

Report of: Senior Housing Contracts Officer

Report to: Chief Officer of Property and Contracts

Date: 11/08/2017

Subject: Tender Evaluation report leading to a proposal to award a contract for the supply and fit of fire safety doors to Leasehold properties following a competitive tendering exercise.

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 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 21 December 2016 the Director of Resources and Housing in line with the provisions of CPR 3.1.8, authorised a request to progress the procurement of a new contract for the supply and fit of fire safety doors to Leasehold properties in the East area of the city. The proposed works includes the replacement of existing flat doors with new FD30s fire doors along with all associated fan lights and side lights
2. Following a competitive tender process and evaluation of the submissions received, the purpose of this report is to seek approval to award the contract to Kingfisher UPVC Windows and Doors Ltd.
3. The decision to award the contract is a significant operational decision.

Recommendations

The Chief Officer of Property and Contracts is recommended to:

- Note the contents of this report and approve the appointment of Kingfisher UPVC Windows and Doors Ltd to undertake a contract for the provision of supplying and fitting fire safety doors to Leasehold properties in the east area of the city. The contract will commence on 25th September 2017 for a period of 12 months.
- To note that the officer responsible for implementation is Allan Naylor, Planned Works Project Manager, Housing Leeds.

1 Purpose of this report

- 1.1 The purpose of this report is to report the results of the procurement exercise and tender evaluation process and to seek approval to award a new contract for the provision of supplying and fitting fire safety doors to Leasehold properties.
- 1.2 The agreement is proposed to commence on 25th September 2017 with a proposed contract period of 12 months with no extensions available.
- 1.3 Tenderers were invited on a JCT Measured Term Contract therefore the pricing document was a Schedule of Works. The quantities included in the Schedule were indicative for evaluation purposes only, however, a significant change in the costs is not anticipated due to the nature of the works. The lowest tender proposed for acceptance is £167,034.30.
- 1.4 Following the evaluation of the submitted bids, using a price/quality ratio of 70% price and 30% quality, and the tender evaluation criteria set out in the tender documentation which was approved by the Chief Officer of Property and Contracts on 8th February 2017 in line with Contract Procedure Rule 15.1, this report seeks to authorise awarding Kingfisher UPVC Windows and Doors Ltd the contract.

2 Background information

- 2.1 There have been a number of schemes carried out to replace fire doors to leaseholder properties in the East area of Leeds, in some cases it has not been possible to replace the doors, this contract is like a 'mop up' to cover these properties that have been hard to reach. Approximately this contract will cover 150 of these flats in various Council blocks in the east area. From a fire safety point of view, not replacing these doors would undermine the targeted fire containment strategy within these blocks of flats, as the differing standards of entrance doors would result in inconsistent fire spread prevention.
- 2.2 In addition Housing Leeds has a responsibility to manage the communal areas within blocks and ensure that they comply with the latest regulations, Regulatory Reform (Fire Safety) Order 2005. Within these regulations it is stipulated that flat entrance doors opening into communal spaces must be fire doors to FD30s standard, protecting common areas and other residents for up to half an hour in the event of a fire occurring within a flat.
- 2.3 The entrance doors to the leasehold properties affected currently do not meet these standards and requirements.
- 2.4 Consideration was given to utilising the capacity and skills of the Internal Service Provider (Leeds Building Service) to complete the installation of the fire doors to leasehold properties. However, Leeds Building Services have not had a Value for Money (VFM) assessment in accordance with the Housing and Regeneration Act 2003 and Commonhold and Leasehold Reform Act 2002. Consequently, only a maximum of £250 could be recharged per leaseholder if Leeds Building Services were to undertake this work. This would incur a financial loss to the council, as a result Leeds

Building Services were not approached which meant this option was not viable.

- 2.5 As a result, the procurement route was approved in December 2016, which was to run a restricted process through Constructionline, this ensured a competitive tendering process would be carried out, demonstrating value for money to leaseholders and recharging the full costs (which could equate to a maximum of £2,050 or more so an average cost typically of £850 to leaseholders for having the works carried out.

3 Main issues

- 3.1 The project group (consisting of officers from Property and Contracts supported by a lead procurement officer from the Programmes, Projects and Procurements Unit (PPPU)) carried out a competitive tendering exercise to procure a contractor for the provision of supplying and fitting fire safety doors.
- 3.2 The tender documentation was issued through the councils' tender portal in YORtender on 23rd March 2017 with a closing date of 19th April 2017.
- 3.3 Tenders were invited from six organisations through Constructionline, four tenders were subsequently received.
- 3.4 There was no PQQ evaluation because this opportunity was below the Official Journal of the European Union (OJEU) threshold, however because the bidders were selected from Constructionline they had already been through a pre-selection stage. The tender submissions in regards to Quality comprised of Allan Naylor, Planned Works Team Leader, Chris Wilson, Senior Technical Officer and Shazad Kibria, Senior Housing Contract Officer, all of Housing Leeds.
- 3.5 The evaluation panel reviewed each tender submission and objectively assessed the extent to which each tenderer met each of the specified qualitative evaluation criteria. The panel agreed consensus scores for each question criteria for each tenderer to ensure the evaluation criteria were consistently applied.
- 3.6 The tender price submissions were evaluated by a Quantity Surveyor in the Commercial Team within Property & Contracts. The price submitted by the top ranked tender was the lowest received. 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 as Appendix 1 – Tender Analysis Report.
- 3.7 In respect to the quality submission and evaluation in the opinion of the evaluation panel two of the 4 tender submissions failed to meet the quality threshold, and as a result these were disqualified.
- 3.8 As the tender documentation stated these scores were then apportioned out of 70% (700) of the points awarded for cost and 30% (300) of the points awarded for quality. Based on the combination of both the price and quality

scores, it is recommended to award the contract to Kingfisher UPVC Windows and Doors Ltd.

4 Corporate Considerations

4.1 Consultation and Engagement

4.2 Leaseholders were notified of the Councils' intention to procure a new contract for this work under the Leasehold Consultation Requirements (England) Regulations 2003. A legal notice was sent to leaseholders on 11th November 2016 which also gave them 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.

4.3 The 2nd legal notice under the Leasehold Consultation Requirements (England) Regulations 2003 was served on 12th July 2017 stating the Councils' proposal to award the contract to Kingfisher UPVC Windows and Doors Ltd.

4.4 Officers within PPPU have provided procurement support and advice throughout the procurement process and subsequent evaluation process. PPPU have been consulted on the tender outcomes and support the proposals set out within this report.

4.5 The Project Manager and Technical Officers have been involved throughout the procurement.

4.6 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.

4.7 Equality and Diversity / Cohesion and Integration

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

4.7.2 The provision within this contract will replace existing flat doors with new high security fire doors, which will improve the overall safety and security of all the residents.

4.8 Council policies and the Best Council Plan

4.8.1 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.

4.8.2 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.

4.9 Resources and value for money

4.9.1 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 which is Kingfisher UPVC Windows and Doors Ltd, ranked against the tender criteria, is awarded the contract.

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

4.10 Legal Implications, Access to Information and Call In

- 4.10.1 This decision is a significant operational decision which is not subject to call in.
- 4.10.2 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 Chief Officer of Property and Contracts should be satisfied that this contract represents best value for the Council.
- 4.10.3 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.

4.11 Risk Management

- 4.11.1 A project risk register was developed as part of the pre-tender phase and will be further developed as part of the contract implementation.
- 4.11.2 A Contract Management Plan has been prepared in line with CPR 3.1.16 by the Contract Manager.
- 4.11.3 As part of the access to properties to undertake the works the contract has a detailed procedure as highlighted below:

Contractor Access protocol

- 4.11.4 The contractor shall visit the sites to satisfy themselves of the nature of the works prior to pricing. The successful contractor shall be responsible for visiting each leaseholder and obtaining confirmation of door choice and colour, the contractor shall formulate a form for the leaseholder to date and sign confirming their choice and colour. The contractor shall allow for this process within their costs of each door type within the pricing schedule.
- 4.11.5 The successful contractor shall allow, within the price of each door set, to carry out the following communication process with each individual leaseholder
- 4.11.6 First letter to be sent to the leaseholder 2 weeks prior to fitting of the door
- 4.11.7 Second letter to be sent to the leaseholder 1 week prior to fitting of the door
- 4.11.8 Third letter to be sent to the leaseholder 3 days prior to fitting of the door
- 4.11.9 On the day prior to fitting the contractor shall contact the leaseholder by telephone / e mail or text

4.11.10 Failure to communicate or gain access to a property the contractor shall inform the City Council Technical Officer, who will then attempt access. The contractor will need to provide proof of all dates and provide copies of letters sent to leaseholders if requested by the Contract Administrator.

5 Conclusions

- 5.1 The procurement process has been undertaken 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 4 bids received, a clear rank order of suppliers has been established taking into consideration the quality and price evaluation criteria.
- 5.3 This report and confidential appendix outlines the results of the tender evaluation process and recommends awarding the contract to the most economically advantageous tenders to the highest scoring winning bidder Kingfisher UPVC Windows and Doors Ltd based on the tender evaluation criteria.

6 Recommendations

The Chief Officer of Property and Contracts is recommended to:

- 6.1 Note the contents of this report and approve the appointment of Kingfisher UPVC Windows and Doors Ltd to undertake a contract for the provision of supplying and fitting fire safety doors to Leasehold properties in the east area of the city. The contract will commence on 25th September 2017 for a period of 12 months.
- 6.2 Note that the officer responsible for implementation is Allan Naylor, Planned Works Project Manager, Housing Leeds.

7 Background documents¹

- 7.1 Appendix 1 – Tender Analysis Report

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.