

Finance and Resources Committee

10.00am, Tuesday, 25 June 2024

Fire Safety Upgrades Multi-Storey Blocks – Award of Contract

Executive/routine
Wards

Executive
All

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 Approves a contract to Harmony Fire Ltd via the Prosper Framework for Passive Fire Safety (Lot 1 - Scotland) to undertake a comprehensive upgrade of fire doors, fire stopping and compartmentation interventions to meet current guidance across all multi-storey blocks; and
 - 1.1.2 Notes the contract commencement would be 1 July 2024 for a period of up to 48 months with the option to extend (if required) at a total value of £61.107m.

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2. Executive Summary

- 2.1 This report seeks approval to award a contract to Harmony Fire Ltd to deliver fire safety compliance works utilising the Prosper Framework for Passive Fire Safety (Lot 1 - Scotland). The maximum contract value is £61.107m and the programme of works is expected to be delivered over a 48-month period.

3. Background

- 3.1 The Council has an operational estate of approximately 20,000 homes, with approximately 3,000 sitting within a multi-storey setting. This represents around 15% of Council homes. 97% of homes in multi-storey blocks sit within a full Council or majority ownership tenure. The Council currently has 50 multi-storey sites within the wider housing estate (some of these sites contain more than one multi-storey block).
- 3.2 A comprehensive set of Fire Risk Assessments (FRAs) were completed in 2022 for all multi-storey blocks and outlined a range of recommendations to assist with the compliance of fire safety and related standards and guidance. The works proposed via this contract award will bring all 50 multi-storey blocks up to current standards and address and rectify any current inadequacies and non-compliance issues discovered through the FRAs.
- 3.3 Since the submission of FRAs, the Council has experienced significant challenges in getting contracts awarded in a timely fashion to deal with some of the core recommendations outlined in the FRAs in terms of fire safety compliance. Some of the key barriers have been obtaining compliant tender returns along with the appropriate fire door certification from the existing Housing Property Capital Works Framework supply chain, lack of contractors prepared to engage with this type of specialist work to multi-storey blocks which are seen as high risk, and the size and type of contractors on the Housing Property Capital Works Framework are not specialists in this field so rely on sub-contractors within their supply chain. They also

would not have the capacity to deliver at the scale and speed required to bring all 50 multi-storey blocks to meet full compliance.

- 3.4 To date six multi-storey blocks have fire safety improvement works completed, namely communal fire door upgrades. There were also ad hoc fire compartmentation works undertaken across the six Moredun multi-storey blocks and the three Calders multi-storey blocks. In addition to this, there is also a current programme of work to replace high pressure laminate panels from six multi-storey blocks which is awarded and mobilising. A further two procurement exercises totalling nine multi-storey blocks had to be cancelled primarily due to the challenge in the preferred tenderers being able to provide full certification for the door sets specified for install. This was via the Council's Housing Property Capital Works Framework.
- 3.5 As a result, a more effective route to market is required that can upscale and accelerate these fire safety works in a holistic manner across the entire multi-storey estate and to also ensure some of the wider interventions outlined in the FRAs can also be incorporated into the wider scope. This would include fire compartmentation and fire stopping interventions alongside fire door upgrades.
- 3.6 As such to avoid this ongoing problem and to expedite these compliance works, it is proposed that a direct award to a specialist fire safety contractor is the most appropriate and timely route to market.

4. Main report

- 4.1 The FRAs took cognisance of the client's duties and liabilities under the Fire (Scotland) Act 2005, Fire Safety (Scotland) Regulations 2006 and were carried out in accordance with a range of standards and guidance. Most pertinent of these is the Scottish Government Practical Fire Safety Guidance for Existing High Rise Domestic Buildings, (updated in Mar 2021).
- 4.2 The FRAs outlined a comprehensive range of recommendations not all of which will be included as part of this proposed commission which will solely focus on the installation of 60 min flat entrance, communal and ancillary fire door upgrades alongside fire stopping and compartmentation measures. Recommendations arising from the FRAs linked to electrical infrastructure will be addressed via a separate commission. Other recommendations within the FRAs related mainly to housekeeping actions such as emergency lighting, signage, log books, training and fire extinguishers etc. These actions have been cascaded to the relevant colleagues within the Council's Housing and Homelessness team for action.
- 4.3 The Prosper Framework Agreement for Passive Fire Safety provides a range of call off methods for local authorities to identify the most appropriate procurement strategy with a direct award to the rank one provider, Harmony Fire Ltd, being recommended as the most optimum.

- 4.4 The benefits of a direct award are outlined below:
- 4.4.1 A robust 'most economically advantageous' assessment has already taken place by Prosper for admission to the Framework with Harmony Fire scoring the highest on quality and the lowest on cost;
 - 4.4.2 Cost savings - by combining all fire safety works under one programme of works significant costs savings can be achieved. The previous approach was to target two - three blocks at a time as distinct packages of work. By combining all blocks under one programme a saving of between 20%-30% can be achieved as a result of volume construction savings. In addition, a larger package of works will reduce contractor preliminary costs from 10% to 8.5%. Also, the Framework costs are fixed so no inflation charges can be applied over the four year duration of the works programme;
 - 4.4.3 Cost security and construction optimised programme – Harmony Fire Ltd will provide upfront detailed pre-construction design reviews of all blocks and building types. This confirms the buildability of the whole site and ensures that the right compliant solutions are specified for each block. In turn, this guarantees cost security and no variations when construction works start – as the entire works programme will fully construction optimised. Also, the consultative design and specification end to end service also helps to relieve the pressure on the Council's internal resources;
 - 4.4.4 Harmony Fire Ltd will provide pre-construction fire engineer and consultancy support to ensure the proposed interventions are construction optimised before works commence. This will reduce the risk of variations or additional measures being required once construction commences. It also ensures a better tenant and resident experience and a swifter delivery of works;
 - 4.4.5 Fast mobilisation of works – Harmony Fire Ltd are already mobilised and working in Edinburgh and the central belt of Scotland and have a live contract with the Council for flat entrance door upgrades. They also have a thorough understanding of Council processes in terms of mixed tenure, quality assurance, engagement with tenants, and concierge staff etc;
 - 4.4.6 Consistency and quality of works – Harmony Fire Ltd are a specialist fire safety contractor with a previous history of high quality and 100% compliant works. This has been evidenced to the Council through a previous and current fire door upgrade contract. This avoids the potential risk of having to manage multiple contractors via ad hoc procurement exercises. Which would inevitably place larger internal resource pressures on the Council to plan, consult, specify, and manage multiple procurements exercises and contracts. Additional consultancy support would also be required to help manage this;
 - 4.4.7 Fire safety specialist engineer, consultant and contractor – by engaging with a contractor that specialises in fire safety, the Council has access to fully

compliant fire safety solutions and standards. Importantly Harmony Fire Ltd ensure that all works are 3rd party certified to BM Trada (BM Trada is a UKAS (The UK Accreditation Body) accredited certification body which provides independent third-party certification fire services for manufacturing, installation and maintenance service for fire doors and a fire stopping installation certification scheme). This also means that there is no reliance on sub-contractor accreditations, which was a significant challenge and extremely time consuming aspect of previous procurement exercises for fire safety upgrades; and

4.4.8 Fastest route to site start – a direct award is the quickest route to market. The previous ad hoc approach of targeting two - three blocks at a time via in house Council Frameworks was extremely time consuming in terms of procurement. It would also result in an overall programme that could take several years to deliver to reach full compliance across all multi-storey blocks. The other option would be a mini-competition, this procurement route though could take up to 12 months. It would also require external consultant support to develop the relevant tender specification documentation at a cost of approximately £1,000,000.

4.5 The Council has a current contract in place with Harmony Fire Ltd for the replacement of flat entrance doors with compliant 60-minute fire rated doors (FD60) across nine multi-storey blocks. A previous ad hoc flat entrance door contract finalised in 2023/24 targeted approximately 150 FD60 flat entrance doors across both low rise and multi-storey blocks. This programme was delivered on time, within budget with works installed to a high quality.

4.6 The overall programme timeframe will run from 2024/25-2027/28 and will follow a risk-based approach in terms of the priority list of blocks for investment. This risk-based approach will review amongst other things the core findings from the FRAs, along with blocks with a single escape stair and the overall height of specific blocks. Due to multiple other contracts either underway or due to start in 2024/25 across the Council's multi-storey blocks this priority list is still under development.

4.7 The Council has seven minority blocks (Saunders Street being counted as four separate blocks) where it will be more difficult to achieve the fire upgrades required. The Council will need to work with private owners in those blocks through the Tenement Management Scheme (TMS) to reach agreement as the Council has no power to enforce works in these blocks. The TMS will be followed, and votes will be undertaken to see if the majority of residents approve of survey works being undertaken. Following this cost estimates will then be provided to residents and a further vote undertaken for approval for the wider works package. The works would be carried out to the Tenement common property and as such require a majority of owners in the block to vote in favour of the works.

- 4.8 The proposed commission will not target works in 14 blocks currently in design and development for Whole House Retrofit as these fire compliance works are already captured as part of the wider design commissions for these blocks.

5. Next Steps

- 5.1 Subject to Committee approval, this contract will be formally awarded to Harmony Fire Ltd.
- 5.2 Following contract award the first blocks planned for investment will be Inchcolm and Inchgarvie Court and Hawkhill and Nisbet Court. These blocks have been prioritised due to no planned works currently being scheduled in these blocks during 2024/25. Detailed surveys will be undertaken at these blocks in June and July 2024.
- 5.3 A detailed consultation and communication with all private owners and private sector landlords in both majority and minority owned Council blocks will be essential and prioritised. Following award of contract a communications plan will be drafted with initial correspondence sent out to all owners and landlords outlining the set of interventions proposed, timeframes for their blocks, the Tenement Management Scheme vote process, scope of survey reports and support and options available to them.
- 5.4 To ensure the Council is able to maximise the financial and non-financial benefits of the framework, including the delivery of community benefits, a contract management plan is being put in place which will robustly manage the contract and ensure the desired outcomes are achieved.

6. Financial impact

- 6.1 The total value of the works is £61,107,359.81. The works will not exceed the £61.107m contract sum due the level of detailed survey carried out to date. This will be funded through the HRA capital budget.
- 6.2 The contract value can be accommodated within the 10-year HRA Budget Strategy and will be reprofiled accordingly over the duration of the contract to match the updated expenditure forecast.

7. Equality and Poverty Impact

- 7.1 The fire compliance interventions will have little to no impact on wider equality and poverty issues.

8. Climate and Nature Emergency Implications

- 8.1 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-2027. The Council also declared a Nature Emergency in 2023.
- 8.2 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”

(Nature Conservation (Scotland) Act 2004)

- 8.3 Harmony Fire Ltd are committed to providing a clear and consistent approach to waste management and will conduct monthly waste audits to analyse the types and quantities of waste produced. Full, detailed records will be held of all materials and recycling movements on-site, the people involved, the waste involved, quantities, and the license numbers of contractors involved. This is based on the cradle-to-grave methodology, ensuring the final use of the recyclable material is ascertained and recorded for compliance.
- 8.4 All door sets to be removed and replaced will be recycled via supply chain partners and split down into separate components (timber, ironmongery etc). Where possible opportunities to reuse materials will be explored and 80% of all materials are recycled after being separated and recycling/waste reports can be provided on a monthly/quarterly basis.
- 8.5 It is also proposed that vehicles used on this proposed contract will be hybrid/electric. Over the last three years, Harmony Fire Ltd have transitioned to electric/hybrid vehicles (which now represents 85% of their current fleet).
- 8.6 Harmony Fire Ltd also use the latest specification Eco welfare units. These Eco units have improved insulation levels and use solar panels to reduce energy consumption and are fitted with waterless urinals. Last year, across Harmony’s Social Housing contracts, an estimated 1.35 million litres of water were saved.

9. Risk, policy, compliance, governance and community impact

- 9.1 A core project team will be set up and will meet monthly to review progress against the core programme objectives and to also manage a risk register for the project. This will ensure the programme remains on track and within budget and that any other issues are raised and managed accordingly at those meetings.

- 9.2 In terms of compliance this programme of works will ensure all Council multi-storey blocks meet the Scottish Government's updated guidance on practical fire safety in existing high-rise buildings. The guidance follows best practice with common sense solutions to reach fire safety compliance. The guidance is advisory, not legislation, therefore, the Council is not legally bound to comply with the guidance. However, the guidance does provide recommendations to bridge gaps in current fire safety laws. The guidance focusses on fire safety in communal areas and building design aspects with a view to enhance overall safety for residents. Whilst the guidance is not legally binding there is legislation in place requiring landlords to ensure that fire doors are properly maintained and ensure that the building's fire compartmentation is properly maintained. The FRAs carried out have highlighted that the works proposed are required in order to provide these minimum levels of practical fire safety to the residents.
- 9.3 In terms of governance a monthly update report will be brought to the Capital Delivery Group this will include an update on the risk register and progress against the agreed budget for the financial year. Any significant issues or risks that need to be escalated from the core project team meetings will be referred to the Capital Delivery Group for review and action.
- 9.4 This contract ensures wider employment and economic impacts for Edinburgh. Harmony Fire Ltd currently have two operational bases in the central belt of Scotland one in Edinburgh and one in Motherwell. They also have a servicing office in the centre of Edinburgh. Currently Harmony Fire Ltd employ 30 full time members of staff throughout Scotland. Subject to the approval of the award of contract, they plan to increase their workforce with nine additional members of staff across a range of roles including Senior Project Managers, Site Supervisors and Site Operatives working on this project specifically.
- 9.5 Harmony Fire Ltd currently partner with 11 Scottish based sub-contractors across the following sectors, asbestos, structural engineering and design, general building contractors, electrical engineers, fire engineers and maintenance contractors.
- 9.6 Harmony Fire Ltd are a living wage accredited employer and as a condition of the Contract, the following community benefits will be delivered:
- 9.6.1 Eight x two-week work experience placements for Council tenants;
 - 9.6.2 Four x new apprenticeships for young people within a Council tenancy;
 - 9.6.3 Eight x construction events held with local colleges to support student learning;
 - 9.6.4 Minimum of £20,000 donation to local campaigns or groups particularly aimed at improving social spaces or gardens in local communities;
 - 9.6.5 On going training for Council repairs and maintenance staff to ensure door sets can be maintained and repaired effectively to not invalidate their fire certification;

- 9.6.6 Four x CPD sessions for Council tenants and/or officers to promote fire safety; and
- 9.6.7 Targeted local recruitment for any new personnel required to deliver this contract.

10. Background reading/external references

- 10.1 2024/25 Housing Revenue Account (HRA) Capital Programme - Housing, Homelessness and Fair Work Committee – [14 May 2024](#).
- 10.2 Housing Revenue Account (HRA) Budget Strategy 2024/25 – 2028/29 – City of Edinburgh Council Committee – [22 February 2024](#).

11. Appendices

None