

Report of Chief Officer – Property and Contracts

Report to Director of Environments and Housing

Date: 15th January 2015

Subject: Approval to procure a new contract to renew drying rooms’ louver screens in high and low rise blocks

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Burmantofts and Richmond Hill		
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. The Housing Leeds capital programme was approved in February 2014 and included a provision to undertake the replacement of drying rooms’ louver screens in high and low rise blocks in the east area of Leeds. There are in total 19 high rise blocks and 1 low rise block of maisonettes which are affected by these proposals, all of which are located in the Burmantofts and Richmond Hill wards.
2. The proposed improvement works will address the poor repair condition of the existing timber louver screens and the surrounding concrete frame. A detailed output specification has been developed with NPS consultants to address the current and future maintenance requirements of these louver screens. The value of the construction works based on the pretender estimate is circa £800k. It is proposed that a new contract is procured to deliver this work as soon as practicable to undertake the work to these deteriorating elements of these blocks.
3. A review of the available procurement options has been undertaken with officers from PPPU / PU in line with CPR 3. This report sets out these options along with the preferred option to deliver the best outcomes to the city in terms of delivery of above works to LCC properties.

Recommendations

4. The Director of Environment and Housing is requested to approve the proposals set out in line with CPR 3.1.8 to procure a new contract for the renewal of drying room louver screens in high and low blocks through the external procurement process by

utilising the Efficiency North Elemental Framework through Lot 38 (Minor Building works).

1. Purpose of this report

- 1.1 This report explores the procurement options available to put in place a new contract to meet the requirements to replace louvre screens and undertake associated repairs to 20 high and low rise blocks.

2. Background information

- 2.1 The Housing Leeds capital programme was approved in February 2014 and included a provision to undertake the replacement of drying rooms' louvre screens in high and low rise blocks in the east area of Leeds. These essential repairs have been identified as high priority due to the poor repair condition in the top 20 blocks within the Burmantofts and Richmond Hill Wards
- 2.2 Detailed specifications have been prepared by NPS consultants and include requirements to replace the existing timber louvre screens with high quality powder coated galvanised steel louvers in order to minimise or eliminate future maintenance needs for these elements of the building. The work will also include undertaking some concrete repairs to the concrete frame in which these louvers are fixed.

3. Main issues

- 3.1 With the project now reaching procurement stage, there is a need now to consider the next steps in terms of procurement options to deliver the construction work.
- 3.2 In discussion with procurement officers within the Public Private Partnership Unit (PPPU) the following Procurement options have been considered in line with CPR 3.1;
- a. In line with CPR 3.1.4, the ISP has been consulted and requested to confirm their availability and capacity to undertake the works. However the ISP has since declined the offer to undertake the work after consideration of their current work programmes and their internal capacity.
 - b. There is a potential to utilise the 2011 Procurement arrangements with Mears PLC. However the existing arrangements do not include for this specific type of work and therefore there is no guarantee that value for money would be achieved. Additionally the Mears contract does not cover the east and north east areas of the city area (where all the identified blocks are situated) and is restricted to the west north west and south areas of Leeds. Mears are also likely to subcontract this type of work and therefore the contract would attract an additional 12.5% additional overhead for this specialist type of work.
 - c. Utilising existing frameworks: The main frameworks considered with PPPU officers were as following
 - YOR Build: This framework is not considered to be the most appropriate of the existing frameworks as this predominantly caters for new build and major refurbishment works.
 - Efficiency North: This framework caters predominantly for the elemental approach in terms of renewal and installations. Lot 38 (Minor Building Works) would be suitable. Engagement so far with Efficiency North has been positive

and promises to deliver a contract for a proposed period of a max of 6 months following a competitive tender between the contractors currently appointed to this Lot within the Framework. A further advantage of using the Efficiency North Elemental framework would be the time efficiencies gained in the PQQ (Pre Qualifications Questionnaire) stage where the existing contractors (a total of 13) have already been successfully appointed to this Lot following rigorous evaluation of the framework quality criteria. Early indications are that there is a healthy interest from at least 6 contractors on this framework.

- Fusion 21: Consideration has been given to this consortium as procurement of the works could be undertaken through Alliance Procurement Club. However on further investigation this specialist type of work is not available on this framework.
- Northern Housing Consortia: similar to the above, this type of work is not available on this framework

- d. Utilising *Construction Line* has also been considered; however given the nature of the specialist repair element of the scheme, officers' view is that this is not appropriate for this type of work.
- e. Full open Market procurement: The timescales involved in pursuing this route can be extensive and resource intensive given the relative simplicity of the work content. Due to the time expediency requirements to start the work to undertake essential repairs, this option therefore is considered not to be time effective.

3.3 Therefore, Officers within PPPU and Housing Leeds are recommending utilising the approved Efficiency North Elemental Framework (Lot 38) to procure the works for this scheme.

3.4 The following timescales are proposed as an outline programme to enable the project to be delivered

- | | |
|---|-------------|
| • Approval of DDP | 18 Dec 2014 |
| • Final tender docs preparation | 19 Dec 2014 |
| • Tender process start | 19 Jan 2015 |
| • Tender process completed | 18 Feb 2015 |
| • Evaluation of tender by | 05 Mar 2015 |
| • Leaseholder consultation (Stage 2) completed by | 10 Apr 2015 |
| • Contract Award wc | 20 Apr 2015 |
| • Construction start on site | 01 Jun 2015 |

4. Corporate Considerations

4.1 Consultation and Engagement

4.4.1 Officers within PPPU /PU have been involved in discussions with Property and Contract officers in terms of the proposals set out within this report over the last few months.

4.1.2 All local ward members are notified of upcoming work to properties in their relevant ward areas through the Capital Investment Plan on a quarterly basis. This scheme will be notified on the Quarter 3 update to be issued during December 2015.

4.1.3 Leaseholders and tenants within the blocks impacted by this work will be involved as part of the routine consultation prior to the contract being procured and starting on site.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The Equality, Diversity, Cohesion and Integration Screening document has been considered and completed. No adverse or otherwise impacts have been identified.

4.3 Council policies and City Priorities

4.3.1 The works undertaken by the contract will contribute to the key City Priorities of

4.3.2 “*Improving Housing Conditions*” and help maintain properties in good repair condition.

4.3.3 “*Promoting sustainable and inclusive economic growth*” through ensuring that at least 1 full time training opportunities are undertaken through the Efficiency North Contract

4.4 Resources and value for money

4.4.1 The current capital budget available is within the proposed capital programme for Housing Leeds and is £800k based on NPS pre-tender estimates.

4.4.2 The project will be delivered by the Capital Planned Works team within the Property and Contracts division of Housing Leeds.

4.4.3 By utilising the approved Efficiency North Elemental Framework, Lot 38, whom which 13 shortlisted contractors have already undergone a rigorous quality assessment, further competition will be included through a mini tender as indicated in the outlined programme under 3.4 above.

4.4.4 Efficiency North Framework fees are 4%. This includes 1% that is goes towards the “4Good Homes fund”, which funds the apprenticeship scheme.

4.5 Legal Implications, Access to Information and Call In

4.5.1 It is proposed that PPPU legal will be undertaking due diligence of the Efficiency North contract

4.5.2 The Chief Officer for Property and Contracts, Housing Contract Board members, Housing Head of Contracts and PPPU/PU have both been consulted about the proposals to procure this contract and are satisfied that the proposal complies with the Contract Procurement Rules, There are no other known legal implications of the report proposals. The decision to procure this contract will be published on the Council’s Website and has already been published on the Council’s List of Forthcoming Decisions.

4.5.3 The decision is subject to call in. The value for the construction works exceeds the Key Decision threshold and is circa £800k

4.6 Risk Management

4.6.1 A risk register will be developed as part of the contract implementation as required by the NEC ECC Option A contract which will highlight all risks and register how contract risks will be managed. A detailed risk assessment has been undertaken.

4.6.2 The main risks associated with procurement are low and are relating to the procurement time; however a project plan has been detailed out of which the summary is covered under 3.4 above.

5. Conclusions

5.1 There is a requirement to procure a new contract to deliver the essential replacement of the drying rooms' louvre screen. The 20 high and low rise blocks identified with the worst state of repairs fall within the Burmantofts and Richmond Hill wards of the city. There are no current contracts in place to draw down on to undertake this work.

5.2 Efficiency North Elemental Framework is a LCC approved framework and early engagement has meant that identification of a keen interest from contractors to bid for this type of work is anticipated to potentially translate into value for money savings for the Council.

6. Recommendations

6.1 The Director of Environment and Housing is requested to approve the proposals set out in line with CPR 3.1.8 to procure a new contract for the renewal of drying room louver screens in high and low blocks through the external procurement process by utilising the Efficiency North Framework through Lot 38 (Minor Building works).

7 Background documents¹

Appendix 1 – List of blocks for Louvre Replacement Programme

¹ 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.