

Report of: Contracts Project Manager

Report to: Director of Resources and Housing

Date: 27/07/2017

SUBJECT: Approval to Award Phase 4 (Bricklaying Provision) of the Housing Leeds (Leeds Building Services) Subcontracting Framework.

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s): City wide		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		

Summary of main issues

1. This report seeks approval, from the Director of Resources and Housing, to award the bricklaying workstream (Phase 4 Subcontractors contracts) of Leeds Construction Services Subcontractor framework to the named contractors outlined below in this report
2. Leeds City Council's Internal Service Provider, Leeds Building Services, are responsible for undertaking repairs, refurbishment and maintenance work to domestic and non-domestic council assets at city wide level.
3. The bricklaying lot within Phase 4 of the subcontract procurement is proposing to provide back-up subcontract resources and services for Leeds Construction Services up to an annual value of £900k per annum.
4. There are no current external contractor arrangements for Leeds Construction Services as the work is currently either undertaken as part of the existing multi-trade subcontract or as part of 'off contract' expenditure. However the current demand for this trade is currently exceeding the capacity of the current arrangements and there is a need to put in formal arrangements to cater for this specific service needs that are compliant with the Council's Contract Procedure Rules. It is proposed to award the contracts for 3 years with an option to extend for a further one year pending the outcome of contract performance reviews.

5. The decision to award the subcontracts is a Significant Operational Decision and is a result of a Key Decision for the Authority to Procure (ref: D41003) which was approved 14th February 2014 and therefore this decision is not subject to call in.

Recommendations

The Director of Resources and Housing is recommended to approve the award of Phase 4 (Bricklaying Provision) of the Housing Leeds (Leeds Building Services) Subcontracting Framework for three years with the option to extend for a further 1 year and with a total annual contract value of up to £900k.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award Phase 4 (Bricklaying provision) of the Subcontracting Framework for Leeds City Council's internal service provider, Leeds Building Services (LBS), to the named contractors detailed in this report.

2 Background information

- 2.2 Leeds City Council's Internal Service Provider, Leeds Building Services, are responsible for undertaking repairs, refurbishment and maintenance work to domestic and non-domestic council assets at city wide level.
- 2.3 The bricklaying lot within Phase 4 of the subcontract framework procurement is proposing to provide back-up subcontract resources and services for Leeds Construction Services. These contracts will provide works that include but are not limited to all aspects of bricklaying, brickwork repairs, mortar pointing and other associated works.
- 2.4 There are no current separate contractor arrangements for the bricklaying trade for Leeds Construction Services as the work is currently either undertaken as part of the existing multi-trade subcontract or as part of 'off contract' expenditure. However current demand for this trade is exceeding the capacity of the current arrangements and there is a need to put in formal arrangements to cater for this specific service needs that are compliant with the Council's Contract Procedure Rules.
- 2.5 It is proposed to award the contracts for 3 years with an option to extend for a further one year pending the outcome of contract performance reviews.
- 2.6 The contracts are proposed to commence in July 2017.
- 2.7 The estimated annual value for the contract is £900k, with an overall contract value of £2.7m over the 3 years (£3.6m including the extension of 1 year)
- 2.8 The tender documentation was issued using the open procurement procedure to 10 tenderers submitted bids via Yortender with a tender period of 4 weeks and a submission date of 1st March 2017. Four tenders were eliminated at the pre-qualification Stage (PQQ), therefore six of the tenders were evaluated for quality and cost.
- 2.9 The bids 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.
- 2.10 There were no tender amendments issued and no requests were received for extensions to the tender period. All tenders were arithmetically correct.
- 2.11 Tenderers were asked to respond to the nine qualitative questions covering the areas set out below, submitting the information and supporting documents as part of their tender. Specifically:-
1. Managing quality

2. Time performance
3. Initial engagement with customers
4. Engagement with customers during works
5. Work volumes
6. RIDDOR
7. Boundary wall scenario
 - Method and risk
 - Communication
 - Safe access
8. Information governance
 - DPA compliance
 - Data retention and destruction
 - Information governance policy
9. Employment and skills

2.12 The price element was only evaluated for those submissions that met the required quality thresholds following the initial evaluation of the written method statements. Following the quality evaluation process, five tenderers progressed to the price evaluation stage with one of the bidders failing to meet the minimum threshold on sub-criteria within the quality evaluation.

2.13 The tenderer with the lowest total price achieved the highest score available for price (600 points) and the other tenders were awarded a reduced score based on calculating the percentage difference between them and the lowest price and deducting this percentage from the maximum score available.

2.14 The tenders were evaluated on a 60% price, 40% quality basis. The final tenderers scores have been subsequently calculated resulting in the following contractors being ranked by highest score (for combined price and quality)

	Tenderer	Total Score	Rank
1	Beacon Construction and Joinery Ltd	861.50	1
2	John Rodriguez Plastering Ltd.	818.35	3
3	Neo Property Solutions Ltd	855.29	2
4	Palm (Yorkshire) Ltd.	786.26	4
5	S&C Construction Management Ltd.	471.23	5

2.15 The contract has been developed as a framework that will have provision for mini-tender to take place between the successful contractors for works in excess of £10,000. Work will then be issued to the contractor with the highest score resulting from the quality score gained from the original tender and the pricing score from the mini-tender. If the capacity of the most competitive contractor is not sufficient then the second most competitive contractor will be engaged and this process will be applied down to the last contractor on the list.

2.16 In line with the bid documents issued and the evaluation undertaken it is recommended to award the Bricklaying Framework Contract to the following five organisations.

1. Beacon Construction and Joinery Ltd.
2. John Rodriguez Plastering Ltd.
3. Neo Property Solutions Ltd
4. Palm (Yorkshire) Ltd.
5. S&C Construction Management Ltd.

3 Corporate Considerations

3.1 Consultation and Engagement

3.1.2 All affected Ward members have been previously informed of the proposal to procure the new arrangements as part of the original decision to procure these contracts.

3.1.3 City wide leaseholder consultation has now been completed with the consultation period expiring on 5 June 2017. It's worth noting that no observations were received from any interested parties during the 30 day consultation period.

3.1.4 Operational teams from Repairs, Leeds Building Services, PPPU and Property and Contracts have been involved in developing the tender documents and evaluating the bids received. The Chief Officer for Property and Contracts along with the Head of Housing Contracts has been consulted on the content of this report and any comments received have been incorporated.

3.2 Equality and Diversity / Cohesion and Integration

3.2.1 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.

3.3 Council policies and City Priorities

3.3.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such the framework contract for bricklaying and associated works was procured in line with Leeds City Council's Corporate Procurement Unit's policies and procedures.

3.3.2 The works undertaken by the contract will contribute to the key City Priorities of 'Improving Housing Conditions' and help maintain Leeds City council's assets properties in good repair condition.

3.4 Resources and value for money

3.4.1 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.

3.5 Legal Implications, Access to Information and Call In

- 3.5.1 This tender opportunity was advertised on the council's YORtender system as required by the European Regulations.
- 3.5.2 The decision to award this contract is a Significant Operational Decision and is therefore not subject to call-in but will be published in line with LCC's decision making governance requirements.

3.6 Risk Management

- 3.6.1 The tendering risks have been carried out via the usual contracting process in conjunction with the Procurement team within PPPU. The procurement project Risk Register was developed in the early stages of the programme and was regularly reviewed and updated.
- 3.6.2 A service delivery risk associated with not having a contract in place was identified within the Project Risk Register, however it was agreed with the operational service that should the HL internal provider need to access additional capacity within these trades, they would continue to utilise the existing Multitrade contracts in place as required until the new contracts are in place.
- 3.6.3 The contract management risks will be managed as part of the contract management plan and monthly operational contract meetings once the framework contracts have been mobilised.

4 Conclusions

- 4.1 Leeds Building Services, in providing bricklaying and associated services, contract out an element of this work to 'sub-contractors'. The current demand for this trade is expected to exceed the capacity available with the existing Multitrade contracts and therefore a procurement exercise has been undertaken.
- 4.2 The tendering and subsequent tender evaluation process has been completed for the provision of framework contracts for bricklaying services. The contractors in the report (refer to item 2.16 above) are recommended to be appointed to the bricklaying framework contract for a 3 year period with an option to extend for a further 1 year.

5 Recommendations

- 6.1 The Director of Resources and Housing is recommended to approve the award of Phase 4 (Bricklaying Provision) of the Housing Leeds (Leeds Building Services) Subcontracting Framework for three years with the option to extend for a further 1 year and with a total annual contract value of up to £900k

Background documents¹

N/A

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.