

Report of: Leeds Building Services**Report to Director of Resources and Housing****Date: 08 March 2018****Subject: Demolition Services Framework – Contract Award**

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: Appendix number: Appendix 1 of this report are 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. The current framework to deliver demolition works has expired with no further option to extend, and has therefore been re-procured in line with the key decision approved by the Director of Environment & Housing on 21st June 2016. The decision was not called in.
2. A procurement exercise was undertaken as per the recommendations in the key decision report. The evaluation of tender submissions has now been concluded and has identified a framework of 4 preferred providers.
3. The framework arrangement has an estimated annual value of £2,000,000 and will commence 1st May 2018 for a duration of 2 years with the option to extend for a further 2 x 12 months.

Recommendations

It is recommended that the Director of Resources and Housing approve the award of the Demolition works framework to the following providers:

1. Frank O'Gara & Sons Ltd
2. Demolition Services Limited
3. Gill Demolitions Ltd
4. A Buckler Haulage Ltd

1. Purpose of this report

- 1.1 The purpose of this report is to document in detail the procurement processes undertaken to identify the preferred providers to be included on the new Demolition Works Framework.
- 1.2 To obtain approval to award a contract to the preferred providers without delay to ensure that all upcoming requirements of this nature can be undertaken on contract.

2. Background information

- 2.1 Leeds Building Services' Demolition Unit is Leeds City Council's (LCC's) 'In-house Service Provider' (ISP) for demolition type services. The Demolition Unit provide this service to other LCC departments such as Corporate Property Management who look after all LCC's public buildings and civic estate, Children's Services who manage school buildings and Housing Leeds who manage LCC housing stock. Therefore this means demolition contractors applying for this contract will need to have expertise and experience of demolishing all types of buildings including residential, public and commercial buildings.
- 2.2 The current arrangement for demolition has expired and has no further options for extension, therefore any orders are now on a non-contract basis.
- 2.3 Awarding this framework will ensure Council departments are able to approach the ISP in line with Contract Procedure Rule 3.1.4, and will support the ISP to meet the varied needs of its client groups, contributing to best value being achieved for the authority.

3. Main issues

- 3.1 In November 2015 a project group was set up to undertake the procurement. The group consists of representatives from Leeds Building Services, Housing Leeds Property and Contracts and the Programmes, Projects and Procurements Unit (PPPU). A scope of work was developed with a project timetable.
- 3.2 This project has been registered on the Councils project management software: PM Lite and has been assessed as a mid-scale project (CW653387).
- 3.3 The tenders were scored on a 50% cost basis and a 50% quality basis. Details of the process and the scoring mechanism were issued to the tenderers as part of the tender documentation. Also advertised was the minimum threshold for overall quality scores which was set at 40%. Any bids which failed to meet this threshold would be excluded from the tender exercise.
- 3.4 Tenderers were required to complete and provide all information in accordance with the project instructions for tendering. The evaluation panel reviewed each tender submission and objectively assessed the extent to which each tenderer met each of the specified evaluation criteria. The panel agreed scores for each criteria to ensure the evaluation criteria were consistently applied, with the final score for each bidder being a consensus score.
- 3.5 An evaluation of the tenderers' responses to the quality criteria requirements was completed by the project tender evaluation panel and quality scores awarded to each tenderer.
- 3.6 The tender price evaluation was undertaken independently by a Quantity Surveyor in the Housing Leeds Property and Contracts Commercial Team.

- 3.7 This price evaluation was based on a submission for a typical scheme which could be procured under the framework agreement. Bidders were also informed that pricing submitted for this scheme could be utilised during the term of the agreement. This was to encourage realistic pricing to provide assurance that the ISP were getting prices which are indicative of future works under the framework.
- 3.8 Following an OJEU advertisement 21 bids were received, all of which submitted compliant quality bids, and following evaluation 3 suppliers were excluded from further consideration for the following reasons:
- 2 suppliers failed to achieve the minimum quality thresholds set out within the tender documentation.
 - 1 suppliers failed to submit compliant price bids
- 3.9 The procurement set out to appoint the top 4 bidders to the framework agreement. An outline of the evaluation scores is outlined below, and it is recommended to award the contract to the top four scoring organisations.

Tenderer	Quality Score	Price Score	Total Score	Rank
Frank O'Gara & Sons Ltd	319.00	500.00	819.00	1 (successful)
Demolition Services Limited	320.00	382.72	702.72	2 (successful)
Gill Demolitions Ltd	341.00	353.47	694.47	3 (successful)
A Buckler Haulage Ltd	331.00	241.39	572.39	4 (successful)

- 3.10 Full 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.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Market sounding process saw early consultation with the market, which encouraged tenderers and saw a positive number of tender returns.
- 4.1.2 The evaluation process was undertaken by colleagues from Leeds Building Services with support and advice from Procurement Practitioners in the PPPU.
- 4.1.3 Throughout the procurement activity both the Head of Operations and Head of Commercial Management at Leeds Building Services have been kept informed

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.
- 4.2.2 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness and procured in line with Leeds City Council's Contract Procedure Rules.

4.3 Council policies and best council plan

- 4.3.1 It is paramount that procurement within LCC is undertaken with a view to ensure openness, transparency and fairness. As such this contract has been procured in line with LCC's Contract Procedure Rules and the Public Contracts Regulations 2015.
- 4.3.2 This contract will contribute to the Council's priorities by working towards becoming a more efficient and enterprising Council, and working as a team for Leeds.

4.4 Resources and value for money

- 4.4.1 As stated at paragraph 4.3.1 above, the procurement has been carried out in an open and transparent manner whilst ensuring competition is sought to identify best value.
- 4.4.2 Further competition will be carried out for each individual job on a price only basis, ensuring suppliers are encouraged to submit the best offer for each demolition project.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This is a Significant Operational Decision and is therefore not subject to call in.
- 4.5.2 The tender has been evaluated in accordance with the evaluation criteria set out in the procurement documents and therefore, provided the works are still required and affordable, the winning bidders must be appointed to the framework agreement in rank order. Thus, in making the final decision, the Director of Resources and Housing should be satisfied that this framework agreement represents best value for the Council.
- 4.5.3 As this is an OJEU procurement, the process is subject to a 10 day standstill period, which is currently ongoing.
- 4.5.4 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 Appendix 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 risk register has been developed and is being managed throughout. In addition a project specific risk register will be established for each demolition project.
- 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 The award of works under this framework agreement by way of call-off contracts should provide for adequate competition to support Leeds Building Services business plan and ensure spend is returned to be formally 'on contract',

6. Recommendations

- 6.1 It is recommended that the Director of Environments & Resources approve the award of the Demolition works framework to the following providers:
1. Frank O'Gara & Sons Ltd
 2. Demolition Services Limited
 3. Gill Demolitions Ltd
 4. A Buckler Haulage Ltd

1. Background documents¹

None.

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.