

Report of: Property and Contract Chief Officer

Report to: Director of Environment and Housing

Date: 22/09/2016

Subject: Proposal to award a new contract for the provision of flooring materials.

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? Appendix 1, 2 and 3 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or 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.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. On 25 May 2016 the Director of Environment and Housing authorised a request to progress the procurement of a new agreement for the provision of flooring materials (ref:D43400).
2. The proposed contract will establish a framework agreement for the provision of flooring materials where there will be multiple contractors appointed to three Lots of the agreement. This will ensure the goods that are to be supplied can be sourced in accordance with the needs of the Council's Internal Service Provider (ISP), Leeds Building Services (LBS), and associated clients.
3. The current contract for the provision of flooring materials expires on 30th September 2016 with no further option to extend.
4. Following a competitive tender process and evaluation of the submissions received, the purpose of the report is to seek approval to award this contract to a number of contractors across three Lots.
5. The decision to award the contract is a Significant Operational Decision as a

consequence of the previous Key Decision which was taken to authorise the procurement route (ref: D43400) which was approved in May 2016 and therefore this decision is not subject to call in.

Recommendations

The Director of Environment and Housing is recommended to note the contents of this report, and approve the appointment to the framework agreement for the provision of flooring materials to multiple contractors named in this report across three Lots, with a commencement date of 1st October 2016.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a new framework agreement for the provision of flooring materials.
- 1.2 The agreement is proposed to commence on 1st October 2016 with a proposed contract period of 2 years with a further 2 x 12 month extensions available.
- 1.3 The contract value is approximately £1,800,000.
- 1.4 Following the evaluation of the submitted bids, using a price/quality ratio of 50/50 and the tender evaluation criteria set out in the tender documentation this report seeks to authorise appointing the suppliers set out in section 3.11 of this report to the framework agreement.

2 Background information

- 2.1 This contract will replace the current agreement. It will allow Leeds Building Services to continue delivering services to Council departments as an Internal Service Provider, specifically with regards to flooring materials.
- 2.2 This will also ensure Council departments are able to approach Leeds Building Services in line with Contract Procedure Rule 3.1.4, and will support the internal service provider to meet the varied needs of its client groups, contributing to best value being achieved for the authority.
- 2.3 Leeds Building Services Flooring Team provide a vinyl and carpet repair, replacement and fitting service to Leeds City Council departments that include Corporate Property Management who look after all the Council's public buildings, Children's Services who provide advice and support to schools and Housing Leeds who manage the Council's housing stock. The service covers a wide variety of buildings in terms of type and use which includes schools, leisure centres, offices, public buildings, residential / nursing homes, day centres, children's' homes and residential properties.
- 2.4 The Flooring Team has over recent years seen a growth in their workloads and last year spent approximately £450k on materials. The service is presently supported by a number of suppliers of flooring materials and associated products. The new contract will establish a framework agreement that will facilitate and secure the provision of these supplies.
- 2.5 The procurement route was approved in May 2016, which was an open procedure adhering to the Public Contract Regulations 2015 (Regulations), as well as the councils' Contract Procedure Rules. The model which was approved was a framework agreement with multiple lots, and multiple contractors within each lot.
- 2.6 The new contract will be to deliver:
 - Lot – 1. The supply of carpet materials that will include carpet tiles, full rolls and cuts.
 - Lot – 2. The supply of vinyl material including tiles, full rolls and cuts.
 - Lot – 3. The supply of flooring sundry items and associated products such as:-
 - carpet trim,
 - vinyl trim,

- carpet grips,
- concrete leveller,
- adhesives for carpets and vinyl

3 Main issues

- 3.1 The tender documentation was issued through the councils' tender portal in YORtender on 13th June 2016 with a closing date of 13th July 2016.
- 3.2 Nine tenders were subsequently received. The evaluation panel consisted of representatives from Leeds Building Services and Performance & Commissioning Team.
- 3.3 The tenders were scored on a 50% cost basis and a 50% quality basis. Details of the process and the scoring mechanism were issued to the tenderers as part of the tender documentation. A minimum threshold for the overall quality scores was set at 40%. Any bids which failed to meet this threshold would have been excluded from the tender exercise.
- 3.4 Tenderers were required to complete and provide all information in accordance with the project instructions for tendering. The evaluation panel reviewed each tender submission and objectively assessed the extent to which each tenderer met each of the specified evaluation criteria. The panel agreed scores for each criteria to ensure the evaluation criteria were consistently applied, with the final score for each bidder being a consensus score.
- 3.5 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.
- 3.6 Initially the panel evaluated the PQQ submissions, with all 9 submissions meeting the required threshold to move on to having their tenders evaluated.
- 3.7 The tender price evaluation was undertaken independently by the Projects Programmes and Procurement Unit (PPPU).
- 3.8 Following a tender clarification an amendment to the pricing schedule was issued during the tender process. This led to multiple bidders uploading earlier pricing schedules, and as a result, not submitting prices for all of the items on each lot. This would have led these bids to be disqualified.
- 3.9 The decision was taken to re-tender this scheme on a price only basis, with clear instructions to bidders regarding what was required of them. This was published on 18th August 2016 and closed on 23rd August 2016. The quality scores from the initial submissions were used.
- 3.10 Details of the results of the tender evaluation process for all submissions for price and quality are set out in the confidential appendices (Appendix 1, 2 and 3) attached to this report.
- 3.11 As the tender documentation stated these scores were then apportioned out of 50% (500) of the points awarded for cost and 50% (500) of the points awarded for

quality. This gave the following scores as outlined in the table below and it is recommended to award the contract to the following organisations:

Lot 1 – The supply of carpet materials that will include carpet tiles, full rolls and cuts.

Tenderer	Price Score	Quality Score	Total Score	Rank
Wilkie's	500.00	430.00	930.00	1
Forbo	348.49	370.00	718.49	2
Duraflor	338.38	367.50	705.88	3
Birch Distribution	378.70	300.00	678.70	4
Gradus Ltd.	373.87	290.00	663.87	5
Joseph Hamilton (HFD)	348.89	310.00	658.89	6

Lot 2 – The supply of vinyl material including tiles, full rolls and cuts.

Tenderer	Price Score	Quality Score	Total Score	Rank
Wilkie's	500.00	430.00	930.00	1
Duraflor	303.14	367.50	670.64	2
Joseph Hamilton (HFD)	336.63	310.00	646.63	3
Tarkett	277.94	337.50	615.44	4
Geraflor Ltd.	0.00	390.00	390.00	5
Birch	0.00	300.00	300.00	6

Lot 3 – The supply of flooring sundry items and associated products.

Tenderer	Price Score	Quality Score	Total Score	Rank
Wilkie's	500.00	430.00	930.00	1
Birch Distribution	303.51	300.00	603.51	2
Duraflor Europe LLP	112.67	367.50	480.17	3

The following tenderers were disqualified for submitting non-compliant bids:

Forbo Forbo Flooring UK Limited – Lots 2 & 3	Incomplete pricing submission
SIG Carpet and Flooring – Lots 1, 2 & 3	Did not submit tender schedule for quality

4 Corporate Considerations

4.1 Consultation and Engagement

4.2 Officers within PPPU have been consulted on the tender outcomes and support the proposals set out within this report.

4.2.1 No consultation has taken place with key stakeholders as to whether the contract should be awarded to the winning bidder or not as this is determined by the evaluation of the tender received.

4.3 Equality and Diversity / Cohesion and Integration

4.3.1 The Equality, Diversity, Cohesion and Integration Screening document has been considered and completed. No adverse or otherwise impacts have been identified.

4.4 Council policies and the Best Council Plan

4.4.1 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 provision of flooring materials was procured in line with Leeds City Council's Contract Procedure Rules and the Regulations.

4.2.2 The works undertaken by the contract will contribute to the key City Priorities by working towards becoming a more efficient and enterprising Council, and working as a team for Leeds.

4.5 Resources and value for money

4.5.1 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. This report proposes that the highest scoring contractors, ranked against the tender criteria, are appointed to the framework agreement.

4.5.2 The project team was consistent throughout the procurement process with representation from Property and Contracts, Environment and Housing and the Projects Programmes and Procurement Unit. Due diligence was undertaken on price to ensure that the contract values are realistic and sustainable.

4.6 Legal Implications, Access to Information and Call In

4.6.1 This decision is a significant operational decision which is not subject to call in.

4.6.2 The tender has been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, provided the supplies are still required and affordable, the winning bidders must be appointed to the framework agreement in rank order. Thus, in making the final decision, the Director of Environment and Housing should be satisfied that this framework agreement represents best value for the Council.

4.6.3 Appendix 1, 2 & 3 of this report are exempt under the Access to Information Procedure Rules 10.4.3. The public interest in maintaining the exemption in relation to the confidential Appendices outweighs the public interest in disclosing the information and financial details which, if disclosed would adversely affect the business of the Council and the business affairs of the organisations involved.

4.7 Risk Management

4.7.1 A project risk register was developed as part of the pre-tender phase and will be further developed as part of the contract implementation.

4.7.2 A Contract Management Plan has been prepared in line with CPR 3.1.16 by the Contract Manager.

5 Conclusions

5.1 The procurement process undertaken has been in accordance with the councils' Contracts Procedure Rules and the Regulations, with full guidance and support from the PPPU.

5.2 Following the tender evaluation process of all bids received a clear rank order of suppliers has been established taking into consideration both quality and price submissions. Therefore this represents the most economically advantageous tenders for this framework agreement.

5.3 This report outlines the results of this process and recommends the appointment of the winning contractors to the framework agreement based on the tender evaluation price / quality model.

6 Recommendations

The Director of Environment and Housing for Housing Leeds is recommended to:

6.1 Note the contents of this report and approve the appointment to the framework agreement for the provision of flooring materials to multiple suppliers named in this report across three Lots, with a commencement date of 1st October 2016.

6.2 To note that the officer responsible for implementation is Tony Lloyd.

7 Background documents¹

7.1 Appendix 1 – Confidential Tender Analysis – Lot 1

7.2 Appendix 2 – Confidential Tender Analysis – Lot 2

7.3 Appendix 3 – Confidential Tender Analysis – Lot 3

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.