

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

5111

Author:

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Department:

Communities, Environment and Resident Services

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Subject:

NCC Enviroenergy Scaffolding Procurement

Total Value:

£700,000 (approx annual £140,000) (Type: Revenue)

Decision Being Taken:

Nottingham City Council owns and operates the largest district heating network in the UK, delivering heat and power to over 5000 domestic and commercial customers across the city. The London Road Heat Station is over 50 years old and continual maintenance and servicing is required to ensure the network operates at optimum availability. At present there is a need for a full-time scaffolding contractor to have staff on site 5 days per week to construct scaffolding to enable general maintenance duties at the site to be delivered. It is recommended that a tender exercise is completed for a new contract for an initial 3 year period with an optional extension for another 1 plus 1 years, with a maximum contract length being 5 years. Recommendations: 1. To approve spend against this contract for the full duration including any extension 2. To approve the tendering and awarding of a new contract for NCC Enviroenergy Scaffolding and General Labour through a compliant procurement process 3. To delegate authority to the Corporate Director of Communities, Environment and Resident Services, to award this contract for works as detailed in the summary of issues and, for the Corporate Director of Communities, Environment and Resident Services to sign the contract upon award or to instruct Legal Service to seal it as a deed (whichever is appropriate). 4. To note that spend for the above approvals has been agreed by the Section 151 Officer through the Spend Control process (Ref 8191)

Reasons for the Decision(s)

Due to the age of the plant, there is a requirement for scaffolding to be erected on a day-to-day basis to ensure the safe maintenance of high-level assets at the plant. Due to the nature of the plant, there is high pressure steam, high voltage electricity areas to be worked on. This requires specialist scaffolding contractors with the relevant certification and skills to deliver this work. There is now a requirement to procure this specialist contractor which is critical to the current maintenance regime to ensure there is not a major failure occur on the plant or system. Permanent resource availability enables immediate response to emergency repairs so that downtime is minimised and heat and power supply can be restored in the shortest possible timeframe.

Failure to have this service in place will lead to delays in getting the turbine running after downtime, delays in getting the heat supply back to customers properties and could lead to the network having to be shut down. If the network is shut down, this will mean a loss of income to NCC Enviroenergy.

Briefing notes documents:

NCC -Enviroenergy Scaffolding & General Labour Procurement.docx

Other Options Considered:

1.1 This service is health and safety critical and therefore when considering either stopping the service or reducing the standards of the requirement it has been deemed as an unacceptable route. The health and safety standards cannot be compromised for this high risk critical service.

When considering if we have the skill set internally to DIY it has been determined that we do not have the skill set to provide the service to the bespoke requirement that is needed for the Heat Station. We have also considered the capital outlay required for the scaffolding which in the current climate may prove unaffordable.

When reviewing current compliant procurement routes we reviewed the EEM scaffolding framework. When considering this BIWO (buy it with others) route we determined that this framework does not meet the response periods required by Enviroenergy to undertake scaffolding erections which are required immediately on occasion to enable repair works to vital district heating assets to commence.

The option to place scaffolding on a permanent basis, such that full-time scaffolders would not be needed but the equipment would, was rejected on the basis that the district heating network comprises a main heat station with street frontage and in excess of 80 sub-stations and plant rooms, the majority of which are third-party owned. Permanent scaffolding on the highway requires a licence, which will not be granted in perpetuity, is unsightly and creates a site security risk in providing direct roof access. External permanent scaffolding around other areas of the heat station and plant rooms across the city would create a health and safety and fire risk by restricting vehicular and pedestrian access and movement. Internal scaffolding on specific assets (gas boilers, DC heaters for example) would also create further hazards if they were permanent in terms of managing business as usual operational activities. The Fire Safety Regulatory Order requires egress routes to be free from obstructions and permanent obstructions are therefore not permissible. Under the Working at Height and Management of Health and Safety Regulations, scaffolding structures require regular inspection to ensure their robustness. It is standard industry practice to undertake "Scaff-tagging" on a weekly basis to test the stability of erected scaffolds and the volume of permanent scaffold required across sites would require a permanent full-time resource to undertake such inspections. Therefore the level of disruption created to

standard operational activity renders this option unworkable. With BIY (buy it yourself) we are able to seek specialist scaffolders with access to all the relevant equipment to enable service requirements to be met, this is the preferred option to provide best value. By completing a competitive tender through an open procurement, it presents opportunity for potential suppliers to submit competitive prices against a defined service requirement. This will deliver best value through the evaluation of both quality and price.

Background Papers:

EEM Framework EEM0051 Scaffolding

Published Works:

Affected Wards:

St Ann's

Colleague / Councillor Interests:

Antony Greener (Head of District Heating and Waste Strategy)David Nicoll (Customer Service and Transformation Manager)Alan Fletcher (Maintenance Engineer)

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

No crime disorder implications to consider

Equality:

EIA not required. Reasons: EIA is not relevant to this procurement activity

Social Value Considerations:

Procuring best value and best quality for residents and commercial customers of the district heating scheme will ensure that we are able to deliver low-cost heat and power to residents and commercial customers across the City. This will aid in tackling fuel poverty across the City. Securing this essential service will ensure we can guarantee the longevity of the heat and power supply to local residents and businesses and also ensure we continue to offer local jobs for local people at the plant and across the network. Maintaining the plant and network to ensure its continued operation is also contributing to the Council's ambition to be Carbon Neutral by 2028.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

11/04/2024

Advice Sought:

Legal, Finance, Procurement

Commissioner Comments:

The paper needs to be very clear that there is sufficient budget to cover the estimated costs and what will happen if the result of the procurement process exceeds the budget provision since the contract cannot be let without sufficient funds being available.

I note the only option put forward is the procurement of specialist scaffolders on a full-time basis with access to the relevant equipment. Is there another option which sees scaffolding put in place on a permanent basis- so full-time scaffolders would not be needed but the equipment would?

Please can you

1. note these comments.
2. provide the commissioners with a reply, before publication, setting out if other options such as the one noted by the commissioners have been considered.
3. Incorporate into the finance commentary that there is sufficient budget to cover estimated costs.

Legal Advice:

This decision seeks approval to tender for a contract of up to 5 years in duration for a specialist scaffolding provider to meet the specific needs of the London Road Heat Station and, implicitly, support the continued operation of the District Heating Network.

The draft contract for use in the tender process has been drafted by an external law firm, Bevan Brittan, as part of their ongoing support of some contractual matters relating to the District Heating Network. Assuming that a compliant tender process is undertaken, this proposed decision presents no significant legal issues.

It is recommended that if any alterations to the draft contract are proposed by the successful bidder, that those proposed alterations are considered by Bevan Brittan and advice sought before, if appropriate, contracts are executed.

Advice provided by Anthony Heath (Senior Solicitor) on 29/01/2024.

Finance Advice:

There has been legacy revenue budget to cover these scaffolding costs in previous years under the London Road Heat Station Analysis, which exceeds the estimated requirement for the scaffolding costs of £140k per year. However, it is important to compare the previous contracts against the quotes found from the tendering process to cover the costs across a 5 year period of commitment. Best value is being considered as it is going through the NCC compliant procurement policy and procedures. Based on current scaffolding costs, sufficient budget is allocated in the service area to cover estimated costs of the procured scaffolding works, which can be prioritised if necessary from a wider maintenance budget.

Sohaib Chaudhry
Senior Commercial Business Partner (Resident Services)
04/04/2024

Procurement Advice:

There are no significant Procurement concerns with the decisions being sought. The Procurement Team will work with the client to agree an appropriate commercial & procurement strategy prior to tendering, which will be in compliance with Contract Procedure Rules and relevant provisions of the Public Contracts Regulations. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 06/02/2024.

Signatures

Corall Jenkins (PH Energy, Environment and Waste Services, Parks)
SIGNED and Dated: 04/04/2024
Colin Parr (Corporate Director, CERS)
SIGNED and Dated: 04/04/2024