

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

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

**Date:** 09/09/2015

**Subject:** The procurement of automatic sprinkler systems to five high rise sheltered complexes including Carlton Croft, Sherburn Court, Rycroft Green, Burnsall Court & Queenswood Court

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Little London, Swarcliffe, Pudsey, Armley and Kirkstall,		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input 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 essential fire safety works to high rise sheltered flats to 5 blocks across the city.
2. The proposed work will be in compliance with the Fire Safety Concordat requirements agreed with West Yorkshire Fire and Rescue Service. Housing Leeds Construction Services will be the principal contractor to facilitate the installation of the Automatic Sprinkler Systems; however there is a need to procure a specialist sub-contractor to install the Automatic Sprinkler Systems.
3. A review of the available procurement options has been undertaken with officers from PPPU in compliance with CPR 3. The report identifies the preferred option to deliver the best value.

### Recommendations

1. The Director of Environment and Housing is requested to approve the proposed procurement route identified to appoint a specialist sub-contractor to work with the Internal Service Provider, Construction Services to install automatic sprinkler systems through an openly advertised tender.

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

- 1.1 This report requests approval of the recommended procurement route in line with CPR 3.1.8.

This report summarises the procurement options considered to procure a sub-contractor to undertake specialist automatic sprinkler systems installation and which will be managed by the Internal Service Provider, Construction Services.

## **2 Background information**

- 2.1 In 2013 fire risk assessments were carried out in multi-storey blocks, sheltered housing complexes and low rise accommodation throughout LCC housing stock. As a result the Housing Leeds Fire Safety Strategy has focused on the 8 sheltered housing multi-storey blocks

- 2.2 As part of the strategy implementation plan, Housing Leeds Construction Services expressed an interest to be the principal contractor to facilitate the installation of the automatic sprinkler systems within the approved capital investment programme.

- 2.3 Marsden Court was the first block to have the works completed. This project was used as a pilot to assess the success of utilising automatic fire suppression systems in the city. West Yorkshire Fire and Rescue Service have since formally commended the Council for implementing such a system. The work was completed in March 2014 by Construction Services as the principle contractor and Armstrong Priestley as the specialist sub-contractor.

- 2.4 Following a waiver of CPR9, Armstrong Priestley also acted as a specialist sub-contractor to Construction Services to install the Automatic Sprinkler Systems to the next 2 blocks at Queensview in Seacroft and Crescent Grange in Holbeck.

- 2.5 The current work to deliver fire safety work undertaken on Queensview and Crescent Grange is around 80% complete on site. There is, therefore, a requirement to procure a suitable specialist contractor for the remaining 5 blocks.

- 2.6 It is proposed to procure a new sub-contract to deliver the specialist installation works to the remaining 5 blocks. The blocks included in the next phase are as following:

- Carlton Croft,
- Sherburn Court,
- Rycroft Green,
- Burnsall Court and
- Queenswood Court

- 2.7 Although two of the above blocks fall within the PFI areas (Carlton Croft in Little London and Sherburn Court in Swarcliffe), it is still proposed to include these within the tender process as this work was not included in the original scope of works for the PFI contracts.

- 2.8 Whilst this contract will be procured for Leeds City Council, Construction Services will continue to act as the Principle Contractor and will manage this contract

directly with a specialist sub-contractor. The total value of the construction works is £1,457k with approx. £450k of this relating to the specialist sub-contracted works.

- 2.9 The scope and nature of the works sets out a requirement for specialist contractors to be members of BAFSA (British Automatic Fire Sprinkler Association).

### 3 Main issues

- 3.1 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 general building works. Whilst Construction Services have confirmed that they have the capacity and capability to undertake the general building works involved in the project, Construction Services have also confirmed that they are not able to undertake the specialist installation works for the fire Suppression System and therefore this element will need to be procured as a specialist sub-contract for Construction Services.
- b. There could be a potential to utilise the 2011 Procurement arrangements with Mears Group 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 sub-contract this type of work and therefore the sub-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: The new Installers Framework is which went live on 6 July 2015 includes a Fire Precaution Works lot (Lot 48). However this option is not considered to be viable as none of the listed contractors are BAFSA registered and the framework and contract conditions will need to be reviewed and approved by PPPU legal team.
  - II. Fusion 21: There are no current suitable schemes/lots under this framework to undertake this type of work.
  - III. Northern Housing Consortia: There is a safety framework that incorporates fire safety; however this does not include the specialist work for installation of automatic fire suppression sprinklers and is therefore not considered to be suitable.
  - IV. YOR Build: This framework has been considered and is not believed to be the most appropriate as this predominantly caters for new build or for major refurbishment works rather than specialist type of works required.
- d. Utilising Constructionline: This is a nationally approved list of contractors managed by Capita for Government and Local Authorities. Expressions of interest was sought to identify a list of suppliers who are approved to deliver this specialist work. Only two organisations expressed an interest in tendering for this work and

therefore this option is not deemed a viable option in terms of demonstrating value for money

- e. Leeds City Council own open tender procurement: Officers believe that this route will provide the council the best value for money outcome and will test the market.

3.2 Due to the limitations of the other procurement routes outlined above, it is recommended that Housing Leeds procures this sub-contract arrangement through an open tender.

3.3 The procurement timescales have been agreed with the project team and are set out below.

- Approval and Implementation of Decision 28 September 2015
- Final tender docs completion 03 October 2015
- Tender out process start 5 October 2015
- Tender in process completed 11 November 2015
- Evaluation of tenders completed 11 December 2015
- Approval for Contract Award 25 January 2016
- Construction start on site 04 April 2016
- Construction Completion 05 October 2018

#### **4.0 Corporate Considerations**

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

4.1.2 All local ward members have been notified of upcoming work to blocks in their relevant ward areas.

4.1.3 Residents consultation meetings will be planned in for each block. A frequently Asked Question Sheet is proposed to be supplied to all residents prior to these meetings and to address any queries.

4.1.4 The West Yorkshire Fire and Rescue Service have been consulted and are supportive of the scheme proposals.

#### **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 “improve the quality of life for our residents”* by providing a safer environment in which to live.

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

- 4.4.1 The total value of the construction works is estimated at £1,325k with £450k of this relating to the specialist sub-contracted works. These costs 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 Value for money will be demonstrated by testing the market through the proposed open tender route.

#### **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.
- 4.5.2 The Chief Officer for Property and Contracts, Head of Housing Contracts and PPPU's officers have been consulted during the procurement process.
- 4.5.3 The decision will be subject to call in. The budget for the specialist sub-contracted works exceeds the Key Decision threshold and is circa £450k.
- 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 on 25 July 2015.

#### **4.6 Risk Management**

- 4.6.1 A risk register will be developed as part of the contract implementation as required by the 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 in line with CPR 3.1.16
- 4.6.2 Procuring this contract will enable Leeds city council to meet its obligations under the Fire Safety Concordat agreed with West Yorkshire Fire and Rescue Service and reduce the risk of fire harm to residents and damage to LCC assets.

#### **5 Conclusions**

- 5.1 There is a requirement to procure a new specialist sub-contract for Construction Services to deliver the specialist element of the installation of Fire Suppression systems in the remaining five sheltered high rise blocks.
- 5.2 Following a review of the procurement options outlined above (see item 3.1), it is proposed to procure a new sub-contract to deliver the specialist installation works for Automatic Fire Suppression Systems through the open tender procurement route to maximise the opportunity to deliver value for money. The successful sub-contractor will be selected through a competitive tender process to maximise quality and value for money. Construction Services will act as the Principle contractor and will manage the specialist sub-contractor.

## **6 Recommendations**

6.1 The Director of Environment and Housing is requested to

- a. Approve the proposed procurement route identified to appoint a specialist sub-contractor to work with the Internal Service Provider, Construction Services, to install automatic sprinkler systems through an openly advertised tender.
- b. The officer responsible for implementation of the decision is Patrick Gibbons
- c. The proposed timescales for implementation is from 28 September 2015

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

7.1 N/A

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<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.