

Report of: Property and Contract Chief Officer

Report to: Director of Environment and Housing

Date: 06/08/2015

Subject: Proposals to award a new contract to renew drying rooms' louvre 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: 10.4.3 Appendix number: 1 <i>If the information is exempt rather than confidential, the public interest test should be addressed under 'Legal Implications, Access to Information and Call-In' in section 4.</i>		

Summary of main issues

1. In January 2015 the Director of Environment and Housing approved the request to procure a new contract to replace the existing drying rooms' louvre screens to high rise blocks.
2. The proposed contract will address the poor repair condition of the existing timber louvre screens and the surrounding concrete frame. There are in total 16 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.
3. The purpose of the report is to seek approval to award this contract following a mini tender process utilising the Efficiency Elemental Framework - Lot 38 (Minor Building works).

Recommendations

The Director of Environment and Housing is recommended to note the contents of this report and approve the award of a new contract to Mears Ltd to replace the existing drying rooms' louvre screens.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a new contract to renew drying rooms' louvre screens in high and low rise blocks in the Burmantofts and Richmond Hill wards.
- 1.2 The contract is proposed to commence on the 21 September 2015 with a proposed contract period of 5 months.
- 1.3 The contract value is £463,910.63.

2 Background information

- 2.1 The Housing Leeds capital programme was approved in February 2015 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 were identified as high priority due to the poor repair condition in the top 16 blocks within the Burmantofts and Richmond Hill Wards
- 2.2 The procurement route to utilise the Efficiency North Elemental Framework (Lot 38 Minor works) was approved on 23 January 2015 by the Director of Environment and Housing.
- 2.3 The project construction budget was estimated to be £780,931.89 based on the pre-tender estimates prepared by NPS.
- 2.4 Detailed specifications were prepared by NPS consultants and included requirements to replace the existing timber louvre screens with high quality powder coated galvanised steel louvres 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 louvres are fixed.
- 2.5 In February 2015, Efficiency North sought expressions of Interest from framework contractors. Five contractors expressed an interest in tendering for the works at that point.

3 Main issues

- 3.1 The project tender documentation was issued to the five tenderers via Yortender on 20th March 2015. The tender period was 5 weeks and the submissions were due on 22nd April 2015.
- 3.2 There were no tender amendments issued and no requests were received for extensions to the tender period.
- 3.3 One tenderer declined to tender and a further two tenderers failed to submit tenders. Therefore, two valid tenders were received on 23 April 2015; Mears and RH Fullwood.
- 3.4 The tenders were scored on a 60% cost basis and a 40% quality basis. Details of the process and the scoring mechanism were issued to the tenderers as part of the tender documentation.

3.5 Tenderers were required to complete and provide all information in accordance with the project instructions for tendering. The project team evaluated each tenderer individually and then met to reach a consensus score.

3.6 Tenderers were asked to respond to the seven qualitative questions covering the areas set out below, submitting the information and supporting documents as part of their tender. Specifically:-

- Programme
- Project Delivery Methodology
- Project Delivery Team
- Tenant liaison/involvement
- Defects free handovers

3.7 An evaluation of the tenderers' responses to the quality criteria requirements was completed by the project tender evaluation panel and quality scores awarded to each tenderer. The highest score of the tenders received was awarded 100 points. The quality score of the other tender has been expressed as a percentage of the highest score to one decimal point.

3.8 The scores awarded following the quality evaluation were as following

Tenderer	Evaluation Team Consensus score	Quality Score Awarded
Mears	206.5	90.8
Fullwoods	227.5	100

3.9 The tender price evaluation was undertaken independently by the Commercial Team within Property Contracts. Details of the tender submissions are set out in the confidential appendix (Appendix 1) attached to this report. The summary of the points awarded to the two tender submissions received are as follows:

Tenderer	Points
Mears Limited	100.0
R H Fullwood & Co Ltd	69.1

3.10 The final score was the sum of 60% of the points awarded for cost and 40% of the points awarded for quality.

Tenderer	Price Score	Quality Score	Total Score	Rank
Mears Limited	60.0	36.3	96.3	1
R H Fullwood & Co Ltd	41.5	40.0	81.5	2

3.11 Therefore based on the outcome of the total score, it is proposed that the contract is awarded to Mears.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Local ward members within the Burmantofts and Richmond Hill were notified of the proposals to procure a new contract to deliver the louvre replacement contract.
- 4.1.2 Leaseholders and tenants within the blocks impacted by this work have been involved as part of the routine consultation prior to the contract being procured and starting on site. All Leaseholders have been issued the necessary notifications which are legally required and no adverse comments have been received.
- 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 the Best Council Plan**
- 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 procurement of the Louvre Replacement works was procured in line with Leeds City Council's Contract Procedure Rules.
- 4.2.2 The works undertaken by the contract will contribute to the key City Priorities of 'Improving Housing Conditions' and help maintain properties in good repair condition'.
- 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 benchmark 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 conducted through the Efficiency Elemental Framework - Lot 38 (Minor Building works) call off requirements, via the councils' Yortender system. The Efficiency North Elemental Framework has been procured in accordance with the Public Contracts Regulations and is available for use by the Council.
- 4.5.2 The tender has been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, provided the works are still required and affordable; the contract must be awarded to the winning bidder. Thus, in making the final decision, the Director of Environment and Housing should be satisfied that awarding this contract to Mears represents best value.
- 4.5.3 The decision on the award of contract is considered to be a Key Decision due to the fact that the winning tender price is £250k under the Pre-tender Estimate and this results in a potential saving of £317,021.26 to Leeds City Council and this is the only reason why this decision should be taken as a key decision rather than a Significant Operational Decision.
- 4.5.4 Officers are requesting that this decision is taken under general exception as it is impracticable to include the decision in the List of Forthcoming Key Decisions for a period of 28 clear calendar days prior to taking the decision as the project is at such a stage that this would have a negative impact on the programme in place.
- 4.5.5 The decision will be taken in accordance with the Executive and Decision Making Rule 2.5

- 4.5.6 This decision will be eligible for call in.
- 4.5.7 Appendix 1 of this report is exempt under the Access to Information Procedure Rules 10.4.3 as this contains commercially sensitive tender information relating to the organisations involved.

4.6 Risk Management

- 4.6.1 A contract 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.

5 Conclusions

- 5.1 The Louvre Replacement project has been procured through a competitive tendering process via the use of an approved framework.
- 5.2 This report outlines the results of this process and recommends the award of a contract to the winning contractor based on the tender evaluation price / quality model.
- 5.3 The project has gone through the required leaseholder consultation and the appropriate governance and audit protocols as advised by the Council's Principal Corporate Governance Officer when a scheme tender comes in more than £250,000 under the approved construction budget for the project.

6 Recommendations

- 6.1 The Director of Environment and Housing for Housing Leeds is recommended to note the contents of this report and approve the award of a new contract to Mears Ltd to replace the existing drying rooms' louvre screens to Mears Ltd.

7 Background documents¹

- 7.1 Appendix 1 – Tender Analysis Report

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.