

**Report of:** Property and Contracts Chief Officer

**Report to:** Director of Environment and Housing

**Date:** 27/07/2015

**Subject:** The procurement of a new contract to deliver remedial works to block parapets and concrete and structural repairs to 12 high rise Wimpey Nofine blocks (Phase 2)

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Kirkstall, Burmantofts and Richmond Hill, City and Hunslet, Killingbeck and Seacroft, Chapel Allerton and Armley		
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 2015 and included financial provision to undertake the structural and concrete repairs to twelve Wimpey Nofine High rise blocks across the city of Leeds.
2. Detailed specifications are currently being developed with NPS consultants to address the essential structural and concrete repairs requirements of these blocks in line with the steeple jack annual survey findings. It is proposed that a new contract is procured to deliver this work as soon as possible
3. A review of the available procurement options has been undertaken with officers from PPPU compliant with CPR 3. The report identifies the preferred option to deliver the best outcomes to the city.

### Recommendations

1. The Director of Environment and Housing is requested to approve the procurement of a new contract to deliver remedial works to block parapets and concrete and structural repairs to 12 high rise Wimpey Nofine blocks by utilising the current YORbuild Framework

## **1. Purpose of this report**

- 1.1 This report reviews the procurement options available to put in place a new contract to undertake structural and concrete repairs of to 12 high-rise Wimpey Nofine blocks within the Kirkstall, Burmantofts and Richmond Hill, City and Hunslet, Killingbeck and Seacroft, Chapel Allerton and Armley wards.

This report also requests approval of the recommended procurement route in line with CPR 3.1.8

## **2 Background information**

- 1.1 The Housing Leeds capital programme was approved in February 2015 and included a provision to undertake the structural and concrete repairs to a number of multi storey blocks across the city to address the issues identified within the annual steeple jack survey findings.
- 1.2 Detailed specifications are currently being prepared by NPS consultants and include requirements to undertake a long term repair solutions to high level edge protection to parapets, treatment of corrosion of the ring beams and any loose brick slips, secure loose coping stones and repair/replace render drip to windows where required.
- 1.3 The work is required to the following blocks
- 1.4 Brignall Croft, Crescent Grange, Crescent Towers, Gargrave Court, Grayson Crest, Parkway Court, Parkway Grange, Parkway Towers, Potternewton Heights, Scargill Grange, Wortley Heights, Wortley Towers
- 1.5 Potternewton Heights, Wortley Towers and Wortley Heights need extensive concrete and structural repairs to the external concrete structures.
- 1.6 The latest estimated cost to undertake this work is valued at circa £4.5m and is programmed for the 2015/16 and 2016/17 financial years.

## **2 Main issues**

- 2.1 In discussion with procurement officers within the Projects, Programmes and Procurement Unit (PPPU) the following Procurement options have been considered in line with CPR 3.1;
- a. In line with CPR 3.1.4, the Council's Internal Service Providers (ISP) have been consulted and requested to confirm their availability and capacity to undertake the works. Civic Enterprise Leeds and Construction Services are unable to undertake the commissions after consideration of their current work programmes, skills and internal capacity.
  - b. There could be a potential to utilise the 2011 Procurement arrangements with Mears PLC. This is specialist work that Mears do not retain in house and it is not considered that there is an economic or programme benefit in utilizing this contract. Mears are likely to subcontract this type of work and therefore the contract would attract an additional 6.09% additional overhead for this specialist type of work.

c. Utilising existing frameworks compliant with CPR 3.1.7: The main frameworks considered with PPPU officers were as following

I. Efficiency North: This framework caters predominantly for the elemental approach in terms of renewal and installations. Lot 28 (Rendering, insulation, structural render £100k+) would be suitable. However as this framework expires on 31/10/2015 and contract award must take place prior to this date, it is highly unlikely that the project contract will be awarded prior to this date due to the extensive leaseholder consultation required.

Efficiency North's new replacement framework is anticipated to commence in August 2015; however is to utilise the JCT form of contract. The project documents have, so far, been prepared on the basis of utilising the NEC3 form of contract and therefore the new framework is not considered to be suitable without the re-work of the project tender documents. There is also a current preference to use the NEC 3 contract to deliver this type of work by the operational teams due to the current levels of knowledge and experience of this contract.

II. Fusion 21: there is the potential to explore this framework further. However this new framework is untested and is not currently approved by LCC legal so this may have an impact on the procurement timescales.

III. Northern Housing Consortia: This consortium's Frameworks are predominantly of an elemental nature, and do not currently cater for the structural repairs element of the works.

IV. YOR Build: This framework has been considered and is currently believed to be the most appropriate of the frameworks available offering 6 contractors on the YORbuild list of contractors for the west area. This Framework expires on 2 December 2015 and any tenders utilising this framework must be awarded prior to this date. However there is therefore a risk that any further delays in tendering the works may potentially lead to the contract not being awarded in time.

d. Utilising Constructionline: a nationally approved list of contractors managed by Capita for Government and Local Authorities has also been considered; however given the nature of the specialist structural repair element of the scheme, officers' view is that this is not appropriate for this type of work and further where we have an already approved framework then we should give better consideration to its use as opposed to Constructionline.

e. Leeds City Council own full open Market procurement: The timescales involved in pursuing this route can be extensive and resource intensive due to the project value exceeding the current falling within OJEU works threshold. It is estimated that an OJEU Procurement would take between 9-12 months. Due to the time 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 YORbuild Framework Lot 5 to procure the works for this scheme.

3.4 The high level programme is below

- Approval of DDP

July 2015

• Final tender docs preparation	03 August 2015
• Tender process start	17 August 2015
• Tender process completed	23 September 2015
• Evaluation of tender by	05 October 2015
• Leaseholder consultation (Stage 2) completed by	09 November 2015
• Approval for Contract Award	10 November 2015
• Construction start on site	11 January 2016

3.5 NPS Leeds have recently submitted draft tender documents and are currently in the process of finalising these including specification, terms and conditions and pricing

## **4.0 Corporate Considerations**

**4.1 Consultation and Engagement** 4.1.1 Officers within PPPU /PU have developed the procurement strategy with Property and Contract officers and support the proposals set out within this report.

4.1.2 All local ward members are currently being notified of upcoming work to properties in their relevant ward areas.

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. The initial notification letters to leaseholders have been sent to all leaseholder impacted by this project.

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

4.2.1 The Equality, Diversity, Cohesion and Integration Screening document has been considered and completed. The following findings have been considered. The contract will require the contractor to maintain access to properties for residents and to put in place arrangements for any disabled tenants.

A customer profile assessment will be undertaken prior to the contract commencing to establish if there are any special requirements for access arrangements. These will be provided to the main contractor prior to commencement of works on site

## **4.3 Council policies and the Best Council Plan**

4.3.1 The works undertaken by the contract will support the key City priorities of;

*“Improving Housing Conditions”* and help maintain properties in good repair condition addressing structural repairs required and providing improved thermal insulation to the block

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

4.4.1 The current estimated costs for the project are £4.5m which fall within the approved available resources for the capital programme for Housing Leeds.

4.4.2 The project will be contract managed by the Capital Planned Works team within the Property and Contracts division of Housing Leeds. A contract management plan is under development for these works as is required by CPR 3.1.16.

4.4.3 By utilising the approved YORbuild Framework, shortlisted contractors have already undergone a rigorous quality assessment. Further competition will be included through a mini tender as defined in the programme under 3.4 above.

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

4.5.1 It is proposed that PPPU legal undertake due diligence of the contract documents prior to tender out within the approved YORbuild framework.

4.5.2 The Chief Officer for Property and Contracts, Head of Housing Contracts and PPPU officers have been consulted during the procurement process.

4.5.3 The decision will be subject to call in. The budget for the construction works exceeds the Key Decision threshold and is circa £4.5m

4.5.4 The decision to procure this contract has already been published on the Council's List of Forthcoming Decisions and the notification period expired at the end of April 2015.

#### **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. The risk register will also form part of the scheme's Contract Management Plan

4.6.2 There is a high risk associated with meeting the procurement timescales in terms of the completion of the tender documents and tenders potentially exceeding the project approved budget. In mitigation of the tender timescales, the project team are closely monitoring consultants' progress of tender document preparation.

4.6.3 At this point NPS have provided detailed Pre-tender estimates for the project. However until the construction market is tested there still remains an element of risk around cost certainty. Should returned tenders be significantly varied from the pretender estimate of £4.5m then the Council's constitution may require additional approval for the varied tender. This may subsequently have an impact on the tender award dates. There is a high risk if this happens then the contract would not be awarded prior to the YORBuild framework expiry date. Approval for an alternative procurement route would need to be sought.

### **5 Conclusions**

5.1 There is a requirement to procure a new contract to deliver the essential structural repairs to the 12 Wimpey Nofine high rise blocks identified.

5.2 The YORbuild Framework is a LCC approved framework and early engagement with the contractors on this framework through a formal expression of interest will be critical to a successful tender outcome. The successful contractor will be selected through a competitive tender process within the framework to maximise quality and value for money.

### **6 Recommendations**

6.1 The Director of Environment and Housing is requested to approve the procurement of a new contract to deliver remedial works to block parapets and concrete and

structural repairs to 12 high rise Wimpey Nofine blocks by utilising the current YORbuild Framework.

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

7.1 N/A

---

<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.