

Report of: Head of Property Maintenance

Report to: Chief Officer, Civic Enterprise Leeds

Date: 24th February 2015

SUBJECT: Award of Phase 3 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)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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.

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 31st 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 31st December 2014.
5. A meeting was held with PPPU and Procurement Unit on 5th 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 1 to 3 would be used to refresh existing contracts and Phases 4 to 5 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 14th 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 III of the framework contracts from April 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 3 of the framework contracts covering the supply of Multi Trade, Painting and Decorating, Fencing (Metal and Wood), Metalwork and High Level Access services to Leeds City Council Non-Housing Buildings to the nominated contractors detailed in this report.
- 1.2 The contracts will commence on the 1st April 2015, and has a term of three years with an option to extend for a further year.
- 1.3 The estimated annual value for all the contract categories mentioned in this report is as follows;
 - 1.3.1 Multi Trade - £1,250,000
 - 1.3.2 Painting and Decorating - £250,000
 - 1.3.3 Fencing (Metal and Wood - £53,000
 - 1.3.4 Metalwork - £150,000
 - 1.3.5 High Level Access - £50,000
- 1.4 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 31st 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 expired on 31st 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 III commenced on the **1st April 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 3 of the procurement exercise and these were for the provision of Multi Trade, Painting and Decorating, Fencing (Metal and Wood), Metalwork and High Level Access 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 3 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 11th July 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 30th July 2014 at the John Charles Centres for those subcontractors interested in the categories of services to be procured in Phase III. Details of the contracts and how the procurement exercise process worked were provided to all who attended.
- 3.4 Following the closing date for PQQ application of the 12th August 2014 for the receipt of completed pre-qualification questionnaires a total of 28 applications were received for the Multi Trade contract, 20 applicants for the Painting and Decorating contract, 22 applications for the Fencing contract, 8 applications for the Metalwork contract, and 7 for the High Level Access 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 17th September 2014 all the successful contractors for each contract category submitted tenders by the tender deadline of 15th October 2014 (Multi Trade 22nd October 2014).
- 3.8 A bidder's 'Open Day' was held at the John Charles Centre on the 1st October 2014 for those 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 IV.
- 3.13 The outcome of the quality evaluations of the procurement exercise for Phase 3 showed that the following contractors meet the quality and price criteria and were successful with their bids for the following contract categories:-

Multi Trade

1. Southdale
2. FSH Maintenance
3. Neo Property Solutions
4. C D Robinson

Painting and Decorating

1. Alfred Bagnall
2. Mitie
3. GTD Painting
4. Bell Group

Fencing (Wood)

1. Neo Property Solutions
2. Marcher
3. Excel
4. Simon Calvert

Fencing (Metal)

1. Brailsford
2. Excel
3. Simon Calvert
4. Neo Property Solutions

Metalwork

1. Excel
2. Brailsford
3. SB Utilities

High Level Access

1. Osbourne Delta
2. Horizon Specialist

3.14 In line with the bid documents issued and the evaluation undertaken it is recommended to award the Multi Trade Contract to the following organisations.

1. Southdale
2. FSH Maintenance
3. Neo Property Solutions
4. C D Robinson

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

1. Alfred Bagnall
2. Mitie
3. GTD Painting
4. Bell Group

3.16 In line with the bid documents issued and the evaluation undertaken it is recommended to award the Fencing Contract in 2 lots (Wood and Metal) to the following organisations.

Wood

1. Neo Property Solutions
2. Marcher
3. Excel
4. Simon Calvert

Metal

1. Brailsford
2. Excel
3. Simon Calvert
4. Neo Property Solutions

3.17 In line with the bid documents issued and the evaluation undertaken it is recommended to award the Metal Work Contract to the following organisations.

1. Excel
2. Brailsford
3. SB Utilities

3.18 In line with the bid documents issued and the evaluation undertaken it is recommended to award the High Level Access Contract to the following organisations.

1. Osbourne Delta

2. Horizon Specialist

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.6 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 these services 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 Phase III sub contractor 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.

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 Multi Trade, Painting and Decorating, Fencing, Metalwork and High Level Access services contract out an element of this work to subcontractors. The present contracts arrangements for these services have expired on the 31st 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 Multi Trade, Painting and Decorating, Fencing, Metalwork and High Level Access 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 III of the framework contracts from April 2015 to the nominated contractors named in this report.

7 Background documents¹

- 7.1 Appendix I – Signed DDN for the Authority to Procure
- 7.2 Appendix II – Authority to Procure Report
- 7.3 Appendix III – PQQ Submission and Results
- 7.4 Appendix IV – Tender Evaluation Results

¹ 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.

