

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

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

**Date:** 21/08/2017

**Subject: Proposal to award a contract for the provision of Steeplejack and Roofing Surveys including Minor Repairs of Multi Storey Flats.**

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: 10.4.3 Appendix 1 of this report is exempt under the Access to Information Procedure Rules 10.4.3 as this contains commercially sensitive tender information relating to the organisations involved.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Summary of main issues

1. On 13 December 2016 the Director of Resources and Housing as required under Contracts Procedure Rule 3.1.8 authorised a request to progress the procurement of a new contract for the provision of Steeplejack and Roofing Surveys including Minor Repairs of Multi Storey Flats.
2. The current contract for this provision expired on 28 February 2017 with no further option to extend. Following a competitive tender process and evaluation of the submissions received, the purpose of this report is to seek approval to award this contract to HRS Services Ltd.
3. The new contract will commence on 4 September 2017 for an initial period of 3 years with the option to extend for a further 2 years.
4. The decision to award the contract is a significant operational decision.

## **Recommendations**

The Director of Resources and Housing is recommended to:

1. Note the contents of this report and approve the appointment of HRS Services Ltd following a competitive procurement exercise to deliver a contract for the provision of Steeplejack and Roofing Surveys including Minor Repairs of Multi Storey Flats. It is proposed that the contract will commence on 4 September 2017 for a period of 3 years with a further option at the discretion of the Council to extend for a further 2 12 month periods.
2. To note that the officer responsible for implementation is Michael Field, Technical Services Manager.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek approval to award a new contract following a competitive procurement exercise for the provision of Steeplejack and Roofing Surveys including Minor Repairs of Multi Storey Flats.
- 1.2 The agreement is proposed to commence on 4 September 2017 with a proposed contract period of 3 years with a further 2 years extension available.
- 1.3 The proposed available budget to deliver these works over 3 years is £300,000, at approx. £100,000 per annum.
- 1.4 Following the evaluation of the submitted bids, using a price/quality ratio of 80% price and 20% quality, and the tender evaluation criteria set out in the tender documentation which was approved by the Chief Officer of Property and Contracts on 12<sup>th</sup> January 2017 in line with Contract Procedure Rule 15.1 this report seeks to authorise awarding the contract to HRS Services Ltd.

## **2 Background information**

- 2.1 The steeplejack testing service ensures there is an annual inspection programme of the external surfaces of all high rise flats. Its purpose is to survey the external building façade condition of high rise blocks on an annual basis, and identify and appropriately remove any loose or potentially dangerous surfaces areas.
- 2.2 The scope of requirements entails the provision of Steeplejack Roof Surveys and minor Repair of Multi Storey flats. The works comprise the close inspection of 107 multi-storey blocks of flats in the City of Leeds, hammer testing or penetration testing as appropriate, the removal of all loose material and the identification and recording of the condition of all parts of the external fabric of the buildings.
- 2.3 The service is critical to ensure compliance with health and safety requirements and to minimise any potential claims against the council. The steeplejack provision, alongside a roof survey helps to define and plan future investment programmes for high rise blocks within the city.
- 2.4 Given the specialist, high risk nature of the work, the contract will be managed by professionally qualified structural engineers in Norfolk Property Services (NPS) who are experienced in managing this type of work. Currently NPS manage this contract on behalf of the Council and will continue to do so, providing specialist advice reporting directly to Property and Contracts officers.
- 2.5 The procurement route was approved in December 2016, which was to run an open tender not subject to the Official Journal of the European Union (OJEU) due to the contract value of £300,000 over three years with an option 2 years falling well under the works OJEU threshold of £4.104,394.
- 2.6 The project group (consisting of officers from Property and Contracts and Programmes, Projects and Procurements Unit (PPPU)) and NPS carried out a competitive tendering exercise to procure a contractor to deliver the required works.

### **3 Main issues**

- 3.1 The PQQ and tender documentation were issued through the councils' tender portal in YORtender on 28 March 2017 with a closing date of 26 April 2017.
- 3.2 Seven tenders were subsequently received by the deadline.
- 3.3 Details of the process and the scoring mechanism were issued to the tenderers as part of the tender documentation. PQQ's were evaluated by the panel in the first instance. Tenderers were required to score a minimum of 40% on the technical section as well as 'Pass' the required pass/fail criterion in order to be considered for short listing to the tender stage. Two tenderers failed to meet the required threshold at the PQQ stage and therefore were subsequently not considered further at tender stage.
- 3.4 At Tender stage bidders were required to score / achieve a minimum threshold of 50% in their written response against the Method Statements one and two. One tender failed to meet this quality threshold for both criterion. In line with the tender instructions price would only be evaluated for those submissions that meet the required quality thresholds following the initial evaluation of the written method statements and therefore one bidder was not considered further.
- 3.5 Tenderers were required to complete and provide all information in accordance with the procurement instructions for tendering. The qualitative evaluation panel comprised of Michael Field – Technical Services Manager Housing Leeds, Neil Margetson – Senior Technical Officer, Housing Leeds and Simon Newton – Group Structural Engineer, NPS Group. The team used the practice of scoring each tenderer individually and then met to reach a consensus score.
- 3.6 The tender price submissions were evaluated by a Senior Quantity Surveyor in the Commercial Team within Property & Contracts, Housing Leeds. The lowest tendered price achieved the maximum points available.
- 3.7 Details of the results of the tender evaluation process for all submissions for price and quality are set out in the confidential appendix attached to this report.

#### Appendix 1 – Confidential Tender Analysis Report

- 3.8 As the tender documentation stated these scores were then apportioned out of 80% (800) of the points awarded for cost and 20% (200) of the points awarded for quality. Based on the overall scores, it is recommended to award the contract to HRS Services Ltd who was ranked first.

### **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.
- 4.3 There has been detailed consultation with representatives from Property and Contracts and NPS. No adverse comments have been received.
- 4.4 In July 2016, Leaseholders were notified of the Council's intention to procure a new contract for this work under the Leasehold Consultation Requirements

(England) Regulations 2003. The legal notice also gave leaseholders the option to nominate contractors they would like to invite to tender. No nominations, comments or observations were received from leaseholders' or Tenants and Residents' Associations.

- 4.5 In July 2017, the 2<sup>nd</sup> legal notice under the Leasehold Consultation Requirements (England) Regulations 2003 was served stating the Councils' proposal to enter into an agreement with HRS Services Ltd.

#### **4.6 Equality and Diversity / Cohesion and Integration**

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

#### **4.7 Council policies and the Best Council Plan**

- 4.7.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such this contract has been procured in line with Leeds City Council's Contract Procedure Rules and the Public Contracts Regulations 2015.

- 4.7.2 This project will demonstrate the commitment of Leeds City Council to the upkeep, maintenance and investment in housing stock and intention of improving life in the city and communities.

#### **4.8 Resources and value for money**

- 4.8.1 This procurement exercise has been designed to not only test the market for suppliers with the relevant knowledge, competency and 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 the service required. This report proposes that the highest scoring contractor in terms of the price and quality evaluation which is HRS Services Ltd, ranked against the tender criteria, is awarded the contract.

- 4.8.2 The project team was consistent throughout the procurement process with representation from Property & Contracts, PPPU and NPS. Due diligence was undertaken on price to ensure that the contract values are realistic and sustainable.

#### **4.9 Legal Implications, Access to Information and Call In**

- 4.9.1 This decision is a significant operational decision which is not subject to call in. The procurement process was conducted in compliance with the Contract regulations 2015 and in accordance with the Council's Contract Procedure Rules in order to ensure that a fair, open and transparent process was undertaken.

- 4.9.2 The tender has been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, provided the services are still required and affordable; the winning bidder must be awarded the contract. Thus, in making the final decision, the Director of Resources and Housing should be satisfied that this contract represents best value for the Council.

- 4.9.3 Appendix 1 of this report is 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.

#### **4.10 Risk Management**

- 4.10.1 A project risk register was developed as part of the pre-tender phase and will be further developed as part of the contract implementation.
- 4.10.2 A Contract Management Plan has been prepared in line with CPR 3.1.16 by the Service Manager.

#### **5 Conclusions**

- 5.1 The procurement process undertaken has been in accordance with the councils' Contracts Procedure Rules and the Public Contracts Regulations 2015, with full guidance and support from PPPU.
- 5.2 Following the tender evaluation process of the bids received, a clear rank order of suppliers has been established taking into consideration price submissions. Therefore this represents the most economically advantageous tenders for this contract.
- 5.3 This report outlines the results of this process and recommends awarding the contract to the winning bidder HRS Services Ltd based on the tender evaluation criteria.

#### **6 Recommendations**

The Director of Resources and Housing is recommended to:

- 6.1 Note the contents of this report and approve the appointment of HRS Services Ltd following a competitive procurement exercise, to deliver a contract for the provision of Steeplejack and Roofing Surveys including Minor Repairs of Multi Storey Flats. It is proposed that the contract will commence on 4 September 2017 for a period of 3 years with a further option at the discretion of the Council to extend for a further 2 12 month periods.
- 6.2 To note that the officer responsible for implementation is Michael Field, Technical Services Manager.

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

- 7.1 Appendix 1 – Confidential Tender Analysis Report

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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.