

Report Title: Waiver request to procure flood drying services**Date: 10 February 2016****Author: Mike Gilsenan, Head of Building Services****Purpose**

To provide supporting evidence to the waiver request to allow the appointment of Trustheat Ltd.

Waiver requirement

CYC Contract Procurement Rules for procurements over £100k require the following;

- Officers should, in conjunction with Commercial Procurement, consider whether there is an appropriate Internal Service Provider, existing Contract or approved Framework Agreement which can be used.
- Where no appropriate Internal Service Provider, existing Contract or approved Framework Agreement exists, competition is required for procurements over £100,000.
- Where there are sufficient numbers of potential Providers, at least four written tenders shall be invited.
- The tendering process shall be conducted in accordance with the Council's detailed procedure rules set out in the Procurement Toolkit. Authorised Officers should consult with Commercial Procurement to establish the most appropriate tendering process/procurement route which will be determined on a case by case basis (depending on a number of factors including but not limited to the scope, value and technical requirements of the procurement).
- All tenders and awards must be documented in accordance with Rule 4.
- Where the estimated contract value reaches the relevant EU Threshold, Rule 9.6 will also apply. If it is not possible to comply in full with the competition procedures outlined in Rule 9.3 or Rule 9.4 a waiver must be sought in accordance with Rule 28.3 as soon as possible and in any event in advance of contract award.

This waiver is submitted on the basis on the latter paragraph.

Background

64 council homes were flooded as a result of storms Eva and Desmond. This includes 20 homes at the James Street Travellers site. The James Street site was completely inundated with flood water, and 3 residents' homes were destroyed. All

20 households have had to be temporarily re-housed in alternative accommodation, including other travellers sites in York and wider North Yorkshire region. Properties at Navigation Road, (Rosemary Ct/Place) had minor flooding (av 5 cm), and 11 residents had to be re-housed due to frailty or disability. They are variedly living in sheltered housing, other temp accommodation or with friends and relatives. Houses at Burlington Avenue were flooded to approx 50 cm, and damage was extensive to ground floor flooring, sub floor, doors, kitchen units, and decorations.

Teams were set up to lead 2 separate remedial works projects; One for James Street and one for Flats & Houses. Team membership included operational officers and managers from both Housing and Building Services. Both projects were sponsored by the Head of Building Services.

The council have appointed Gentoo Ltd to undertake any remedial works; this was undertaken via an extension of our current Tenants' Choice contract.

All properties affected were issued with dehumidifiers directly after the flood. Initial preparatory work has been completed at James Street and in the most severely affected properties at Navigation Road to facilitate the drying process.

We commissioned a specialist company, Polygon Ltd, to undertake detailed damp surveys of all properties. Surveys took place on 21 January. These revealed that many properties, contrary to their outwardly dry appearance, were far wetter than we anticipated. They also suggested that subsequent drying times would be far longer than we expected. The specialist suggested that each property would require at least a further 4 weeks of drying in order to meet dryness certification requirements. They also suggested that far more intrusive preparatory works would be required, including hacking off plaster to 1m, and stripping out of all skirtings, doors, architraves, boxing, and flooring.

The Project Teams considered these reports, and agreed that this process was too long, both in terms of the well being of residents, and the reputational risk it exposed the council to in terms of complaints and negative press reports.

Proposed suppliers

Trustheat Ltd, are specialists in flood recovery work. They had initially approached CYC during the early weeks following the flood to see if we wanted to use their services, but we declined at that point. However subsequent to the above assessment, we made contact with them, and met them on site to discuss their service. They provide a positive ventilation service, whereby hot air is pumped into properties to encourage evaporation of moisture from the structure and fittings; rather than simply 'sucking' away moisture already in the air. The main claimed advantages of this process over the traditional use of dehumidifiers, are that properties are dried far more quickly – Typically 4 days rather than 4 weeks; far less

preparatory work is required to facilitate the drying process (meaning less subsequent making good works); and the process causes less damage to timber and plaster surfaces reducing the need to replace or repair.

Our teams were very impressed with Trustheat's service offer and their general approach to working with us and residents. On this basis we asked them to prepare a quotes for all properties being dealt with as part of our James Street and Flats & Houses projects. Quotes and background docs from Trustheat can be found in appendix 1. Trustheat have indicated that they are able to start on site straight away.

A alternative quote has been sought, however as this is a specialist service, suppliers are limited, and ability to start straight away is also hampered by demand from other flood stricken areas.

A partial quote has been received from The Speed Drying Company – see appendix 4. We are still waiting for costs for generators and fuel. However we also note that they estimate a 7 day drying cycle rather than 4 estimated by Trustheat Ltd. We are chasing the additional information, but it is apparent from what has been submitted that costs will be roughly the same, but with a longer drying period.

Costs and Impacts Summary

Analysis comparing costs between traditional methods of drying (dehumidifiers, additional heaters, and blowers to circulate air), and the process used by Trustheat Ltd, can be found in Appendix 2

Please note drying times are based on a constant 24/7 drying cycle, and given the intrusive nature of these processes, residents will need to be provided with alternative accommodation for the entire drying period and any subsequent time to complete remedial works.

The anticipated decant process would involve 8 households being out of their homes at any one time. Our discussion with housing colleagues suggests that we do not have sufficient capacity within our existing stock to provide the necessary alternative accommodation through voids properties or in temp accommodation/sheltered housing; therefore alternative accommodation costs are reflective of accommodation in hotels or similar.

The analysis shows that whilst the specific drying costs associated with the Trustheat process are higher than using a traditional method of drying, when taken in combination with associated costs like provision of alternative accommodation, and energy usage, there is an actual saving for both projects. These savings are largely as a result of significantly faster drying times; i.e. residents are out of their homes for a shorter period.

Key Risks

The speed with which we can return residents to their homes is critical, both in terms of the welfare of residents and reputation in terms of negative press stories, complaints, general dissatisfaction from residents, and potential legal challenge. This represents the risk of closest proximity. Negative stories have already appeared in the national press.

The combined costs of using Trustheat for both projects is £168,000.00 which breaches the new 2015 OJEU threshold for supply and service contracts of £164,176.00 (applicable from 1 January 2016). However given the work forms part of an urgent response to a major incident, allowing residents to return to their homes more quickly, one would anticipate the risk of challenge being relatively low. A view from Legal will be required regarding this specific risk.