys, statutory permissions.	787,086.25
	Total	920,000
Costed Risk Provision requested for this Gateway: £Nil		
4. Issue description	<p>Walbrook Wharf has water ingress issues which has affected the tenants below causing damage each time heavy rainfall occurs. The roof in its current condition is not fit for purpose.</p> <p>Due to a need to value engineer the scope, a liquid waterproofing system is proposed to help alleviate water ingress. A guarantee for the chosen system will be sought to ensure risks can be managed at least until the end of the medium-term strategy for the site is reached in 2027.</p> <p>A delay to programme has occurred due to the future planning at Walbrook Wharf and a subsequent revision to scope to provide a more economical solution. The project has taken a step back to GW4 to allow project redesign and tendering to progress to G5.</p>	
5. Options	<p>Choices are limited due to the site constraints, method of working and budget that dictate what and how works can be delivered. The options are:</p> <ol style="list-style-type: none"> 1. Do nothing; reputational risks, increased maintenance costs, degradation of building fabric due to ongoing water damage, potential failure of building fabric and claims arising from tenants. 2. Repair solution; use a liquid roofing solution with guarantee to overcoat the roof minimising the risk caused by roof coverings. Recommended. 	

Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register

Contact

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