

**Report of: Housing Leeds award of Passive Fire Protection (Fire Stopping) Project**

**Report to: Environment & Housing Decision Panel**

**Date: 18 November 2014**

**Subject: Request to approve the award to install; Passive Fire Protection (Fire Stopping) within Housing Leeds Building Stock following an Open Advertised Tender.**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): All wards		
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?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Not for Publication 'Appendix A, B & C to this report is designated as exempt under Access to Information Procedure Rule 10.4(3).		
Appendix number:		
<ul style="list-style-type: none"> <li>Appendix A - Tender Evaluation Summary</li> </ul>		

## Summary of main issues

- Housing Leeds has recently carried out fire risk assessments on Multi Storey Blocks, Sheltered Housing Complexes and Low Rise Accommodation. The results have identified that within each of the building types and in particular the Multi-Storey blocks there is a high risk in respect of compartmentation issues, primarily around communal areas and structure between flats.
- A robust procurement exercise has been undertaken by Housing Leeds, in conjunction with the Public Private Partnerships and Procurement Unit (PPPU/PU), to appoint two contractors to undertake Passive Fire Protection (Fire Stopping) works within Housing Leeds Multi Storey Blocks / Sheltered Housing Complexes and Low Rise accommodation throughout the regions of Leeds.

## Recommendations

- The Director of Environments and Housing is requested to approve the award of two contractors Total Fire Safety Ltd and Gunite (Eastern) Ltd.

## **1 Purpose of this report**

- 1.1** To seek approval to appoint two contractors Total Fire Safety Ltd and Gunite (Eastern) Ltd to undertake Passive Fire Protection (Fire Stopping) works within Housing Leeds Multi Storey Blocks / Sheltered Housing Complexes and Low Rise accommodation throughout the regions of Leeds.
- 1.2** This recommendation is a result of a procurement exercise using a non OJEU open procedure advertised via YORtender with a price / quality split of 60/40.

## **2 Background information**

- 2.1** Approximately 6,000 properties including communal areas within Leeds are in need of Passive Fire Protection works to be carried out in order to comply with The Regulatory Reform (Fire Safety) Order 2005 and Approved Document B of the Building Regulations. Materials used are required to meet BS476 and third party accreditation is required. The specific works to be carried out differ amongst the buildings from minor works at an estimated cost of £9k per block and major work to 7 blocks only at an estimated cost of £80k per block; this is dependent on the building type.
- 2.2** This work is critical in our ability to enforce the “Stay Put” Policy to enable residents to safely remain in their homes in the cases of fires in surrounding properties. This is a key safety matter in relation to the safety of our residents, by procuring and implementing this work we shall be fully compliant with our duties and the Regulatory Reform (Fire Safety) Order 2005.
- 2.3** An options appraisal has been conducted and the open procurement procedure was identified as the most appropriate route to enable the project team to give consideration to both Price and Quality whilst still keeping the timescales of the process to a minimum length.
- 2.4** During the tender period bidders were invited to site visits on two separate days. This provided an opportunity for bidders to clarify any areas of the tender documentation to enable them to effectively cost the tender submission.
- 2.5** Following the advertised opportunity 9 submissions were received, prior to the PQQ assessment it was identified that 3 of these submissions were non-compliant and could not be considered further. 6 Organisations were then assessed on the selection criteria outlined within the PQQ, following this assessment 2 organisations failed to attain the minimum threshold outlined within the PQQ.
- 2.6** The tender evaluation was carried out on 4 organisations who had attained the minimum threshold at PQQ assessment stage. Following the completion of this exercise 1 organisation did not attain the minimum quality threshold and has therefore been notified of their exclusion. Of the remaining 3 organisations Gunite & Total Fire Safety have been identified as the Most Economically Advantageous Tenders and should be appointed to this framework.

### **3 Main issues**

- 3.1** There is a risk to Leeds City Council and Housing Leeds residents in delaying the award due to the fire safety requirements to our social housing stock.
- 3.2** This risk has been identified through the completion of a suitable and sufficient fire risk assessment as required by the statutory fire legislation applicable namely: The Regulatory Reform (Fire Safety) Order 2005 which has identified problems with passive fire protection measures and fire stopping that would affect the adoption of a “Stay Put” Policy, a key safety matter in relation to the safety of our residents.
- 3.3** The programme shall be risk based in order of need and to be delivered where the risk could be higher in the event of a fire, supported by the fire risk assessments, history of fires provided by WYF&RS and customer profiling.

### **3.4 Procurement Options**

3.4.1 Internal Service Provider – Civic Enterprise Leeds were approach reference Passive Fire Protection and Fire Stopping project. The project was considered and Civic Enterprise Leeds declined as they do not currently have the appropriate skills or experience to deliver these works

3.4.2 Utilising an external framework – Having researched options including Fusion, Efficiency North and the Yorsuite of frameworks it has been identified there is not an appropriate framework in existence for this specific requirement, unless general contractors were approached to manage the requirement this relationship may not be cost effective in comparison to dealing direct with specialist contractor

3.4.3 Utilising Constructionline (Constructionline is a government list of contractors which is managed by Capita) – the suppliers identified via Constructionline would be main contractors likely to subcontract to specialist providers this relationship may not be cost effective in comparison to dealing direct with specialist contractor..

3.4.4 Utilising the Mears contract – encouraging Mears to take on this work as a main contractor subcontracting a specialist contractor through the current contracts in place. This may not be as cost effective as contracting direct with a main provider, however no tender process would need to be carried out by Housing Leeds meaning the timescales of commencing work would be significantly reduced. In addition Housing Leeds already has a contract management plan in place to manage Mears so this provision would be encompassed within that.

However, Mears were asked previously to do similar works in 6 Multi Storey blocks in the Little London area before official hand-over to the PFI contractor and Mears declined the works.

3.4.5 Openly advertised tender – Openly advertising this opportunity with suitable restrictions in place to recommend 3rd party accredited companies, this would allow Housing Leeds to enter into a direct contract with a specialist provider. This would

ensure the most cost effective approach however timescales would be significantly increased, with an estimated timetable of 5-6 months. A contract management plan is developed to effectively manage this project.

### **3.5 Corporate Considerations**

## **4 Consultation and Engagement**

**4.1** The officers/departments below were consulted during the process on the procurement route to deliver the installation of Passive Fire Safety measures in connection with fire stopping works in Multi Storey Blocks and Sheltered Housing Complexes and all recognise the risks involved and the delivery of this project is high priority. The project is risk based and the Multi Storey Blocks are in priority order of the highest risk first. The capital investment required has been approved for this project to start in the 2014/15 financial year.

Chief Officer Property and Contracts

Head of Strategy and Investment

Head of Maintenance Operations

Procurement Officers

PPPU Technical & Commercial Officers

Corporate Fire & Safety Manager – Corporate Governance

Whilst there are a number of leaseholders in the blocks which will be affected by the works, it is recognised that the necessity of the works originally build and has arisen from works not been fully completed and checked when first undertaken. Consequently it is considered inequitable that leaseholders should not be required to contribute to the works.

### **4.2 Equality and Diversity / Cohesion and Integration**

**4.2.1** Equality and diversity does not apply in this instance as the issue is in relation to appointment of specialist contractors to install an essential Passive Fire Safety measures in connection with fire stopping works.

### **4.3 Council policies and City Priorities**

**4.3.1** The installation of a Passive Fire Safety measures in connection with fire stopping works, will ensure a safer environment for our residents to live in. It also links to the cities priorities, investing in our residents and properties, improving housing conditions.

### **4.4 Resources and value for money**

**4.4.1** Housing Leeds has set aside £2million in the capital investment budget, with £400k this financial year, £800k in 2015/16 and a further £800k in 2016/17.

- 4.4.2 The successful bidders have submitted a bid which was scored the highest overall based on a combination of price (60%) and quality (40%) as set out in the tender documents.
- 4.4.3 This would allow Housing Leeds to enter into direct contract with two specialist providers. This would ensure the most cost effective approach.
- 4.4.4 The works will have a named Project Manager and resources set aside (from Housing Leeds Service Delivery Team) to manage the contract and facilitate the contractor in to gaining access in to the dwellings. This in order to help the contract adhere to the programme of works.
- 4.4.5 The Project Manager will have the assistance of financial and commercial support from a dedicated Housing Leeds Team. This throughout the pre and post construction phases of work.
- 4.4.6 With such works, Housing Leeds feels it would be better value for money if we worked directly with specialist contractors rather than pay a management fee for a general principle contractor.

#### **Legal Implications, Access to Information and Call In**

- 4.5.1 The decision is subject to call in. There are no grounds for treating the contents of this report as confidential within the Council's Access to Information Rules.
- 4.5.2 This is a Key decision as defined under Article 13 of the Council's constitution. The Key Decision was published on the 01<sup>st</sup> April 2014 and is subject to call-in under the Scrutiny Board Procedure Rules.
- 4.5.3 Due diligence check of the preferred provider(s) to ascertain their financial position will be carried out prior to award, ensuring we are contracting with a financially sound organisation limiting the risk of works not being completed.
- 4.5.4 It is advised that the award decision will be a significant operational decision, and will therefore be published for information purposes in accordance with the Councils governance procedures.
- 4.5.5 The procurement report went to the Housing Contracts Board on the 7<sup>th</sup> July and the recommendation for the procurement route was supported.

#### **4.6 Risk Management**

- 4.6.1 The contract will be managed and monitored regularly by service area representatives to ensure the benefits of the services are maximised and the contractors' performance will be measured over the life of the contract.
- 4.6.2 In line with the provisions of the Council Effective Procurement Programme a contract management plan will be developed that will clearly identify roles and responsibilities of officers with contract ordering and performance management and monitoring activities. This plan will also emphasise the perceived aims and objectives of the contract and how their realisation and contract success will be

reviewed and managed, in addition to the plan clearly stating the responsibilities of the contractor.

## **5 Conclusions**

- 5.1** Housing Leeds and PPPU have reviewed all options available as set out in the Main Issues / Procurement Options and concluded the preferred option would be to openly advertise with suitable restrictions in place to recommend 3rd party accredited companies.
- 5.2** This would allow Housing Leeds to enter into a direct contract with specialist providers. This would ensure the most cost effective approach.
- 5.3** The approach meets the requirements in terms of both technical and supplier ability to provide these specialised services.
- 5.4** Best value has been obtained by inviting the companies on the open tender exercise to take part in a competition.
- 5.5** The successful bidders have submitted a bid which was scored the highest overall based on a combination of price (60%) and quality (40%) as set out in the tender documents.

## **6 Recommendations**

- 6.1** The Director of Environments and Housing is requested to approve the award of two contractors Total Fire Safety Ltd and Gunite (Eastern) Ltd.

## **7 Background documents<sup>1</sup>**

- 7.1** Appendix A – Tender Evaluation Summary

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.