

Report of: Planned Works Manager

Report to: Director of Resources and Housing

Date: 18th January 2018

Subject: Westwood Estate – Replacement of timber Cladding with insulated PVC boarding and associated works to properties – Tender evaluation report and proposal to award a contract.

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Beeston and Holbeck		
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix 1 and 2 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.		

Summary of main issues

1. On 27th November 2017 the Director of Resources and Housing authorised a key decision as required under CPR 3.1.8 to carry out the procurement of a new contract to replace deteriorated timber cladding and hanging tiles with insulated PVC boarding. The elements on the building envelope which have previously been painted to be repaired as required and then painted in line with current cyclical painting standards.
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 Mitie Property Services (UK) Ltd.
3. The decision to award the contract is a significant operational decision.

Recommendations

4. The Director of Resources and Housing is recommended to note the contents of this report and approve the award of contract to Mitie Property Services (UK) Ltd. This is for the replacement of deteriorated timber cladding and hanging tiles with insulated PVC boarding. The elements on the building envelope which have previously been painted to be repaired as required and then painted in line with current cyclical painting standards. The contract is planned to commence on site on 5th February 2018.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a new contract for the replacement of deteriorated timber cladding and hanging tiles with insulated PVC boarding. The elements on the building envelope which have previously been painted to be repaired as required and then painted in line with current cyclical painting standards.
- 1.2 It is proposed to commence on 5th February 2018 with a proposed contract period of 3 months.
- 1.3 Following the evaluation of the tender submissions, using a 100% price as evaluation criteria set out in the tender documentation, this report seeks to authorise awarding the contract to Mitie Property Services (UK) Ltd.

2 Background information

- 2.1 The 'Westwoods' estate comprise of 915 properties in the Beeston and Holbeck Ward, of which 425 are Council owned. The properties comprise of houses and flats built in 1967 and are of a non-traditional construction. (Laing-Easiform)
- 2.2 The envelope of the construction comprises of large elements of timber cladding and hanging tiles. Both elements are in poor condition and need renewal. The works would involve replacement of these elements with a thermal insulated energy efficient PVC panel. This would improve the energy efficiency of the property whilst at the same time lift the aesthetic of the neighbourhood generally.
- 2.3 Prior to publication of this requirement it was agreed that properties which might contain leaseholder were to be procured separately. This will enable Housing Leeds to run a full leaseholder consultation process but still enable a significant quantity of the works to be carried out this financial year. The stage one leaseholder consultation letters were sent out for the remaining properties on 21st January 2018, and a contract award for this package of works is anticipated in May 2018.
- 2.4 The procurement route was approved in November 2017, which was to run a restricted process through Constructionline.

3 Main issues

- 3.5 The tender documentation was issued through the councils' tender portal in YORtender on 06th December 2017 with a closing date of 10th January 2018.
- 3.6 Tenders were invited from the following organisations each who had expressed an interest in tendering for the scheme during an expression of interest (EOI) exercise being carried out:

- Berman Building Co Ltd
- ENGIE Regeneration (Trading Keepmoat Regeneration)
- Hamilton Building Contractors Ltd
- JP Developers Limited
- Mitie Property Services (UK) Ltd - Painting
- Neo Property Solutions Limited
- PSN Painting Services Ltd

Tenders were subsequently received from six of the contractors (Hamilton Building Contractors Ltd did not submit a bid).

- 3.7 There was no PQQ evaluation because this opportunity was below the OJEU threshold, however because the bidders were selected from Constructionline they had already been through a pre-selection stage.
- 3.8 The tenders were scored on a 100% cost basis. The pricing evaluation was based on an activity schedule and this was scrutinised and evaluated by a Housing Leeds Quantity Surveyor.
- 3.9 Tenderers were required to complete and provide all information in accordance with the project instructions for tendering.
- 3.10 The price submitted by the top ranked tender was the lowest received.

Bidder	Score	Rank
Mitie Property Services (UK) Ltd - Painting	1000.00	1
JP Developers Limited	953.54	2
PSN Painting Services Ltd	949.46	3
Neo Property Solutions Limited	603.52	4
ENGIE Regeneration (Trading Keepmoat Regeneration)	330.01	5
Berman Building Co Ltd	309.74	6

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 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. However, consultation with key stakeholders was undertaken when the particular procurement route was chosen.
- 4.1.2 Officers within PPPU have been consulted on the tender outcomes and support the proposals set out within this report.
- 4.1.3 Ward members have been consulted along the process and feedback has been positive.

4.2 Equality and Diversity / Cohesion and Integration

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

4.3 Council policies and the Best Council Plan

- 4.3.1 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.
- 4.3.2 Housing Leeds has a capital programme to improve the living conditions for resident tenants in accordance with Leeds City Councils Strategic Plan for the Capital Housing Programme. This also ensures stock in the Asset Management Strategy is improved to give longer, habitable/rental time and realising value for money by investing in major repairs.
- 4.3.3 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.
- 4.3.4 Effective delivery of the Housing Capital Programme supports the council's priorities of being the best city to live and the best city for communities.
- 4.3.5 There are also environmental gains to be made not only with the insulation upgrade to the envelope, but with the increase the aesthetics of the neighbourhood.

4.4 Resources and value for money

- 4.4.1 This procurement exercise has been designed to not only test the market for suppliers 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 the works required. This report proposes that the highest scoring contractor which is Mitie Property Services (UK) Ltd - Painting, ranked against the tender criteria, is awarded the contract.
- 4.4.2 The project team was consistent throughout the procurement process with representation from Property & Contracts and supported by officers in PPPU. Due diligence was undertaken on price to ensure that the contract values are realistic and sustainable.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This decision is a significant operational decision which is not subject to call in.
- 4.5.2 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.
- 4.5.3 Appendices 1 & 2 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.

4.6 Risk Management

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

- 4.6.2 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 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 account price submissions. Therefore this represents the most economically advantageous tender for this contract.
- 5.3 This report outlines the results of this process and recommends awarding the contract to the winning bidder Mitie Property Services (UK) Ltd based on the lowest price submitted and is within the pre tender estimate of £540,000 produced by the QS Commercial team.

6 Recommendations

The Director of Resources and Housing is recommended to:

- 6.1 Note the contents of this report and approve the award of contract to Mitie Property Services (UK) Ltd . This is for the replacement of deteriorated timber cladding and hanging tiles with insulated PVC boarding. The elements on the building envelope which have previously been painted to be repaired as required and then painted in line with current cyclical painting standards. It is proposed that the new contract will commence on 5th February 2018.
- 6.2 To note that the officer responsible for implementation is Neil Diamond, Planned Works Manager, Housing Leeds.

7 Background documents¹

- 7.1 Appendix 1 – Housing Leeds Tender Analysis – Westwoods
- 7.2 Appendix 2 – Evaluation Matrix - Westwoods

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.