

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

Summary

Project Status	Amber
Time Line	Overall programme: 2 years – 2015/16 – 2017/18 Key dates: To be confirmed dependent upon options.
Programme status	Between Gateway 1/2 (Project Proposal) and Gateway 3/4 (Options Appraisal)
Latest estimated costs	Testing - £60,000 per year Works Cost - £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 testing, and the 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 approach of testing and remedial/minor works, and a secondary contract for major works would offer best value for money and furthermore, whether a contractor would be incentivised by the combined contract of testing and remedial/minor works, 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, and it sets out options which include some variation from the approach outlined at the last committee. There are three strands that need to be procured and delivered as part of this project:

Testing

Testing involves removing samples of the water and assessing them for contaminants or bacteria. This is required by statute to be undertaken monthly and cannot be halted. The current contract arrangements for testing expire in May 2015, and the department has a

regulatory requirement to undertake a procurement process to appoint a compliant contract in order to continue 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 and the assessor will make a recommendation for how the risk could be reduced. For example, by undertaking major works such as replacing the tank or altering the pipework layout.

Works

Works can be identified three ways. The testing will identify remedial/minor works such as filter replacements or tank lid fittings. The Risk Assessment reports will identify and recommend major works. Works may also be identified and be required to be completed reactively, for example, if a leak occurs.

Risks/Issues:

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

Recommendations

- Procurement proceeds for a 2 year testing contract for the Barbican Residential Estate to ensure statutory compliance.
- Procurement proceeds for a risk assessment contract to both meet requirements and confirm any major works that need to be carried out.
- The department returns to both Committees, following completion of the risk assessments with a works programme, and seeks approval prior to procurement for a contractor to complete the works.

Main Report

1. Issue description	<p>The previous report amalgamated testing and works requirements. 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.</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 testing will be reviewed. As such, the department propose to procure a 2 year contract for water testing services to ensure statutory compliance, as water testing 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 service for residents.</p>
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2. Last approved limit	N/A.
3. Options	<p>The procurement of a testing contract is a fixed part of all options, as it is a non-optional safety requirement.</p> <p>1. Procure a 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 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. Undertake risk assessments independently of this project and act upon the recommendations separately and individually by block.</p> <p>3. Procure a 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 once necessary levels of works are identified.</p> <p>4. Procure a 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 use the results of the risks assessments to inform a works programme. Return to committee with the works programme once necessary levels of works identified.</p> <p>N.B. – procurement processes will be separate for each aspect.</p>
4. Recommendation	Option 4 is the recommended option.

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