

## Report of Chief Officer of Property and Contracts

### Report to Director of Resources & Housing

**Date:** 1<sup>st</sup> November 2018

### **Subject: Authority to Procure - LBS External and Internal Painting Programme 2018 – 2020 Procurement Route for Appointment of Contractors**

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 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. LBS are looking to manage and deliver an annual External and Internal Painting Programme to housing stock of circa £2.2m per annum – this includes approx. £190k planned/batched work which is currently subcontracted through the LBS managed Framework (which expires in March 2019).
2. These works will cover both External and Internal painting to Housing stock, with the internal element only applying to communal areas – no work will be commissioned as part of this programme to undertake painting, and/or decorating services within leaseholder and/or tenant properties.
3. LBS do not currently have sufficient capacity as an internal resource to deliver these works directly however it is hoped that from April 2021/2022, all work relating to the Painting Programme will move to be fully delivered by LBS

### Recommendations

1. This report advises the Director of Resources & Housing of the options available and recommends the procurement approach to be pursued for the appointment of up to 3 contractors to undertake the proposed painting works.

2. It is proposed to utilise Lot 46 of the Efficiency North Procure Installers Framework and undertake a mini competition inviting 7 out of 10 suppliers on the Lot to tender for the proposed painting works; 3 suppliers on this specific Lot did not respond to the Expression of Interest, and will not be invited to the tender stage.
3. In accordance with the Council's Contract Procedure Rules 3.1.6 and 3.1.10, the report requests the Director of Resources & Housing to approve the procurement route for the appointment of a contractor(s) to undertake the painting works required to housing stock, and that the evaluation criteria to be used to assess the suitability of the contractor(s) to undertake the service be based on a single stage traditional tender with a weighting of a 70%/30% price/quality evaluation split.

## **1. Purpose of this report**

- 1.1 The report seeks approval from the Director of Resources & Housing to the proposed procurement route for the appointment of up to 3 contractors to undertake the proposed painting works.

## **2. Background information**

- 2.1 LBS has been requested to deliver approximately £2m of painting works to domestic properties across the city on behalf of Housing Leeds.
- 2.2 LBS do not currently have the internal capacity to deliver all of the works direct and proposing to subcontract out the full £2m of this, as well as the approx. £190k planned/batched work which is currently subcontracted through the LBS managed Framework (which expires in March 2018).
- 2.3 LBS's longer term strategy will be to directly deliver this work internally through its own in-house resources. It is anticipated that this will take place over the next 2 years through the recruitment of additional resources and TUPE transfer from other contracts previously managed by Housing Leeds directly and existing and proposed subcontractor arrangements.

## **3. Main issues**

- 3.1 In order to deliver a consistent service to Property & Contracts in maintaining the housing stock across the city, LBS will need to establish compliant and sufficient contractual arrangements in order to support the established workforce.
- 3.2 It is proposed that the contract be established for a 2 year period starting in April 2018 with the option to extend for a further 2 x 12 months.
- 3.3 It is proposed that the tender be evaluated based on a 70/30 price / quality split, with minimum thresholds used to ensure quality submissions are encouraged.
- 3.4 The framework is proposed to be structured consistently and in a manner which reduces the resource intensive need for mini competition.
  - Up to 3 contractors appointed to a 2 year framework with the option to extend for a further 2 x 12 months, valued at approximately £2.2m per annum.

- Work will be allocated citywide to each contractor over the contract period of two years with an approximate allocation of work to the value of £1.45m to each contractor (£730k per annum).
- Due to the nature of the works, there is no guarantee of any volume of works throughout the framework term.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 Leaseholder consultation will be undertaken in line with the S20 legislation requirements, to enable full re-charging of costs incurred by Leeds City Council to leaseholders.
- 4.1.2 The Council's Procurement Service has been consulted and is supportive of the proposals contained in the report.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 In the context of this report there is no expected impact on the protected characteristics and therefore it is not applicable for an EDCI impact screening form to be completed at this time.

### **4.3 Council policies and 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 and procured in line with Leeds City Councils' Contract Procedure Rules.
- 4.3.2 This contract will contribute to the delivery of the following Councils' policies and priorities:
- Working with communities;
  - Best city for communities:
  - Spending money wisely – through competitive tendering

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

- 4.4.1 The procurement will be undertaken as part of the programme of procurements being undertaken within LBS to support subcontracting arrangements and the ability for LBS to manage and deliver works on behalf of service areas across the authority.

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

- 4.5.1 All procurement activities will be undertaken in line with EU legislation, Public Contract Regulations and Contracts procedure Rules where applicable.
- 4.5.2 This report is for a Key Decision to be taken by the Director of Resources and Housing and will be subject to call-in.

## **4.6 Risk management**

- 4.6.1 There is a risk that the tender for the proposed works will exceed the budget available. This will only become apparent upon receipt of the tenders. This risk cannot be completely mitigated and, if the issue arises, it may be necessary to review the scope of service to comply with the budget available.

## **5. Conclusions**

- 5.1 In conclusion this report highlights the proposed procurement route and sets out the proposed framework structure for the delivery of the External and Internal Painting Programme
- 5.2 Leeds Building Services and Procurement Officers, including Legal representatives have reviewed all the potential procurement options and have concluded that the preferred option would be to establish a framework of contractors to deliver these works, using an already established and vetted Efficiency North framework with specialist contractors to seek competitive bids

## **6. Recommendation**

- 6.1 The Director of Resources & Housing is requested to approve the procurement of up to 3 contractors for the proposed painting works by utilising Lot 46 of the Efficiency North Procure Installers Framework, and that the evaluation criteria to be used to assess the suitability of tenderers to undertake the service be based on a single stage traditional tender with a weighting of a 70%/30% price/quality evaluation split. The term of the framework will be for 2 years with 2 x 12 month further options to extend for, valued at up-to £2,200,000 per annum.

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

- 7.1 External and Internal Painting Prog 2018 – 2020 Procurement Options Appraisal

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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.