

Report of: Head of Property Maintenance

Report to: Chief Officer, Civic Enterprise Leeds

Date: 19th November 2013

SUBJECT: Award of the Building & Specialists Supplies Contract from January 2014

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4 (3)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- 1 Property Maintenance is Leeds City Council's (LCC's) 'In-house Service Provider (ISP) who provides a building and specialist services on a planned, responsive and cyclical basis to other LCC departments. These include Corporate Property Management who look after all LCC's public buildings, Children's Services who manage school buildings and Environment and Neighbourhoods who manage Leeds City Council housing stock.
- 2 To facilitate all the services that are provided to LCC departments, Property Maintenance have a number of material supplier contracts to ensure that a comprehensive and reliable supply chain is in place, that guarantees a continuous quality service is always available. These contracts are now all due for renewing and it is now our intention to replace these contracts with a single framework contract for implementation in January 2014, by carrying out a procurement exercise.
- 3 The framework contract is intended to run for three years, with a possible extension for a further year. The annual value of the contract is estimated to be £2.5 million per annum.
- 4 This report seeks approval from the Chief Officer Civic Enterprise Leeds to award this framework contract to the nominated suppliers as detailed in this report.
- 5 The decision to award is a Key Decision and therefore shall go for call in.

Recommendations

- 6 Chief Officer Civic Enterprise Leeds is recommended to approve the award of this framework contract for Building & Specialist Supplies from January 2014 to the nominated contractors indicated as Appendix I in this report.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a materials framework contract for Building & Specialists Material Supplies to the nominated suppliers detailed in Appendix I of this report.
- 1.2 The contract will commence on January 2014, and has a term of three years with an option to extend for a further year.
- 1.3 The annual contract value is in the region of £2.5 million, therefore the contract award represents a Key Decision under the Council's constitution.
- 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 is Leeds City Council's (LCC's) 'In-house Service Provider (ISP) who provides building and specialist services on a planned, responsive and cyclical basis to other LCC departments. These include Corporate Property Management who looks after all LCC's public buildings, Children's Services who manage school buildings and Environment and Neighbourhoods who manage Leeds City Council housing stock.
- 2.2 To facilitate all the services that are provided to LCC clients, Property Maintenance has a number of material supplier contracts to ensure that a comprehensive and reliable supply chain is in place. These material supply contracts help to guarantee that a continuous quality service is always available. The material supply contracts are all due for renewing and it is our intention to renew these contracts as a single framework contract for implementation in January 2014, by carrying out a procurement exercise.
- 2.3 The tender process commenced in June 2013, with the establishment of a project team. The project team comprised of four representatives from Property Maintenance and the Central Procurement Unit.
- 2.4 The scheme was advertised on the council's electronic tendering system, YORtender and also in EU journal in accordance with the relevant EU legislation.
- 2.5 The procurement was undertaken utilising the open procedure. This entails the issue of a pre-qualification questionnaire (PQQ) which determines whether organisations have a track record in delivering the range and scope of services as required by the contracting authority and a series of bid documents consisting of quality questionnaire and pricing schedules for each of the material 'Lots', that require organisations to submit proposals for material supplies to Leeds City Council.

2.6 The framework contract was developed to consist of a number of distinct material 'Lots' that cover the majority of materials and supplies that are required by Property Maintenance. In order to encourage the supply services of large, medium and small size companies for this contract, the material elements were then split into sub lots under each distinct Lot covering the following categories:-

- Lot - 1. The provision of building supplies
 - Sub-Lot 1A – The provision of building supplies – Direct
 - Sub-Lot 1B – The provision of building supplies – Stock
 - Sub-Lot 1C – The provision of fixings – Direct
 - Sub-Lot 1D – The provision of fixings – Stock
- Lot - 2. The provision of electrical and specialist electrical supplies
 - Sub-Lot 2A – The provision of electrical supplies – Direct
 - Sub-Lot 2B – The provision of electrical supplies – Stock
 - Sub-Lot 2C – The provision of alarm supplies – Stock
 - Sub-Lot 2D – The provision of security alarm supplies – Direct
 - Sub-Lot 2E – The provision of fire alarm supplies – Direct
 - Sub-Lot 2F – The provision of CCTV material supplies – Direct
- Lot - 3. The provision of heating and plumbing supplies
 - Sub-Lot 3A – The provision of heating materials & supplies – Direct
 - Sub-Lot 3B – The provision of plumbing materials & supplies – Direct
 - Sub-Lot 3C – The provision of plumbing materials & supplies – Stock
- Lot - 4. The provision of ironmongery supplies
 - Sub-Lot 4A – The provision of ironmongery supplies – Direct
 - Sub-Lot 4B – The provision of ironmongery supplies – Stock

- Lot - 5. The provision of timber supplies –
 - Sub-Lot 5A – The provision of timber supplies – Direct
 - Sub-Lot 5B – The provision of timber supplies – Stock
 - Sub-Lot 5C – The provision of sheet materials – Direct
 - Sub-Lot 5D - The provision of sheet materials – Stock
 - Sub-Lot 5E – The provision of doors – Direct

2.6 The tender documents for the procurement exercise have been designed to include as many suppliers as possible on a framework contract. The framework contract will rank the suppliers in order of their aggregated score achieved from the evaluation on their price and quality submission.

3 Main issues

- 3.1 On the 9th October 2013 the Pre-Qualification Questionnaire (PQQ) and tender documents was published on the Council's tendering website YORtender and an EU advert was published in the European Journal to commence the engagement stage of the open procedure tender exercise.
- 3.2 Following the closing date on the 6th November 2013 for the receipt of completed pre-qualification questionnaires, quality submissions and pricing schedules a total of forty one submissions were received.
- 3.3 The project team firstly evaluated the technical section of each supplier's PQQ submission whilst the Procurement Unit carried out vetting and eligibility checks. The list of the material suppliers who applied for the contract is attached as Appendix I.
- 3.4 As per the terms of the PQQ, those material suppliers who achieve the standard on the technical questions were invited forward to the tender stage of the procurement process. Following the PQQ evaluation thirty six contractors were successful and are detailed in Appendix I.
- 3.5 The tender documents were evaluated next and consisted of a method statement (quality submission) and pricing schedule and stated that the submissions would be evaluated based with a price/quality split of 60% price and 40% quality.
- 3.6 The project team were issued with the quality 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.
- 3.7 The evaluation model informed the material suppliers that they must achieve a minimum score of 50% across the whole of the Qualitative criteria (Appendix II) and any tenderer scoring less would be excluded from this tender exercise.

- 3.8 The bids were then assessed by the individual members of the project team
- 3.9 The results of the quality evaluation are attached as Appendix I.
- 3.10 The outcome of the quality evaluations showed that thirty three material suppliers met the quality criteria and was successful with their bids.
- 3.11 In line with the bid documents issued and the evaluation undertaken it is recommended to award this contract to the organisations shown to be successful in their bid shown in Appendix I.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 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 contract for the Building and Specialist Material Supplies will insure that material resources are readily available for Property Maintenance to continue to provide it service to other LCC departments.

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 contract for the for the Building and Specialist Material Supplies was 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 the services Property Maintenance need to deliver for Leeds City Council.

4.4 Resources and value for money

- 4.4.1 This procurement exercise has been designed to not only bench mark and market test value for money for the provision of our supplies within the supply chain but also to provide opportunities for SME's within this sector.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This tender opportunity was advertised on the council's YORtender system and The European Journal for European Union as required by the European Regulations.

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 once the contract is up and running.

5 Conclusions

- 5.1 Property Maintenance in providing its services to other Leeds City Council departments rely on material supplier contracts to ensure its supply chain supports the services it provides. Most of the present contracts are due for renewing in January 2014 and others in late spring of 2014 and this procurement exercise has been undertaken to replace the majority of the existing contracts.
- 5.2 The tendering process has been completed for the provision of a new framework contract for Building and Specialist Material Supplies and thirty four suppliers have been deemed to be suitable to provide this service following the quality evaluation which is detailed in this report.

6 Recommendations

- 6.1 It is recommended that the thirty four material suppliers detailed Appendix I of this report should be awarded the contract for Building and Specialist Material Supplies, commencing in January 2014.

7 Background documents¹

- 7.1 Appendix I – Summary of Submissions and the Tender Evaluation Results
- 7.2 Appendix II – Quality Criteria

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.

