

Executive Member for Housing and Development

| Meeting of: | Date: | Ward(s): |
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| Executive | 19 March 2020 | List wards: All |

| Delete as appropriate | Part-exempt | Non-exempt |
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Appendices B & C to this report are exempt from publication

SUBJECT: Replacement of Wet Riser Main (WRM) system to Michael Cliffe House

1. Synopsis

- 1.1 This report seeks approval to enter into a contract with AJS Ltd to replace the life-expired wet riser mains (WRM) pipework at Michael Cliffe House.
- 1.2 The proposed works are to replace the existing (c1969) life-expired WRM system that consists of two riser pipes with a new WRM system that will comply with current guidance (being BS 9990: 2015), including Fire Brigade (FB) outlet valves on 1st to 23rd floors and roof levels, along with monitored isolation valves every 10m (three floors) to both riser pipes. FB outlet valves will be located in new, secure masonry enclosures with access doors and FB cabinet access doors. The proposed contract variation is to also include all enabling works, any monitoring works required and maintaining works over two one-day impairments.
- 1.3 There is an urgency for these works to be instructed in a timely manner due to the current condition of the WRM pipework being considered life-expired as a result of an independent assessment of the existing pipework condition.

2. Recommendations

- 2.1 To award a contract to AJS Ltd for the replacement of the wet riser main and ancillary works to Michael Cliffe House in the sum of £2,176,667.23.

3. Background

- 3.1 Michael Cliffe House is a 24 storey block (ground, 1-23rd floors plus roof) built c1969, comprising 185 purpose-built flats with two stairwells (north and south) leading to communal landings, each with two lifts that serve alternate floors.
- 3.2 When built a WRM installation was provided, fed from tanks and two electric powered fire pumps located in the north side basement plant room. These pumps were mains powered with a back-up diesel generator supply. Water was pumped up to serve and charge two wet rising mains; one per lift lobby landing with outlet valves for FB connection on even floors only, commencing at 4th to 22nd floors and at roof level to both sides of the block. This system was built to the then current British Standard, Code of practice 402.101:1952.
- 3.3 In 2000, a substantial sum was required to combat on-going anti-social and vandalism issues and to ensure that the WRM was maintained to the requirements of the then current fire regulations. Both risers were being targeted and landing valves were being vandalised and/or stolen, which gave rise to serious concerns about the Council's ability to maintain the risers as per the requirements of the current Fire Regulations. A senior management decision was taken to temporarily disconnect the pumps, the back-up generator and the water supply and convert the existing WRM installation into a dry riser mains (DRM) system. These works were carried out in conjunction with and the consent of the LFB and the Council's own BCS team. The installation was subsequently tested on an annual basis in the presence of both the LFB and BCS with both parties signing off the DRM as being compliant and fit for purpose.
- 3.4 In the summer of 2013 the BCS team informed Islington Council's E&E Section of HASS (now Housing Property Services) who had been managing the system, that they were no longer prepared to accept the status quo and that the Council had had plenty of time to sort out the shortfall in funding and the necessary works to bring the DRM installation back up to its original configuration as a WRM.
- 3.5 In 2014, following a competitive tendering exercise, AJS were awarded the contract to convert the existing long-standing 'temporary' DRM installation back to the original configuration i.e. WRM installation to meet regulatory requirements. The works were mainly in the basement plant/pump room and included removal of redundant equipment, provision of two new water storage tanks, a large electric pump and 'back-up' diesel pump with exhaust, associated works including emergency lighting, fire alarm interface and changing landing valves from dry to wet riser compatible outlets and provision and adaption to provide secure enclosures.
- 3.6 The decision was made to retain the existing pipework, including the risers that are built into the fabric of the building, and to maintain a fully-functioning system, albeit making use of the DRM, to minimise any impairment (system down time) until the WRM system was ready to be commissioned. The change-over was carried out on two separate days with full impairments, in conjunction with and with the agreement of the LFB. The first was early June 2017, the second was due 14th June 2017 but was postponed a week, due to the Grenfell Tower fire tragedy.

- 3.7 During the opening up works it was established that other associated components were also life-expired and were found to require urgent attention, i.e. the replacement of the block's communal low voltage electrical distribution panels and asbestos removal to provide suitable electrical supplies for both the WRM system and the new communal heating system.
- 3.8 The WRM system was fully operational from 21st June 2017, with weekly testing being undertaken. Subsequent to this and to enable BSC sign off, some additional works were undertaken, including the insertion of an isolation valve to the base of each riser (at 3rd floor level) to enable their individual isolation, and so reducing the risk from full to part impairment of the system should work to one or other of the risers 4th to roof level have to be worked on.
- 3.9 Such an event occurred late September 2019 when a leak occurred on the 18th floor north side, which was promptly repaired with partial impairment for the day. The system had run without incident for over 2¼ years with the existing original retained pipework.
- 3.10 Following the above and in October 2019 the system pressurisation 'jockey pump' was found to be running more frequently than it should have, which was putting it under abnormal loading and risk of failure. This running of the jockey pump indicated a leak on the system. A full and thorough survey of the visible and accessible pipework was undertaken, along with some opening up of riser ducts, but no leak was found. The leak was therefore deemed to be located within the underground duct from the basement to main block services riser core. Unfortunately, this duct was inaccessible, with the few access hatches having been sealed due to historic asbestos contamination. The one localised section that had been cleared of asbestos, to facilitate new electrical connections for the new estate heating system, revealed the duct was physically inaccessible due to original heating pipes and other services, concealing the original (leaking) risers' supply pipework.
- 3.11 Our health and safety adviser prohibited any works within the duct due to the asbestos hazard and unacceptable confined working space for any works. As a consequence, and to avoid system failure and loss of this critical safety facility, a new 'by-pass' pipe was run, to a revised fully accessible route, from the basement plant room, up to the second floor level to connect to the two existing risers. This was completed, with a full one-day impairment, mid-December 2019 to safeguard the residents over the Christmas period, approximate additional cost £220k. The ancillary works associated with this (fire stopping, pipe lagging and frost and vermin protection, remote alarm monitoring, etc) are nearing completion, with BCS sign off pending.
- 3.12 As a consequence of the above leaks, three sections of vertical riser pipe were sent for specialist independent testing and a condition report was provided by Project Fire Products Limited in November 2019.
- 3.13 A further weeping pipe joint was identified 13th January 2020 on the 6th floor north side and this has had a temporary holding repair undertaken, and is holding.
- 3.14 Pipework Condition Report: Project Fire Products Limited (PFPL) have carried out an independent investigation and subsequently reported on the galvanised steel riser pipework condition based on the three samples provided - with the samples being removed from the respective vertical sections of the existing pipework when alteration works were

carried out to install the isolation valves and repair of the 18th floor leak. The results from the pipework investigation indicated a variety of internal corrosion and pipe deterioration in the form of pitting. The samples that were tested provided detailed analysis of the pipe at that point and gave an indicative picture of pipework health. The internal corrosion demonstrates a significant reduction in the pipe wall thickness, with the quantity of deterioration referenced in Section 3 of the attached PFPL report – see Appendix A.

- 3.15 Our in-house mechanical services team provided their comments after reviewing the report produced by PFPL. It was noted that they agreed with the PFPL findings, in that the level and nature of the corrosion of the pipe would indicate that the existing installation is now life-expired. Whilst we would be able to continue with periodic tests, they would be unable to guarantee the pipework integrity in between the periodic tests. This would only provide further external visual inspection evidence of leaks as they occur and not the likely severity of potential failure. Advice from the mechanical services team stated that corrosion of the wet riser pipework would occur when oxygenated water is present, i.e. when the pipework is pressurised with water.
- 3.16 It would appear that the historic management decision to change from a wet riser to a dry riser, to combat vandalism issues, then back to a wet riser has significantly contributed to the corrosion of the pipework. Notwithstanding the above the pipework is now past its safe remaining life expectancy and should be replaced without delay.
- 3.17 BSC Principal Surveyor has also expressed concerns regarding the retention of the riser pipes, particularly given the recent by-passing and replacement of the basement to second floor two risers.

4. Implications

4.1 Financial implications:

- 4.1.1. The estimated cost provided by AJS Ltd and vetted by the Council's project Quantity Surveyor dated 26/01/2020 for the proposed additional works to the WRM pipework, which also includes the removal of the redundant, asbestos gasket jointed, redundant communal heating pipes and the gas pipe will be £2,176,667.23.

A breakdown of these costs is attached to this report as exempt Appendix B

Note;

- The above figures exclude 11% fees for Capital Programme Delivery services.
- AJS have confirmed works would take approximately 10-12 months to complete from receipt of a change order.

- 4.1.2. The summary of costs since the Tender Award Report (TAR) was signed 6/10/2014 and outlined throughout Section 4 of this report (background) is represented below.

| | £ |
|--|------------------|
| Total spend to-date | 1,241,000 |
| Communal electrical LV panel and associated asbestos works, UKPN sub-station upgrade, temp generator, security, etc. | 421,000 |

| | |
|---|------------------|
| WRM Works including by-pass pipe December 2019. | 820,000 |
| Additional works for two new risers, enclosures, monitoring, etc. | 2,176,667 |
| Revised project total as of 10/03/2020 | 2,996,667 |

- 4.1.3. Given the urgent nature of these works, it is proposed that Capital Investment money be used to pay for these important and urgent fire safety works. In accordance with Rule 18.1.4, the Corporate Director of Housing has delegated responsibility to award housing related contracts up to £5,000,000 in the case of capital expenditure.

4.1.4. **Budget Provision**

Given that the works required as set out in this report were not anticipated there is no specific capital budget provision set aside however the latest approved 3 year capital programme (20-21 to 22-23) includes a generic budget for fire safety works in tall blocks of £16m, the Property Services Housing Investment team advise that around £9.5m has been allocated to schemes as such the estimated cost of these works in the sum of £2.2m can be met from this budget without adversely impacting on the rest of the capital programme.

5.1.5. **Leaseholder Recovery**

The report seeks to waive the recovery of the costs in the sum of £330k in relation to the 28 leaseholders (out of 185 residents in total). The Capital Programme Delivery team advise that the urgent nature of these fire safety works are such that it is inadvisable to delay the commencement of the works in order to undertake a leaseholder Section 20 Consultation process which at a minimum is likely to take 3 months. Furthermore, the Capital Programme Delivery team advise that the current circumstances are not dissimilar to the circumstances faced previously at which time Legal advised that in the event that we did recharge leaseholders we would be likely to lose a challenge at a first tier tribunal (previously an LVT).

4.2 **Legal Implications:**

- 4.2.1. The Council owes a duty to the tenants and leaseholders, including those of Michael Cliffe House, to ensure that the areas of and installations in the blocks over which the Council retains control are kept in good repair and condition so that the premises are reasonably safe for their occupation (Occupiers Liability Acts 1957 and 1984 and Defective Premises Act 1976).

- 4.2.2. The works to replace a wet riser at Michael Cliffe House constitute a public works contract for the purposes of the Public Contracts Regulations 2015. The value of the works falls below the financial threshold for works contracts for the full application of those regulations and therefore the contract does not have to be advertised in OJEU.

However, contracts which may be of interest to contractors in other EU countries would ordinarily require some form of advertising in order to satisfy the EU principles of equal treatment/non-discrimination and transparency. Further, the provisions of the Council's Procurement Rules will apply and would normally require a full competitive tendering exercise with a minimum of five tenderers. Those rules provide that the requirement for competitive tenders may be waived for good operational and financial reasons.

A waiver has been granted to enable a contract for the works at Michael Cliffe House to be awarded directly to AJS Limited. The Corporate Director Housing has delegated authority to award the contract. Before awarding the contract, she should have regard to the information in the exempt Appendix B and be reasonably satisfied that AJS Limited's tender for the works represents value for money for the council.

- 4.2.3. AJS Ltd have undertaken all the works to-date and are familiar with the new system and the block. The costs provided are considered value for money, and are comparable with those for similar works on Peregrine House. There are definite benefits of using the incumbent contractor, such as of continuity and prompt delivery of works and also regarding sole responsibility regards full system compliance and for defects resolution, i.e. avoiding two contractors having areas of interlinked and interdependent 'kit' on a single system.
- 4.2.4. Given the urgent nature of these works, full tendering of the works would cause considerable delay. Consideration could be given to using a faster track framework consortium like LHC or Procure Plus to source a contractor, utilising their pre-agreed rates and vetted contractors. However, this has not been as quick as anticipated on a recent contract and the specification element required significant review and amendment. The proposed works are more bespoke with a split of mechanical, electrical and associated builder's works and is not as routine as a window or door replacement programme, which lends itself to such procurement arrangements.

4.3 **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

- 4.3.1. The WRM replacement will have environmental impacts that include energy used in the installation process, vehicle journeys made by the contractor, material use for the new WRM pipework, and the disposal of the WRM pipework.

The new WRM pipework will be galvanised steel, a sustainable material. The old WRM is made of galvanised steel and will be collected by a reputable Waste Collection contractor and disposed of at a registered Waste Collection Station. All of the recyclable pipework and fittings will dismantled and recycled.

5. **Resident Impact Assessment:**

- 5.1 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 5.2 A Resident Impact Assessment (RIA) was completed on 11th March 2020. This procurement will not have any negative impact on any persons within the protected characteristics groups. This contract will have a positive impact on vulnerable groups, as it will ensure that their properties are maintained to a high standard. Diversity and equality were considered during the procurement process. Potential service providers were asked a scored question

during the procurement process about how they assess and manage repairs for customers with any of the equalities characteristics. It is a contractual requirement for service providers to work to Islington Council's policies and procedures, where health and safety, equality, diversity and an accessible service for all are factored into service delivery procedures.

5.3 The completed RIA dated 11th March 2020 is attached to this report as Appendix D.

6. Reasons for the decision:

6.1 This contract is required to ensure that urgent fire safety works are undertaken as quickly as possible to ensure the Council fulfils its legal obligation to maintain a fully compliant wet riser mains installation to a 24 storey purpose-built block of flats.

7. Authorisation for use of urgency procedures:

7.1 I agree that this decision is urgent and cannot be reasonably deferred.



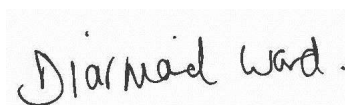
Councillor Theresa Debono
Chair of the Policy and Performance Scrutiny Committee.

Background papers: none

| APPENDICIES | Title | Exempt/ Non-Exempt |
|--------------------|---|---------------------------|
| Appendix A | Pipework Condition Report | Non-Exempt |
| Appendix B | Contract Sum Analysis 26/01/2020 | Exempt |
| Appendix C | Waiver Report 11/03/2020 | Exempt |
| Appendix D | Residential Impact Assessment (RIA) 11/03/2020 | Non-Exempt |

Final report clearance:

Signed by:



19 March 2020

Councillor Diarmaid Ward
Executive Member for Housing and
Development

Date

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