

**Report of** Capital Programme Manager

**Report to** Director of Resources and Housing

**Date:** 5 March 2018

**Subject:** Call offs from the Windows and Doors, and the Re-roofing and Associated Works frameworks, for 2018/19 housing planned works

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s): All Wards		
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 checked="" type="checkbox"/> Yes	<input 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:		
Appendix number:		

### Summary of main issues

- 1** In December 2017 the Director of Resources and Housing approved the appointment of four contractors for each of the Windows and Doors, and Reroofing and Associated Works framework agreements. Both framework agreements commence 1st April 2018 and are for a period of 4 years. Both agreements have total values of the contracts of approximately £2 million per annum.
- 2** It is anticipated that 2 of the 4 appointed contractors under each framework will deliver works each year, of an estimated £1m each, with works starting from 1st April.
- 3** As noted in the award reports, and in line with the Council constitution and Contract Procurement Rules, a key decision is needed to authorise the call off of the annual works under each framework and choose the contractors to be used to deliver the works in line with the selection procedures.
- 4** The call offs and selection of contractors will enable the delivery of planned windows, doors, and re-roofing and associated works under the housing capital programme for 2018/19, funded by the Housing Revenue Account (HRA).

### Recommendations

1.1. It is recommended that the Director of Resources and Housing:

- 1.1.1. approves the call off from the Windows and Doors framework contract for up to a total of £2m for the financial year 2018/19 (year 1) work, to the contractors ranked first and second in the tender evaluation in line with the agreed selection process for year 1 works:

- Anglian Windows Ltd – up to £1m of works
- Kier Services Limited – up to £1m of works

1.1.2. approves the call off from the Re-roofing and Associated Works framework contract for up to a total of £2m for the financial year 2018/19 (year 1) work, to the contractors ranked first and second in the tender evaluation in line with the agreed selection process for year 1 works:

- A Connolly Ltd – up to £1m of works
- Liberty Group – up to £1m of works

1.2. In addition it should be noted that the internal service provider Leeds Building Services (LBS) will be carrying out some re-roofing works, which can be citywide, to an estimated value of £500k.

## 1. Purpose of this report

1.1 This report seeks key decisions to approve the call off from two new framework agreements for contractors to deliver the annual planned works in relation to windows, doors, and re-roofing and associated works under the housing capital programme for 2018/19.

## 2. Background Information

- 2.1. Planned works are the undertaking of required renewals and maintenance works that have been planned in advance and included in a works programme e.g. windows, doors or roofs as appropriate to our circa 53,500 council homes (including leasehold but excluding PFI & BITMO homes).
- 2.2. A Key Decision was taken by the Director of Environment and Housing in October 2016 to approve the procurement strategy and the overall scope and budgets for contracts to deliver planned investment to council housing stock. As a result of this three new planned works framework agreements have been openly advertised and procured using a restricted procedure to shortlist bidders.
- 2.3. The Director of Resources and Housing approved the award of contracts to four contractors for each of the Windows and Doors framework agreement, and the Re-roofing and Associated Works framework agreement, in December 2017. The contractors are as follows:

Contract DN234442 for planned investment works to Council housing stock in relation to Windows and Doors	Contract DN234444 for planned investment works to Council housing stock in relation to Re-roofing and Associated Works
<ul style="list-style-type: none"><li>• Anglian Windows Ltd</li><li>• Kier Services Limited</li><li>• Kingfisher UPVC Windows &amp; Doors Ltd</li><li>• Liberty Group</li></ul>	<ul style="list-style-type: none"><li>• A Connolly Ltd</li><li>• Liberty Group</li><li>• DLP Services (Northern) Ltd</li><li>• Mears Limited</li></ul>

- 2.4. In addition the internal service provider Leeds Building Services (LBS) will be carrying out some re-roofing works, which can be citywide, to an estimated value of £500k per annum.
- 2.5. Both framework agreements commence 1st April 2018 and are for a period of 4 years. Both agreements have total values of the contracts of approximately £2 million per annum.
- 2.6. Further information about the procurement of these framework agreements can be found in the background documents.
- 2.7. To maintain competition within these frameworks they have been set up to anticipate that 2 of the 4 appointed contractors under each framework will deliver works each year, of an estimated £1m each, with works starting from 1st April.
- 2.8. There is also provision for any works to be given out under the frameworks via a mini-competition e.g. where works to one or more properties that fall outside of the standard designs and styles or archetypes priced.

### **3. Main Issues**

- 3.1. To take forward works each year a key decision to call off from each framework is required, which is itself a separate decision under Contract Procedure Rules.
- 3.2. The selection procedure for year 1 works (2018/19 spend) under both frameworks specified that the bidders ranked first and second place according to competitive framework award process will be selected to deliver works. The evaluation process involved was based on both price and quality considerations.
- 3.3. For the Windows and Doors framework, as set out in the tender and award report (see background documents), these are:
  - Anglian Windows Ltd
  - Kier Services Limited
- 3.4. For the Re-roofing and Associated Works framework, as set out in the tender and award report (see background documents), these are:
  - A Connolly Ltd
  - Liberty Group
- 3.5. The recommended contractors for year 1 works will subsequently be asked to price the specific works to be undertaken (based on the rates and prices submitted at framework level) and submit this with their delivery plans for agreement prior to the approval and award of their annual contracts.
- 3.6. Please note that for each subsequent years' works (2019/20 onwards) the agreed selection process for contractors is by running a competition between the four contractors on each framework. Those ranked first and second place following that competition will be selected to deliver works for that financial year. Contractors will compete on price only during these annual competitions and will be required to comply with the technical and quality requirements of the framework agreement including their method statements submitted at framework award. This may mean that the same or a different two contractors undertake works each year.

### **4. Corporate Considerations**

#### **4.1. Consultation and Engagement**

- 4.1.1. Please see the background documents in relation to the consultation and engagement involved in the development and undertaking of the procurement of the framework contractors, including in relation to tenants and leaseholders.
- 4.1.2. Where leaseholders will be receiving specific works to their properties in 2018/19 by the agreed contractors, further consultation will be undertaken in line with legal notices required under the Leasehold Consultation Requirements (England) Regulations 2003.
- 4.1.3. During the mobilisation period discussions will be progressed in relation to TUPE workforce information has been provided and, in ongoing consultation with trade unions, the workforce information was shared with all bidders who signed a confidentially agreement.
- 4.1.4. Legal, procurement and finance colleagues have all been consulted in the development of this report.

## **4.2. Equality and Diversity / Cohesion and Integration**

- 4.2.1. There are no equality and diversity or cohesion and integration issues related specifically to the framework call offs for Windows and Doors, and the Re-roofing and Associated Works activity.
- 4.2.2. Please see the background documents in relation to the ECDI assessment and actions related to the procurement of the frameworks and contract mobilisation and management.

## **4.3. Council Policies and Best Council Plan**

- 4.3.1. Investment these planned works and resulting activity contributes to a range of Best Council Plan objectives, including:
- 4.3.2. Providing enough homes of a high standard in all sectors – by maintaining properties to the Leeds Homes Standard; acting as an exemplar to the private rented sector; and encouraging support in-kind contributions to Community Led Housing organisations in Leeds.
- 4.3.3. Supporting economic growth and access to economic opportunities – using Leeds Building Services and including Employment and Skills targets for contractors helps create training and employment opportunities in Leeds.
- 4.3.4. Providing skills programmes and employment support – creating apprenticeships and other training and employment opportunities through our contracting activity.
- 4.3.5. All tenderers had to complete social value plans for evaluation, including Employment and Skills targets. More information is provided in the background documents.
- 4.3.6. The successful contractors for 2018/19 will be held to their social value plan commitments through contract management activity.

## **4.4. Resources and value for money**

- 4.4.1. The resources for delivery of these capital works are from within the Housing Revenue Account and associated balances and reserves. The 2017/18 to 2019/20 capital programme was presented and injected into the capital programme by full Council on 22 February 2017. The Housing Leeds Refurbishment programme resources available amounted to £241.5m of which £81,478.3k was for 2017/18. Current projections to outturn March 2018 are estimated at circa £69m which will leave a carry forward to 2018/19 of £11.5m.
- 4.4.2. Following discussion with capital finance colleagues these works are within the planned scope of the 2017/18 to 2019/20 capital programme. The 2018/19 to 2020/21 programme was approved at the full Council meeting on 21 February 2018 with £256.5m resources allocated to Housing Leeds across the three years, £77m of which is within 2018/19. A report later this month to the Director of Resources and Housing will request the authority to spend on the Housing Leeds Refurbishment 2018/19 programme.
- 4.4.3. The framework agreements were competitively tendered during 2017 to provide value for money alongside quality considerations. More information can be found in the background documents, including expected savings from the new arrangements.

4.4.4. The selection processes under both the Windows & Doors, and the Re-roofing & Associated Works frameworks have also been designed to introduce additional competitiveness between the contractors.

#### **4.5. Legal Implications, Access to Information and Call In**

4.5.1. This report is a Key Decision and is therefore subject to call in.

4.5.2. Each year's work for each contractor requires a separate contract award in line with the NEC3 framework approach.

4.5.3. The selection process for contractors under the new frameworks is set out in each framework's contract documentation. The recommendations of this report are in line with this process.

#### **4.6. Risk Management**

4.6.1. The procurement of the framework agreements was undertaken in accordance with the Regulations and the Council's Contracts Procedure Rules, with full guidance and support from the PPPU. Notable risks and their mitigation were set out in the tender and award reports (see background documents).

4.6.2. Work is progressing to make sure that there is an appropriately planned and resourced contract mobilisation and management activity, with clear roles and responsibilities, between now and works starting from April 2018 for a successful and smooth start to new contractual relationships and their performance management. Activities include the management of risks related to any TUPE workforce, working with the incumbent provider and new contractors and trade unions.

### **5. Conclusions**

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

5.2. These call offs from the frameworks are in line with the selection process of the frameworks, and supported by PPPU.

5.3. The call offs and selection of contractors will enable the delivery of planned windows, doors, and re-roofing and associated works under the housing capital programme for 2018/19, funded by the Housing Revenue Account (HRA).

### **6. Recommendations**

6.1. It is recommended that the Director of Resources and Housing:

6.1.1. approves the call off from the Windows and Doors framework contract for up to a total of £2m for the financial year 2018/19 (year 1) work, to the contractors ranked first and second in the tender evaluation in line with the agreed selection process for year 1 works:

- Anglian Windows Ltd – up to £1m of works
- Kier Services Limited – up to £1m of works

- 6.1.2. approves the call off from the Re-roofing and Associated Works framework contract for up to a total of £2m for the financial year 2018/19 (year 1) work, to the contractors ranked first and second in the tender evaluation in line with the agreed selection process for year 1 works:
- A Connolly Ltd – up to £1m of works
  - Liberty Group – up to £1m of works

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

- 7.1. [Windows & Doors Tender Evaluation and Award Report](#) (December 2017)
- 7.2. [Re-roofing and Associated Works Tender Evaluation and Award Report](#) (December 2017)

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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.