

Report of: Head of Housing Contracts

Report to: Chief Officer: Property and Contracts

Date: 10 August 2015

SUBJECT: APPROVAL TO AWARD OF ASBESTOS REMOVAL 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:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<p>Appendix 4 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.</p>		

Summary of main issues

1. This report seeks approval, from the Chief Officer: Property and Contracts for Housing Leeds, to award Asbestos removal to Rhodar Ltd from 1 December 2015.
2. The decision to award the contract is a Significant Operational Decision and is a result of a Key Decision for the Authority to Procure (ref: 9QRH-4DDCPM) which was approved on the 15th January 2015 and therefore this decision is not subject to call in. (These are stated in appendix 1 and 2)

Recommendations

The Chief Officer Property and Contracts for Housing Leeds is recommended to approve the award of the Asbestos Removal procurement to Rhodar Ltd from 1 December 2015.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award an Asbestos Removal contract for domestic council house properties.
- 1.2 The contract will commence on 1 December 2015. The contract length will be for 1 year. The Procurement was undertaken through the Efficiency North framework.
- 1.3 The estimated annual value for the contract is up to: £1,500,000
- 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 at a ratio of 60/40 as set out in the tender documents.

2 Background information

- 2.1 The Asbestos removal service is undertaken by the Councils' Internal Service Provider (ISP). To support them a sub contract was appointed in 2013. Due to the increased Housing Leeds capital programme from c£55m per annum in 2013/14 and 2014/15 to c£90m per annum in 2015/16 and 2016/17 an additional asbestos removal contractor was procured.
- 2.2 The Contract was procured through Efficiency North Asbestos Framework Lot C. The tender sought a contract for 2 years with an option to extend for up to 2 further years. This Lot had 7 contractors on it. The Tender was advertised on the Leeds City Council electronic tendering system, YORtender.
- 2.3 Due to the realignment of the Councils Internal Service Provider (ISP), Property Maintenance with Housing Leeds, the Asbestos Service has been reviewed. One of the recommendations was that there should be alignment of contract dates with the existing ISP sub-contractor contract. Therefore, the contract term was amended to 1 year and the contract start was deferred to 1 December 2016.

3 Main issues

- 3.1 In January 2015, the Authority to Procure was approved by the Director of Environment and Housing to undertake a procurement exercise for the Asbestos Survey suppliers.
- 3.2 The tender was issued on 24th March 2015 on the Council's tendering website YORtender.
- 3.3 Following the submission deadline on 22nd April, 6 tender submissions were received.
- 3.4 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.
- 3.5 The project team supported by the Procurement Unit evaluated the quality submissions, whilst separately Efficiency North undertook the price evaluation.
- 3.6 The tender documents set a threshold for the potential contractors meeting a minimum of 60% of the quality questions (Appendix 3) to proceed to be considered.

Any tenderers failing the quality criteria would be excluded from this tender exercise.

3.7 Five contractors submitted tenders. Four contractors met the quality threshold.

3.8 The successful company is Rhodar Ltd. The results of the quality and price evaluation is detailed and attached in the confidential Appendix 4.

3.9 In light of the Councils' decision to ensure alignment of all asbestos removal companies in the city, Rhodar Ltd have agreed to both a deferment of the contract commencement to 1 December 2015 and to a one year contract on the same prices submitted in the tender.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 During the development of the procurement strategy for the Asbestos Removal service, consultation has been undertaken with the ISP.

4.1.2 Leaseholder consultation has not been undertaken for this contract. This decision was undertaken due to the short timescales to procure this contract.

1.2 Equality and Diversity / Cohesion and Integration

1.2.1 An equality impact assessment screening was undertaken and did not find that the proposals contained within this report would have any impact on any specific individuals or groups in terms of equality, diversity, cohesion and integration.

4.2 Council policies and City Priorities

4.2.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such, this procurement was undertaken 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.

4.3 Resources and value for money

4.3.1 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.

4.4 Legal Implications, Access to Information and Call In

4.4.1 This tender opportunity was advertised on the councils' YORtender system as required by the European Regulations.

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

4.5 Risk Management

- 4.5.1 The tendering risks have been carried out via the usual contracting process in conjunction with the Programmes, Projects and Procurement Unit. The procurement project Risk Register was developed in the early stages of the programme and is regularly reviewed and updated.
- 4.5.2 The contract management risks will be managed as part of the contract management plan and monthly operational contract meetings once the contract have been mobilised.

5 Conclusions

- 5.1 Housing Leeds Property and Contracts service supported by the Programmes, Projects and Procurement Unit have undertaken a procurement to undertake Asbestos Removals to commence on 1 December 2015. Rhodar Ltd has been deemed suitable to be awarded this contract following the quality evaluation which is detailed in this report.

6 Recommendations

- 6.1 The Chief Officer Property and Contracts for Housing Leeds is recommended to approve the award of the Asbestos Removal to Rhodar Ltd from 1 December 2015.

7 Background documents¹

- 7.1 Appendix 1 – Signed DDN for the Authority to Procure
- 7.2 Appendix 2 – Authority to Procure Report
- 7.3 Appendix 3 – Quality questions
- 7.4 Appendix 4 – **Confidential:** 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.