
Report of: Head of Commercial, Leeds Building Services

Report to: Director of Resources & Housing

Date: 4th July 2018

Subject: Approval to award a contract to a number of contractor providers to deliver small works and Maintenance to CPM property in 2018/19

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
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 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. LBS has a need to take on additional multi-trade contractor capacity to support them in the delivery of small works and maintenance to deliver a programme on behalf of Corporate Property Management (CPM) , these works are valued in excess of the current multi trade contract arrangements in place.
2. LBS will be delivering an element of these works in the region of £1m directly in house, however the full programme exceeds the capacity available in-house within LBS at this current time.
3. LBS have undertaken a procurement exercise in line with the authority to procure report that went through 'call in' by 5th July 2018 as the key decision. This has

identified 6 organisations to appoint to a list of contractors for a period of 18 months to deliver the aforementioned works requirements.

Recommendations

The Director of Resource & Housing is requested to approve the proposed award to the below 6 providers for a period of 18 months commencing 23rd July 2018 with no further option to extend. Work will be allocated to providers on a rotational basis commencing with the supplier identified as ranked first as a result of the price only evaluation.

- Rank 1 - FSH Group Ltd
- Rank 2 - Main-Pro Ltd
- Rank 3 - Neo Property Solutions Limited
- Rank 4 - Excell (UK) Limited
- Rank 5 - Aspect Building Solutions Ltd
- Rank 6 - Walter West Builders Ltd

1. Purpose of this report

- 1.1 The purpose of this report is to report on the procurement processes and tender evaluation undertaken to identify the preferred providers to be appointed to carry out these works.
- 1.2 To obtain approval to award a contract to the preferred providers to provide adequate contractor resources to ensure that Leeds Building Services are able to deliver the required small works and maintenance works on behalf of CPM.

2. Background information

- 2.1 Corporate Property Management have identified £5m of backlog maintenance works to start delivery in this financial year 2018/19 to improve the condition of civic stock across the city.
- 2.2 As the internal service provider LBS has been commissioned by CPM to deliver the full £5m the backlog maintenance works to the civic estate across the city on behalf of CPM.
- 2.3 LBS are in the process of recruiting internal resources to deliver this work directly in the longer term, but in the immediate short term there is a need to create some additional capacity to ensure that work is fully completed to maximise spend within the current financial year 19/20. There is therefore a requirement to seek the assistance of external contractors for up to a contract value of £4m.
- 2.4 A procurement exercise has been undertaken to identify 6 organisations able to deliver works of this nature. These contractors and works on site will be contract managed by Leeds Building Services.

3. Main issues

- 3.1 The procurement exercise has been undertaken as a restricted procedure approaching 13 organisations identified via Constructionline.

- 3.2 9 compliant tender submissions were received following closure of the submission deadline.
- 3.3 During tender analysis it was identified that Housing Leeds had omitted to request a day work rate from the tenderers.
- 3.4 Concerns were also raised regarding the capacity of the returned contractor and their availability to carry out the works. This particularly applied where contractors were already carrying out work for Leeds Building Services.

The following revisions were issued to the tenderers and they were given one week to return their revised tenders:

- Pricing document revised to include a daywork section with the submitted rate applied to a number of hours to enable evaluation.
- A request for a capacity statement detailing that, should they be successful, the tenderers can and would provide a specific team of resources that can deliver these works within the required timescales.

- 3.5 In regards to the 2nd bullet in 3.4 above all tenderers were required to provide a written response to the following:

Tenderers will be aware that this work is to address backlog maintenance works to properties that are managed by CPM but that LBS will be delivering with the support of sub contractors from this tender exercise. As bidders will be aware from the tender documents it is the intention to issue separate work packages in batches to a value of approx. £250,000 to a number of contractors. Therefore, this requires that contractors have a specifically available resource to 'drop onto' and deliver these works with a quick start should you be successful. It is acknowledged that as contractors you may have committed resources already engaged for Leeds City Council or other client partner organisation. So as to provide ourselves with the required confidence that you can dedicate a resource to these works, when returning your tender by 12 noon on 28th June to cover the day works rates issue you are also asked to provide written confirmation that, should you be successful, that you can provide a specific team of resources that can deliver these important works for CPM and LBS, in addition to any other commitments that your organisation may have already.

- 3.6 After the revised tender return date of 28th June 2018, 7 organisations tendered, the other 2 declined due to other work pressures / commitments.
- 3.7 Tenderers were assessed on a 100% price basis with the lowest 6 submissions recommended for appointment after due diligence undertaken around compliant bids by appropriate officers within the Quantity Surveying and Procurement teams in Property & Contracts.
- 3.8 The detailed results are enclosed in the confidential Appendix A.
- 3.9 The successful organisations proposed to be awarded in ranked order are:
- Rank 1 - FSH Group Ltd
 - Rank 2 - Main-Pro Ltd
 - Rank 3 - Neo Property Solutions Limited
 - Rank 4 - Excell (UK) Limited
 - Rank 5 - Aspect Building Solutions Ltd
 - Rank 6 – Walter West Builders Ltd

Consultation and engagement

- 3.9.1 LBS have consulted with CPM colleagues, procurement practitioners and the Property & Contracts SMT in identifying and delivering this compliant procurement route

3.10 Equality and diversity / cohesion and integration

- 3.10.1 No implications have been identified

3.11 Council policies and best council plan

- 3.11.1 The procurements and resulting work will contribute to the following Best Council Plan objectives:

- 3.11.1.1 **Good growth** – Growing the economy, creating jobs, improving skills, promoting a vibrant city.

3.12 Resources and value for money

- 3.12.1 This procurement and the works to be delivered by the identified contractors are funded by Corporate Property Management, approval of which has already been sought via a Key decision report for which call in expired on 5th July 2018.

- 3.12.2 The contract including allocation of work packages and monitoring of contractors on site will be managed by Technical and Commercial officers working for Leeds Building Services, in line with a contract management plan.

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

- 3.13.1 The procurement route identified is in compliance with Contract Regulations and Contracts procedure Rules.

- 3.13.2 This report is a significant operational decision to be taken by the Director of Resources and Housing and therefore will not be subject to call-in.

- 3.13.3 An initial key decision was approved as the ATS and DCR and was subject call in which expired on 5th July 2018

3.14 Risk management

Key areas to monitor and potential areas of risk are:

- 3.14.1.1 Establishing robust specifications, in particular performance standards;

- 3.14.1.2 Ensuring contractors identified are managed effectively with robust contract management plans being identified and actively implemented.

4. Conclusions

- 4.1 In order for LBS to manage the delivery of the required works on behalf of CPM an effective list of contractors is required for LBS to work with, therefore approving the award of this contract is in the best interest of LBS & CPM.

- 4.2 Works will be issued in value packages of up to £250,000 for various properties on a rotational basis starting with the first ranked contractor through to the sixth ranked contractor.
- 4.3 Whilst noting that 3 out of the 6 contractors proposed for award are currently providers other works under other contracts to Leeds City Council and specifically LBS, some of these were requested to be included on the list of tenderers and consequently have provided a written statement / commitment that if successful then they will provide a specific dedicated team of resources to deliver this work for LBS and CPM. This will need to be firmed up at contract award stage and developed / monitored as part of contract management.

5. Recommendations

The Director of Resource & Housing is requested to approve the proposed award to the below 6 providers for a period of 18 months commencing 23rd July 2018 with no further option to extend. Work will be allocated to providers on a rotational basis commencing with the supplier identified as ranked first as a result of the price only evaluation.

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Background Documents

- 1.1 Authority to procure a framework of providers to deliver Non-Housing Maintenance 2018/19