

BIDSTON FIRE SUPPRESSION SYSTEM
WDA/22/21

Recommendation

That:

1. Members approve the movement of capital programme funds initially allocated for potential infrastructure alterations to finance additional costs associated with the planned works to install a fire suppression system on the Bidston site.

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Report of the Treasurer

1. Purpose of the Report

- 1.1 The Authority approved a capital programme for 2021-22 at the budget meeting held on 5th February 2021. The capital programme included an estimated amount for the Authority's contribution to installing a Fire Suppression system at the Bidston site. Since the budget was approved a specification has been developed and tenders have been received. Each of the tenders has exceeded the estimated price for installation of a Fire suppression system. This report seeks Members approval for using funds currently allocated in the capital programme to a contingency for Infrastructure works, to contribute to the increased costs.

2. Background

- 2.1 The Authority has a number of assets used by the contractor, Veolia, to deliver the Waste Management and Recycling contract. For each of the assets managed by Veolia there are fire suppression arrangements in place that mitigate the risks of uncontrolled fires at the sites. This is with the exception of the Bidston site, where the fire suppression arrangements are not considered adequate to mitigate all the risks of a fire.
- 2.2 In June 2020 there was a fire at the Bidston site which caused some significant damage, and which has since been rectified by the contractor. However, that incident raised the matter of the inadequacy of the existing Fire Suppression scheme.
- 2.3 The contractor, Veolia, offered to contribute up to £300k to the estimated cost of the Fire Suppression system (which will be an MRWA asset), and the Authority approved a capital programme of up to £450k to enable a fire suppression system to be procured and commissioned.

3. The Fire suppression system

- 3.1 The Authority and the contractor agreed that the procurement of the fire suppression system would be managed by Veolia, as they had the

technical capability and resources that drew on their National framework for designing and installing a fire suppression system. The Authority officers were to work in close alignment with the contractor to ensure the fire suppression system met the requirements of both parties.

- 3.2 The respective obligations in regards to the procurement, installation and management of the Fire Suppression system are formalised by way of a variation to the Waste Management & Recycling Contract (WMRC). The variation documents the agreed change to contract (namely installation and management of the fire suppression system) and ensure both parties are clear on and in agreement with respective obligations.
- 3.3 A detailed specification for the Fire Suppression system was developed and a tendering exercise was completed by Veolia to enable the procurement to proceed.
- 3.4 The tenders that were received were all in excess of the agreed envelope for funding the Fire suppression system – a total of £750k.
- 3.5 In order to proceed with the procurement and installation of an appropriate Fire Suppression system the envelope for additional costs will need to be increased by an amount of some £180k. This is due to a number of factors, not least the increases in costs being felt generally across the building and development trades since the original system installation was proposed.
- 3.6 At this stage both Veolia and the Authority's officers are reviewing both the specification and the tenders to identify whether there are opportunities for a reduction in the additional cost envelope.
- 3.7 In the event that the cost growth cannot be restrained, Veolia has agreed that they will share the additional costs of the system on a 50:50 basis, i.e. they will pay an additional £90k if the Authority agrees to pay an additional £90k towards the costs of developing an adequate Fire Suppression system.
- 3.8 In terms of the Authority, as suggested above there was an amount set aside in the capital programme of £450k in respect on installing a Fire Suppression system. To enable the Authority to contribute additionally to the costs of the Fire Suppression system Members are asked to approve the use of capital funds currently assigned to a different budget, so that the Fire Suppression system can be procured.

- 3.9 It is proposed to Members that the Capital Budget for Potential Infrastructure Changes, of £160k be amended and that £90k be moved from that budget into the budget for the Fire Suppression System.
- 3.10 The effect of this proposal, if agreed, would be that the capital programme for the Fire Suppression system would increase to £540k. On the other side of the programme the budget for Potential Infrastructure alterations would be reduced by £90k to a lower estimate of £70k. At present, half way through the year the budget spend on the infrastructure changes is some £10k, with estimates that another £15k may be spent by the end of the year. This suggests that there is scope to transfer capital programme budget from Potential Infrastructure work into the budget for the Fire Suppression system without a significant impact on the Authority's other priorities.
- 3.11 At the same time, if Members agree to this proposal, Veolia has agreed to fund their share of the additional costs up to the same £90k.

4. Risk Implications

- 4.1 The fire that took place at the Bidston site in 2020 outlines that there are risks arising to the contractor, their operations and their staff from not implementing an adequate Fire Suppression system.
- 4.2 There are also risk implications for the Authority's infrastructure which needs to be protected from the risk of fire, which will also prevent reputational damage and potential impact on District Council deliveries that might arise if a fire were to occur.
- 4.3 The risk moving funds from potential infrastructure works is considered to be small as no significant new schemes are under development that will require the funding at this stage.

5. HR Implications

- 5.1 There are no new HR implications

6. Environmental Implications

- 6.1 There are no new environmental implications

7. Financial Implications

- 7.1 The proposed transfer of £90k from one part of the Authority's Capital Programme into the Fire Suppression system budget does not increase

the Authority's approved Capital Programme, -but re-prioritises one aspect of it over other works.

7.2 This will bring the Fire Suppression system budget to £540k and lower the Potential Infrastructure changes budget to £70k.

8. Legal Implications

8.1 There are no legal implications associated with this report.

9. Conclusion

9.1 Members are asked to consider moving capital funding from one part of the capital programme into the Fire Suppression system budget to enable the Authority to continue to work with the contractor to procure and implement an adequate Fire Suppression system at the Bidston facility.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.