

Report of: Property and Contract Chief Officer

Report to: Director of Resources and Housing

Date: 19th October 2018

Subject: Supply of Steel Materials, Galvanising and Powder Coating – Contract Extension

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:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Supply of Steel materials, Galvanising and Powder Coating Framework is used by LBS to support their function as service provider for metalwork and fabrication services, utilising suppliers of steel stock, metal gate and metal fencing fabricators and galvanising and powder coating services who were awarded to several Lots on this framework.
2. This report seeks the Director of Resource and Housing's approval to extend the Supply of Steel materials, Galvanising and Powder Coating Framework for a period of 24 months, in accordance with Contract Procedure Rule 21.1 and utilising Clause 3.2 incorporated within the Framework Agreement Contracts
3. The initial contract expiration date of 30th September 2018 has passed at the time of this report, however we are seeking to retrospectively extend this contract – all suppliers on this framework were engaged with prior to the contract expiry to inform them of the Council's intention to extend
4. The supply of these materials is crucial to ensure that LBS can fit a range of steel products, such as gates and fences in a variety of locations. These properties include commercial and domestic buildings such as, schools, various communal homes, sports centres and municipal buildings

5. Should the extension to this contract not be approved, this will result in the Council incurring non-contract spend, as the materials will still need to be procured to ensure services can continue.
6. Due to the annual value of the contract being in the region of £200k, the decision to extend this contract is a Significant Operating Decision, and will not be subject to call in.

Recommendations

7. The Director of Resources and Housing is requested to note the contents of this report and approve the extension with all framework contractors to the agreement for the Supply of Steel materials, Galvanising and Powder Coating services for a further 24 months to 30th September 2020 in accordance with its terms and conditions.

1 Purpose of this report

- 1.1 The purpose of this report is to inform the Director of Resources and Housing of the requirement to extend the Supply of Steel materials, Galvanising and Powder Coating Framework. The extension will be for a 24 month period starting 1st October 2018 with an end date of 30th September 2020, with an overall approx. value of £400k.

2 Background information

- 2.2 Leeds Building Services Engineering Section are Leeds City Councils' in-house service provider for metalwork and fabrication services that includes the supply and fitting of metal gates, metal fencing, external metal handrails and ad-hoc metal fabrication items.
- 2.1 This framework agreement allows Leeds Building Services to deliver services to Council departments as an Internal Service Provider, specifically with regards to steel materials, galvanising and powder coating services, and also ensures Council departments are able to approach Leeds Building Services in line with Contract Procedure Rule 3.1.4, to support the internal service provider to meet the varied needs of its client groups, contributing to best value being achieved for the authority.
- 2.2 In providing the metalwork and fabrication service, the division is supported by suppliers of steel stock, metal gate and metal fencing fabricators and galvanising and powder coating services.
- 2.3 The contracts under this framework were awarded October 2016 – the aim was to produce a framework agreement with multiple lots, and multiple suppliers within these Lots.
- 2.4 The framework was structured to deliver:

Lot 1 – The provision of steel materials that include bars and products for the manufacture and fabrication of metal gates, fencing and other metal products.
Lot 2 – The provision of prefabricated metal gates.

Lot 3 – The provision of a galvanising coating services for prefabricated metal products.

Lot 4 – The provision of a powder coating services for prefabricated metal products.

2.5 The contractors awarded places on the framework were:

Lot 1 - Steel Materials	Lot 2 - Metal Gates
GHE Stansfeld (UK) Ltd	GHE Stansfeld (UK) Ltd
John S Shackleton (Sheffield) Ltd	John S Shackleton (Sheffield) Ltd
Philford Design Engineers Ltd	Garden Gate Services Ltd
Lot 3 – Galvanised Coating Services and	Lot 4 – Powder Coating Services
Brailsford Brother (Barnsley) Ltd Philford Design Engineers Ltd	Brailsford Brother (Barnsley) Ltd

3 Main issues

3.1 The Supply of Steel materials, Galvanising and Powder Coating Framework was awarded to five contractors across 4 Lots in October 2016 for an initial period of 24 months with a provision to extend the contract once for a further period of 24 months, allowing a total contract period of 48 months – the spend across the framework was expected to be in the region of £200,000 per annum.

3.2 The current contract expires on the 30th September 2018, and this will be the first and only extension up to 30th September 2020.

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 LBS Procurement officers have been consulted and involved during the extension route recommendation and have looked into the appropriateness or otherwise of the proposed extension and concluded that it is justifiable.

4.2 Equality and diversity / cohesion and integration

4.2.1 Due consideration to equality has already taken place as part of the Corporate Procurement Process before this contract was originally awarded. It is currently not applicable to carry out an EDCI screening or impact assessment at this time.

4.3 Council policies and best council plan

4.3.1 This framework is utilised as a means of sourcing supplies of steel stock, metal gate and metal fencing fabricators and galvanising and powder coating services as and when required. Each order will be subject to the necessary approvals in accordance with the Council's rules.

4.3.2 The proposed extension to this contract will maintain an efficient method of procuring this essential service.

4.4 Resources and value for money

4.4.1 The proposed extension to this contract will maintain an efficient method of procuring these essential services and offers value for money.

4.5 Legal Implications, access to information and call In

4.5.1 There are no specific legal implications arising from this report. All activities relating to the proposed extension have been executed strictly in accordance with the Council's Contract Procedure Rules.

4.6 Risk management

4.6.1 A new tender exercise is not expected to bring any further savings and would incur costs associated with a new tender process.

5 Conclusions

5.1 The extension of this Contract is an efficient use of Council resources and offers best value for money whilst ensuring the supply of Steel materials, Galvanising and Powder Coating services can continue to be delivered.

5.2 Recommendations

5.3 The Director of Environment and Housing is requested to note the contents of this report and approve the extension with all framework contractors to the agreement for the Supply of Steel materials, Galvanising and Powder Coating services for a further 24 months to 30th September 2020 in accordance with its terms and conditions.

5.4 Background documents¹

5.5 N/A