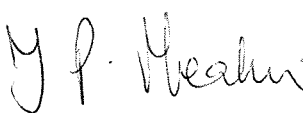


## DELEGATED DECISION NOTIFICATION

This form is used both to give notice of an officer's intention to make a Key decision and to record any delegated decision which has been taken. The decision set out on this form therefore reflects the decision that it is intended will be made, or that has been made. Although set out in the past tense a decision for which notice is being given may be subject to amendment or withdrawal.

LEAD DIRECTOR <sup>i</sup> :	Deputy Chief Executive
SUBJECT <sup>ii</sup> :	Award of Phase II of the Non-Housing (Civic Enterprise Leeds) Subcontractor Framework Contract
DECISION DETAILS <sup>iii</sup> :	The Chief Officer for Civic Enterprise Leeds has approved the award of the Phase II of the subcontractor framework contracts nominated contractors named in the DDN report. The contract will run for three years from 1 <sup>st</sup> February 2015.
TYPE OF DECISION:	<input type="checkbox"/> Council function (not subject to call-in) <input type="checkbox"/> Executive decision (Key) Is the decision eligible for call-in? <sup>iv</sup> <input type="checkbox"/> Yes <input type="checkbox"/> No Is the decision exempt from call-in? <sup>v</sup> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Executive decision (Significant Operational <sup>vi</sup> – not subject to call-in) This decision to award is a Significant Operational Decision and is a result of a Key Decision for the Authority to Procure (ref: D41003) which was approved 14 <sup>th</sup> February 2014 and therefore this decision is not subject to call in.
NOTICE <sup>vii</sup> / CALL-IN (KEY DECISIONS ONLY):	Date the decision was published in the List of Forthcoming Key Decisions:  If not on the List of Forthcoming Key Decisions for at least 28 clear days, the reason why it would be impracticable to delay the decision:-  If exempt from call-in, the reason why call-in would prejudice the interests of the Council or the public:-
AFFECTED WARDS:	ALL

DETAILS OF CONSULTATION UNDERTAKEN:	Executive Member	Date consulted: Click here to enter a date.	Interest disclosed? <sup>viii</sup> <input type="checkbox"/> Yes (Date of dispensation: Click here to enter a date.) <input checked="" type="checkbox"/> No
	Ward Councillor	Date consulted: Click here to enter a date.	Interest disclosed? <input type="checkbox"/> Yes (Date of dispensation: Click here to enter a date.) <input checked="" type="checkbox"/> No
	Others <sup>ix</sup> (please specify: Click here to enter text.)	Date consulted: Click here to enter a date.	Interest disclosed? <input type="checkbox"/> Yes (Date of dispensation: Click here to enter a date.) <input checked="" type="checkbox"/> No
CAPITAL FUNDING APPROVAL REQUIRED:	Funding approval required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Injection approval required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If yes to either, you must complete the Financial Development Funding Approval box below)		
FINANCIAL DEVELOPMENT FUNDING APPROVAL / INJECTION (CAPITAL SCHEMES ONLY):	(Name: Click here to enter text.)	Scheme Number: Click here to enter text. CSR Number: Click here to enter text. Date: Click here to enter a date.	
CONTACT PERSON:	David Wilkinson	Telephone number <sup>x</sup> : 0113 3782355	
DECISION MAKER / AUTHORISED SIGNATORY <sup>xi</sup> :	(Name: Julie Meakin ) 	Date: 22.12.14	

<sup>i</sup> The Leader of the Council may also make executive decisions and should be specified as the Lead Director where appropriate.

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<sup>ii</sup> A brief title should be inserted here. If the decision is Key and has appeared on the List of Forthcoming Key Decisions, the title of the decision should be the same as that used in the List.

<sup>iii</sup> Brief details of the decision should be inserted. This note must set out the substance of the decision, options considered and the reason for deciding on the chosen option, although care must be taken not to disclose any confidential or exempt information.

<sup>iv</sup> The decision will not be eligible for call-in if it has already been subject to call-in i.e. considered by the relevant Scrutiny Board. This includes a decision which has been modified by the decision maker following a recommendation by a Scrutiny Board after call-in of the earlier decision.

<sup>v</sup> If the decision is exempt from call-in a reason must be provided in the 'Notice / Call-In' box and in the report. The call-in period expires at 5pm on the 5<sup>th</sup> working day after publication. Scrutiny Support will notify decision makers of matters called-in no later than 12 noon on the 6<sup>th</sup> working day.

<sup>vi</sup> If the decision would have been a Key decision but for an exception set out in Article 13.2.1, please refer to the connected Key decision in the decision details (either by the title or the reference number).

<sup>vii</sup> All Key decisions should appear on the List of Forthcoming Key Decisions for 28 clear days before the decision can be taken. If 28 clear days' notice has not been provided, a reason must be provided here.

<sup>viii</sup> No Member having a disclosable pecuniary interest or officer having an interest in any matter (whether pecuniary or otherwise required to be declared) should take a decision in relation to that matter. Other interests of a non-disqualifying nature should be recorded here. Any dispensation in place in relation to the matter should also be recorded here.

<sup>ix</sup> This may include other elected Members, officers, stakeholders and the local community.

<sup>x</sup> Please insert a complete telephone number whether land line or mobile, rather than an extension number so that you can be contacted from outside the Council.

<sup>xi</sup> The signatory must be duly authorised by the Lead Director to make a decision in accordance with the relevant sub-delegation scheme. It is not acceptable for the signature to be 'pp' for the authorised signatory. For Key decisions only, the date of the authorised signature signifies that, at the time, the officer was content that the decision should be taken. However, should representations be received following public availability of reports the signatory will consider the effect which such representations should have on the final decision.



**Report of: Head of Property Maintenance**

**Report to: Chief Officer, Civic Enterprise Leeds**

**Date: 22<sup>nd</sup> December 2014**

**SUBJECT: Award of Phase II of the Non-Housing (Civic Enterprise Leeds) Subcontractor Framework Contract**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" 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)  Appendix IV to this report has been amended to exempt details under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial affairs of the authority which, if disclosed to the public would, or would be likely to prejudice the commercial interests of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Summary of main issues**

1. Property Maintenance and Corporate Property Management (CPM) merged in January 2014, to become Leeds City Councils In-house Service Provider (ISP) for non-housing property management and the provision of building services. These services are provided to LCC departments such as Children's Services, Adult Social Care, Environment's and Housing, City Development and Strategy and Resources.
2. In providing the required services to other LCC departments CPM sub - contract out certain elements of work that Property Maintenance do not provide.
3. CPM currently has contracts in place that ensure that the services that Property Maintenance does not currently provide are available to clients at all times. Arrangements were made for these existing contracts to run until 31<sup>st</sup> December 2014 to allow time to carry out a full appraisal of sub-contractor requirements and to complete a series of procurement exercise.

4. Construction Services (East North East Homes) is Housing Leeds' internal service provider for responsive repairs to the housing stock in the East of Leeds. The majority of works undertaken on housing stock by Construction Services is delivered internally but they manage peak demands for specialist and multi-trade sub-contractors through existing contracts. These contracts have been extended but will expire on 31<sup>st</sup> December 2014.
5. A meeting was held with PPPU and Procurement Unit on 5<sup>th</sup> September 2013, and they advised that in line with the Category Management approach that a joint procurement exercise between all three ISP's should take place. It was also identified in this meeting that due to the number of different categories of contracts and the tight timescale for replacing existing contracts, the procurement exercises would be conducted in five distinct phases.
6. It was agreed that phases I to III would be used to refresh existing contracts and Phases IV to V would be used to procure services where no current contracts are in place. It was agreed by all parties that this would be the most efficient way of managing the process whilst ensuring the identified resources are secured whilst providing best value to Leeds City Council.
7. This report seeks approval from the Chief Officer, Civic Enterprise Leeds to award Phase II of the framework contracts to the nominated subcontractors mentioned in this report.
8. This decision to award is a Significant Operational Decision and is a result of a Key Decision for the Authority to Procure (ref: D41003) which was approved 14<sup>th</sup> February 2014 and therefore this decision is not subject to call in. (Appendix I and II)

## **Recommendations**

Chief Officer Civic Enterprise Leeds is recommended to approve the award of the Phase II of the framework contracts from January 2015 to the nominated contractors named in this report.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek approval to award Phase II of the framework contracts covering the supply of Glazing, Scaffolding and Roofing services to Leeds City Council Non-Housing Buildings to the nominated contractors detailed in this report.
- 1.2 Environment and Housing asked to review the scope of the Drainage category in Phase I of tender exercise to see if it would suite the requirement of an existing Housing contract. It was decided to defer the drainage tender exercise to Phase II of the Procurement Exercise to provide time to carry out this exercise.
- 1.3 The contracts will commence on the 1<sup>st</sup> February 2015, and has a term of three years with an option to extend for a further year.
- 1.4 The estimated annual value for all the contract categories mentioned in this report is as follows;
  - 1.4.1 Glazing - £60,000
  - 1.4.2 Scaffolding - £64,000
  - 1.4.3 Roofing. - £395,000
  - 1.4.4 Drainage - £50,000
- 1.5 The successful tenderers have submitted bids which have scored the highest on the basis of the tender evaluation criteria based on a combination of price and quality as set out in the tender documents.

## **2 Background information**

- 2.1 Property Maintenance and Corporate Property Management (CPM) merged in January 2014, to become Leeds City Councils In-house Service Provider (ISP) for non-housing property management and the provision of building services. In providing the required services to other LCC departments CPM contract out certain elements of work that Property Maintenance do not provide and have contracts in place for these services.
- 2.2 Arrangements have been made to use these contracts until 31<sup>st</sup> December 2014.
- 2.3 Property Maintenance have also identified that certain skills and provision of services needs to be formalised to ensure that they can fully resources the services that clients require and also to be able to grow the business moving forward.
- 2.4 Construction Services (old East North East Homes) is Housing Leeds' internal service provider for responsive repairs to housing stock in the East of Leeds. They carry out some capital works and more recently have taken on-board Adaptations works for the other housing areas.

- 2.5 The majority of works undertaken on housing stock by Construction Services is delivered internally but from time to time to manage peak demand and for certain specialist work streams means that a range of specialist and multi-trade sub-contractors are required to support the business on an ad-hoc basis. These contracts have been extended but will expire on 31<sup>st</sup> December 2014.
- 2.6 Discussions have taken place between all parties and the Procurement Unit who have advised that in line with Council's policies on 'Spending Money Wisely' and Category Management approach that Construction Services, Property Maintenance and Corporate Property Management contracts should be procured jointly in order to demonstrate value for money and secure the necessary resources required to deliver services they are required to undertake.
- 2.7 It was also identified in this meeting that due to the number of different categories of contracts and the tight timescale for replacing existing contracts, the procurement exercises would be conducted in five distinct phases.
- 2.8 It was agreed that phases I to III would be used to refresh existing contracts and Phases IV to V would be used to procure services where no current contracts are in place. It was agreed by all parties that this would be the most efficient way of managing the process whilst ensuring the identified resources are secured whilst providing best value to Leeds City Council.
- 2.9 The tender process for Phase II commenced on the 1<sup>st</sup> May 2014, with the establishment of a project team. The project team comprised of representatives from Property Maintenance, Corporate Property Management and the Procurement Unit.
- 2.10 The project team agreed the categories of subcontractor services that would be included in Phase II of the procurement exercise and these were for the provision of Tarmac, Drainage and Electrical services.
- 2.11 The tender process was undertaken in the format of a 'restricted' tendering procedure (PQQ then tender stage) and was advertised on the Council's Electronic Tendering System, YORtender.
- 2.12 The utilising of the restricted procedure entailed the issue of a pre-qualification questionnaire (PQQ) which was designed to determine whether contractors had the relevant technical knowledge, competency and the appropriate experience for undertaking the services required for the Phase II procurement exercise.
- 2.13 The PQQ process would identify the most suitable contractors that would be short listed to the next stage, consisting of a tender involving the submission of a quality questionnaire and a pricing schedule. It was anticipated that the resulting tender evaluation of the submissions would identify the four highest scoring contractors who would be then be placed on each contract category of the framework contract in a ranked order. All orders under £10,000 in value will be issued to the number one ranked organisation and if the capacity of the number one organisation is fully utilised then the work will be issued to the second ranked organisation, and so on through to the fourth ranked organisation.



- 2.14 The contract has been developed as a framework that will have provision for mini-tender to take place between the successful contractors for works in excess of £10,000. Work/scheme will then be issued to the contractor with the highest score resulting from the quality score gained from the original tender and the pricing score from the mini-tender. If the capacity of the most competitive contractor is not sufficient then the second most competitive contractor will be engaged and this process will be applied down to the last contractor on the list.

### **3 Main issues**

- 3.1 In February 2014 the Authority to Procure was approved for Property Maintenance and Corporate Property Management to carry out a joint procurement exercise with Environment and Housing's Construction Services to procure Housing and Non-Housing Subcontractor Framework Contracts.
- 3.2 On the 24<sup>th</sup> June 2014 the Pre-Qualification Questionnaire (PQQ) was published on the Council's tendering website YORtender.
- 3.3 A supplier's day was held on the 25<sup>th</sup> June 2014 at the John Charles Centres for those subcontractors interested in the four categories of services to be procured in Phase II. Details of the contracts and how the procurement exercise process worked were provided to all who attended.
- 3.4 Following the closing date of the 18<sup>th</sup> July 2014<sup>th</sup> for the receipt of completed pre-qualification questionnaires a total of 7 application were received for the Glazing contract, 10 applicants for the Scaffold contract, 26 applications for the Roofing contract and 13 applicants for the drainage contracts.
- 3.5 Project teams evaluated the technical section of each PQQ submission and the Procurement Unit carried out vetting and eligibility checks.
- 3.6 As per the terms of the PQQ, those contractors who passed all pass/fail questions and achieved over 60% on the technical questions were invited forward to the tender stage of the procurement process.
- 3.7 The tender documents were published via YORtender on the 20<sup>th</sup> August 2014 all the successful contractors for each contract category submitted tenders by the tender deadline of 17<sup>th</sup> September 2014.
- 3.8 A bidder's 'Open Day' was held at the John Charles Centre on the 4<sup>th</sup> September 2014 for the contractors who had been successful with their PQQ submissions. Full details and information of the contracts and how the tenderer exercise process worked were provided to all who attended.
- 3.9 The tender document consisted of a method statement (quality submission) and pricing schedule and stated that the submissions would be evaluated based on a price/quality split of 60% price and 40% quality.
- 3.10 The project teams were issued with the method statements submitted by each bidder in support of their proposals to undertake the services. They were also

issued with the evaluation model to be utilised in respect of the review of the method statements.

- 3.11 The evaluation model informed the contractors that they must achieve a minimum score on three of the quality questions and score at least 60% or above across the whole of the Qualitative criteria. Any tenderers failing the quality criteria would be excluded from this tender exercise.
- 3.12 The results of the quality evaluation for each of the contract categories are detailed and attached as Appendix V.
- 3.13 The outcome of the quality evaluations of the procurement exercise for Phase II showed that the following contractors meet the quality criteria and were successful with their bids for the following contract categories:-

#### Glazing

1. NEO Property Solutions.
2. Kingfisher Windows
3. Kevin Kelly Windows Ltd

#### Roofing – Slating & Tiling

1. Hart & Sumpner Ltd
2. Marcher Roofing
3. SBS Roofing
4. Haven Building

#### Roofing – Built - up - Felt

1. Hart & Sumpner Ltd
2. Marcher Roofing
3. Tucker and Tunstalls
4. SBS Roofing.

#### Roofing – Asphelt

1. Tucker and Tunstall

#### Scaffolding

1. RIM Scaffolding.
2. Everlast Group (Scaffold Division).
3. Haven Builders and Maintenance.

#### Emergency Structure Support

1. Everlast Group (Scaffold Division)
2. RIM Scaffolding
3. Haven Building and Maintenance

## Drainage

1. Strategic Team Maintenance.
2. Easaway
3. SB Utilities

3.14 The results of the roofing Asphalt tender exercise, produced on 1 successful contractor, however due to its overall price it was deemed unsustainable and that this would be retendered at a later stage.

3.15 In line with the bid documents issued and the evaluation undertaken it is recommended to award the Glazing Framework Contract to the following three organisations.

1. NEO Property Solutions.
2. Kingfisher Windows
3. Kevin Kelly Windows Ltd

3.16 In line with the bid documents issued and the evaluation undertaken it is recommended to award the Roofing Framework Contract in 'Lots, covering 'Slating & Tiling' and 'Built-up-Felt' to the following two organisations.

### Roofing – Slating & Tiling

1. Hart & Sumpner Ltd
2. Marcher Roofing
3. SBS Roofing
4. Haven Building

### Roofing – Built - up - Felt

1. Hart & Sumpner Ltd
2. Marcher Roofing
3. Tucker and Tunstalls
4. SBS Roofing.

3.17 In line with the bid documents issued and the evaluation undertaken it is recommended to award the Scaffold Framework Contract in 'Lots' covering 'Scaffolding' and 'Emergency Structure Support' to the following two organisations.

### Scaffolding

1. RIM Scaffolding.
2. Everlast Group (Scaffold Division).
3. Haven Builders and Maintenance.

### Emergency Structure Support

1. Everlast Group (Scaffold Division)
2. RIM Scaffolding
3. Haven Building and Maintenance

- 3.18 In line with the bid documents issued and the evaluation undertaken it is recommended to award the Drainage Framework Contract to the following two organisations.

#### Drainage

1. Strategic Team Maintenance.
2. Easaway
3. SB Utilities

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.5 It is not considered that the content of this report or the recommendations made will have a significant impact on any particular ward or community and as such no consultations have taken place.

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

- 4.2.1 It is not considered that the content of this report or the recommendations made will have any impact on any specific individuals or groups in terms of equality, diversity, cohesion and integration. The contracts for the services mentioned in this report will ensure that resources with the relevant technical knowledge and competency to provide both an Electrical and Tarmac service will be available to Leeds City Council and therefore will deliver benefits to all.

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

- 4.3.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such the framework contracts for the Electrical and Tarmac services were procured in line with Leeds City Council's Corporate Procurement Unit's policies and procedures.
- 4.3.2 The proposals within this report will contribute to the continued delivery of an effective building and maintenance services for Leeds City Council.

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

- 4.4.1 This procurement exercise has been designed to not only test the market for contractors with the relevant technical knowledge, competency, experience who can provide the relevant type of services to the standards set by Leeds City

Council but also to bench mark and market test value for money for the provision of these services.

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

4.5.1 This tender opportunity was advertised on the council's YORtender system as required by the European Regulations.

4.5.2 The decision to award this contract is a Significant Operational Decision and is therefore not subject to call-in.

#### **4.6 Risk Management**

4.6.1 The tendering risks have been carried out via the usual contracting process by the Corporate Procurement Unit. The contract risks will be monitored as part of the contract management plan once the framework contracts have been mobilised.

### **5 Conclusions**

5.1 Corporate Property Management and Property Maintenance in providing the Glazing, Scaffolding, Roofing and Drainage services contract out an element of this work to subcontractors. The present contracts arrangements for these services are due to expire on the 31<sup>st</sup> December 2014 and a procurement exercise has been undertaken to replace and improve the existing contracts.

5.2 The tendering process has been completed for the provision of framework contracts for Glazing, Scaffolding, Roofing and Drainage type services. Contractors have been deemed to be suitable for these framework contracts following the quality and price evaluations which are detailed in this report.

### **6 Recommendations**

6.1 Chief Officer Civic Enterprise Leeds is recommended to approve the award of the Phase II of the framework contracts from February 2015 to the nominated contractors named in this report.

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

7.1 Appendix I – Signed DDN for the Authority to Procure

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

- 7.2 Appendix II – Authority to Procure Report
- 7.3 Appendix III – PQQ Submission and Results
- 7.4 Appendix IV – Tender Evaluation Results

## Appendix III - PQQ Submission and Results

		Through to tender	Rejected at PQQ
<b><u>Roofing</u></b>	<b><u>Non-Housing</u></b>	Avonside Roofing Ltd Burngreave Building Company Clonshall Ltd CP Thornton DLP Services (Northern) Ltd DPR Services Ltd Hart & Sumpner Ltd Haven Building Innecity Roofing Jennings Roofing Karl Austerfield Roofing Marcher Roofing Regent Maintenance SBS Roofing Tucker & Turnstalls Ltd	AB Construction Barry Guttering (nothing submitted) Cornel Building Services Gary Melia HH Hansons Ltd Houston Roofing K Humphries & Sons Murvic NEO Property Solution NRA Roofing & Flooring Preston Harrison
<b><u>Glazing</u></b>	<b><u>Non-Housing</u></b>	Blackie Ltd HK Glazing Kevin Kelly Windows Ltd Kingfisher Windows Neo Property Solutions Richmond Joiners & Builders Sovereign Group	
<b><u>Scaffolding</u></b>	<b><u>Non-Housing</u></b>	Complete Access Scaffolding County Scaffolding Services Haven Building & Maintenance Kaefer C&D Murvic RIM Scaffolding Springwood Garden Services Everlast Group (Scaffolding Division)	Denon Construction & Site Service Elite Scaffolding Yorkshire

