

Report of Regeneration Manager, Housing Leeds - Waverley & Malverns

Report to Director of Environments & Housing

Date: 24th April 2014

Subject: Waverley & Malverns – Tender Evaluation Report

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City & Hunslet and Beeston & Holbeck	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4.3 for Appendix A Appendix number: Appendix A – Tender Analysis Appendix B – Equality Impact assessment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. A robust procurement exercise has been conducted for Housing Leeds, which was supported by PPPU using the EN Procure framework, for the refurbishment of properties in the Waverley & Malverns area of Beeston & Holbeck.
2. Tenders have recently been invited from 8 contractors and bids were received from five firms and one firm, Keepmoat, submitted both the most competitive bid and the one scoring highest marks across the quality questions.

Recommendations

3. This report and appendix provides details of the tender evaluation process. As a result of evaluation exercise, it is recommended that the Director of Environment & Housing approves the award of this contract to Keepmoat Limited as a Significant Operational Decision.

1.0 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a contract to the successful tenderer to carry out refurbishment works to specific residential properties within the Waverley & Malverns area.

2.0 Background information

- 2.1 The project involves 87 properties on Malvern Road and Waverley Garth in Beeston Hill. Housing Leeds has considered options for the site, including full and partial demolition of some properties and conversions to other properties. After undertaking a cost-benefit analysis and analysing housing demand, Housing Leeds identified that the most cost-effective option for the site was to refurbish the properties to Decency Plus standard and then bring them back into management.
- 2.2 In order to develop a scheme, Housing Leeds worked with NPS to undertake a feasibility study and develop scheme designs. A delegated decision was taken by the Director of Environments and Housing in July 2013, approving this procurement route to put the contract out to competitive tender rather than a direct call-off to Mears as partner contractor for planned works. Various frameworks were then considered, and taking into account the size and nature of the works (i.e. housing refurbishment), it was decided in consultation with PPPU that Lot 38 of the Efficiency North framework was the most suitable option to be used. Other frameworks such as YORbuild (major Newbuild and refurbishment) and Fusion were considered but did not prove to be as appropriate as Efficiency North
- 2.3 As it is a City Priority to increase the number of empty properties brought back into use, the Council supports the refurbishment proposals, and identified £2.825m from the Housing Revenue Account (HRA) Capital programme to fund the scheme.

3.0 Main issues

- 3.1 Tenders were issued to 8 tenderers on 15th January 2014 with a proposed submission date of 19th February 2014.
- 3.2 Details of the tender evaluation process, criteria and the detailed results of the tender process are in the attached appendix A.

4.0 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The sites were included within the Beeston Hill and Holbeck Private Finance Initiative (PFI) for demolition, but were later excluded from the PFI as part of the Government's Comprehensive Spending Review in 2010. Because the properties were identified for inclusion in the PFI, they didn't originally receive Supplementary Credit Approvals to deliver decent homes investment as part of the Decent Homes programme at that time.
- 4.1.2 There has been consultation with tenants in developing the proposal. A consultation event was held with Ward Members and local residents on 11 July 2013 to consult on the refurbishment works. There were no objections raised to the scheme at the event, and many were actually keen for the work to start as soon as possible.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no equality and diversity issues related to this contract, and an Equality Impact Assessment accompanies this report at Appendix B.

4.3 Council policies and City Priorities

4.3.1 The project meets the Housing and Regeneration City Priority Plan priorities. It will improve the housing conditions within the area which will work towards increasing and maintaining decency standards.

4.3.2 Whilst the project mainly contributes to the Housing and Regeneration Plan it will also help to create training and employment opportunities within the local community.

4.3.3 Employment & Skills was part of the tender evaluation process. This was evaluated by EN Procure on behalf of Efficiency North as part of the quality evaluation process. The outcome of the scoring can be seen in the attached appendix. A

5.0 Resources and value for money

5.1 The evaluation process has identified that the tender submitted from the proposed successful contractor is deemed to represent value for money and is within the project construction tender estimate of £2,756,800.

6.0 Legal Implications, Access to Information and Call In

6.1 This decision is as a result of a previous key decision and therefore is a significant operational decision not subject to call-in.

7.0 Risk Management

7.1 The contract is based upon an NEC form of contract and will be managed by the Housing Leeds Project Manager.

7.2 A contract management plan is being developed as required by the provisions of the Effective Procurement Programme and Contracts Procedure Rules and will be in place prior to contract start. The plan in its development will be supported and challenged by PPPU. It is imperative that the Council is confident in its contract management activities and understanding of the contract obligations and has clearly defined roles and responsibilities, in order to maximise benefits and release the contracts aims and objectives.

7.3 A failure to award the contract would have a significant negative impact on the local area. Properties within the area have received limited investment in the last 10 years and most fail the decent homes standard and require significant investment. 50% of the units are now void and as properties have become void they have not been re-let and so the condition of these units has deteriorated further, and would be likely to continue to do so in the future. With these factors in mind, the awarding of the contract represents value for money. The project Manager will be using a risk register as part of the responsibilities in managing the contract.

8.0 Conclusions

- 8.1 A robust procurement exercise has been conducted by Housing Leeds using the EN Procure framework (lot 38) and the project has been supported by PPPU / Procurement Unit.
- 8.2 Competitive tenders were received from five firms;
- 8.3 This report outlines that the firm proposed to be awarded the contract submitted both the most competitive bid and was the highest scoring across the quality questions. The most competitive tender was within budget and at a proposed duration of 47 weeks, was within the 52 week duration forecast by the client.

9.0 Recommendations

- 9.1 It is recommended that the Director of Environments & Housing approves the award of this contract to Keepmoat Limited as a Significant Operational Decision based upon their scores being highest in quality and price evaluation criteria, as well as within the contract period on site.