

**Report of Heads of Planned Works  
Report to Director of Resourcing and Housing**

**Date: 18<sup>th</sup> March 2019**

**Subject: Housing Fire Safety Improvements Programme 2019 – 2024**

Are specific electoral wards affected? If yes, 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 checked="" type="checkbox"/> Yes <input 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. Housing Leeds will be managing the delivery of an annual Fire Safety Improvements Programme to Back-to-Back properties, Victorian converted properties (which have been converted into flats) and Low/High Rise Housing Blocks starting late 2019 for a period of 5 years and expected to cost approximately £1,600,000 per annum.
2. This work will encompass compartmentation, fire stopping, cable entanglement, fire alarms, smoke and heat detection, fire doors, escape windows, safe condition signage, over boarding and plaster skimming, automatic opening vents and emergency lighting. The properties mentioned above may require one or many of these elements to meet the applicable fire legislation and protect the tenants if a fire was to break out. The requirements of individual properties will be identified through fire risk assessments.
3. Leeds Building Services (LBS) have been offered this work but are unable to take this work on internally due to a lack of staffing resource available to meet the demands of the contract – in addition, Low/high rise housing blocks and Victorian converted properties require the contractor to be 3<sup>rd</sup> party independent fire accredited (e.g. FIRAS, BAFE) which LBS do not currently hold.
4. There are leaseholders within the Low/High Rise housing blocks and Victorian converted properties. A Notice of Intention was released city wide on 5<sup>th</sup> February 2019 and expired on 11<sup>th</sup> March 2019.

5. Various Frameworks were reviewed and discounted as explained in section 3 (main issues). It is therefore proposed that we conduct our own restricted OJEU procurement exercise.

## **Recommendations**

1. In accordance with the Council's Contract Procedure Rules 3.1.6, the report requests the Director of Resources and Housing to approve the recommended restricted OJEU procurement route for the appointment of two contractors to deliver the annual Fire Safety Improvements Programme to Back-to-Back properties, Victorian converted properties, and Low/High Rise Housing Blocks, and that the evaluation criteria to be used to assess the suitability of the contractor(s) to undertake the service be based on a two stage traditional tender with a weighting of a 70%/30% price/quality evaluation split. The term of the contract will be for three years with 2 x 12 months further options to extend for, valued at up to £1,600,000 per annum. The total potential contract value and term will be £8,000,000 over five years.

## 1. Purpose of this report

- 1.1. This report advises the Director of Resources and Housing of the options available and seeks approval for the recommended procurement approach to be pursued for the appointment of 2 contractors to undertake the proposed works

## 2. Background Information

- 2.1. Victorian converted properties, Back to Back properties and Low/High Rise Housing blocks throughout the Leeds Metropolitan District are in need of essential fire safety improvement works to be carried out in order to comply with the Housing Act for Victorian converted properties, Back to Back properties and Low/High Rise blocks, and also The Regulatory Reform (Fire Safety) Order 2005 (RRO) for Victorian converted properties and Low/High Rise blocks.
- 2.2. Currently there is no contract in place for fire improvement works, therefore no works are currently been done. Due to the nature that this contract will cover, it is essential that a contract is put in place to carry out these works as soon as possible to reduce the risk on the resident's health and safety.
- 2.3. In the meantime, if any urgent fire safety works were required to a property, Housing Leeds would seek a waiver and ask LBS if they can do the required works. If LBS accept, they will use their internal workforce (if they have available capacity and if the property is a back to back), or if there's no available capacity, they would seek an external contractor to do the works. If it is a Low/High rise or Victorian property, LBS would seek an external fire accredited contractor due to not having 3<sup>rd</sup> party independent fire accreditation.
- 2.4. The project team have agreed that putting all 3 property types under 1 contract will make the contract easier to manage from a contract and financial management point of view, when compared with having 3 separate contracts with potentially different contractors in each. The high contract value will potentially attract a higher number of tenderers and better pricing therefore encouraging competition and achieving better value for money from economies of scale.

## 3. Main Issues

- 3.1. There is a risk to Leeds City Council and Housing Leeds residents in delaying the procurement due to the fire safety requirements to our social housing stock.
- 3.2. This risk has been identified through the completion of suitable and sufficient fire risk assessments as required by the statutory fire legislation: The Regulatory Reform (Fire Safety) Order 2005.
- 3.3. The programme shall be risk based and be delivered to where the risk could be higher in the event of a fire, supported by the fire risk assessments and history of fires provided by WYFRS.
- 3.4. In discussion with Procurement Officers within the Projects, Procurement & Contract Management team, the following Procurement Options have been considered in line with CPR 3.1;
  - 3.4.1. **Do nothing** - this option was discounted as there would be no procurement activity and therefore no contractor(s) to deliver the programme.

3.4.2. **Internal Service Provider (ISP)** – LBS have confirmed they do not have the internal staffing resource and 3<sup>rd</sup> party independent fire accreditation to carry out the works required by this programme.

3.4.3. **Call off from existing OJEU compliant framework** - A number of existing externally managed OJEU compliant frameworks were researched and reviewed and only two frameworks met the scope of works of this programme. These were Northern Housing Consortium and Fusion 21. Both were analysed in more detail;

- **Northern Housing Consortium Fire Safety Framework:**  
This framework meets our scope however because it is split up into lots, our scope will be covered by 2 lots resulting in setting up 2 separate contracts. This would make the programme harder to manage.
- **Fusion 21 Fire Suppression Systems and Associated Works Dynamic Purchasing System Framework (DPS):**  
The framework has one particular Lot which meets our full scope of works, therefore only requiring one contract. There are currently 10 contractors on the framework.
- An expression of interest has been conducted through the DPS and 5 out of 10 contractors expressed interest in being invited to tender. The remaining 5 contractors did not respond to requests to clarify why they did not respond to the EOI.

We believe that this number of responses is insufficient to warrant using the framework as there is no guarantee that the contractor will decide to place a tender once they have received and reviewed the final tender documents. For an £8m contract we would like to see a higher number of potential tender responses to enable us to contract with the best possible value for money contractors.

3.4.4. **Council led restricted OJEU Procurement** – This route is considered to be the most appropriate. Openly advertising this opportunity with suitable restrictions in place requiring the main contractors to be 3<sup>rd</sup> party independent fire accredited would allow Housing Leeds to potentially attract a higher number of tender responses and open up competition in the marketplace, when compared with using a framework.

We will inform the 5 contractors who expressed interest in the contract via the Fusion 21 framework once the OJEU notice has been published, to encourage participation and increase competition.

We feel that opening competition would ensure the best possible chance of achieving the most value for money and will give the Council a better chance of appointing fire accredited main contractors.

3.4.5. The procurement approach will be to conduct a full OJEU procurement utilising the restricted procedure.

3.4.6. It is proposed that the contract will be established for a 3 year period with an anticipated start in October 2019 with the option to extend for a further 2 x 12 months.

3.4.7. It is proposed that the tender be evaluated based on a 70% price / 30% quality split, with minimum quality thresholds used to ensure quality submissions are encouraged.

3.4.8. The programme of works will be split equally between two contractors.

3.4.9. The proposed timetable for the delivery of this arrangement is:

An indicative timetable for the proposed procurement process is set out below:	
Complete Tender Documentation	By end of March 2019
Supplier Pre-Qualification	April/ May 2019
Invitation to Tender	May/ June 2019
Tender Evaluation	July/ August 2019
Contract Award	September 2019
Contract Mobilisation	October 2019
Contract Start	November 2019

## **4. Corporate Considerations**

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

4.1.1. Leaseholder consultation will be undertaken in line with the Section 20 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. An equality, diversity, cohesion and integration screening has been undertaken which has indicated that there are no negative impacts arising from undertaking this procurement.

### **4.3. Council Polices 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 Council's Contract Procedure Rules.

4.3.2. This contract will contribute to the delivery of the following Best Council Plan key objectives;

- Safe, Strong Communities
- Health and Wellbeing
- Housing

#### **4.4. Resources and Value for Money**

4.4.1. The procurement will be carried out in line with Public Contract Regulations 2015 whilst ensuring competition is sought to identify best value.

4.4.2. The works will have a named Project Manager and resources set aside (from Housing Leeds Service Delivery Team) to manage the contract and facilitate the contractors in to gaining access in to the dwellings. This is to ensure the contract adheres to the programme of works.

4.4.3. The Project Manager will have the assistance of financial and commercial support from a dedicated Housing Leeds team.

#### **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 Leeds Council's Contract Procedure Rules where applicable.

4.5.2. Due diligence checks of the preferred contractor(s) will be done to ascertain their financial position prior to contract award. This will ensure we are contracting with a financially sound organisation limiting the risk of works not being completed.

4.5.3. 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.

4.6.2. The contract will be managed and monitored regularly by service area representatives to ensure the benefits of the services are maximised and the contractor's performance will be measured over the life of the contract.

4.6.3. A contract management plan will be developed that will clearly identify roles and responsibilities of officers with contract ordering and performance management & monitoring activities. This plan will also emphasise the perceived aims and objectives of the contract and how their realisation and contract success will be received and managed, in addition to the plan clearly stating the responsibilities of the contractor.

## **5. Conclusions**

- 5.1. In conclusion this report highlights the proposed procurement route and sets out the proposed contract structure for the delivery of fire safety improvement works to Housing properties.
- 5.2. Housing Leeds and procurement officers have reviewed all the potential procurement options and have concluded that the preferred option would be to conduct a Council led restricted OJEU procurement exercise to seek competitive bids.

## **6. Recommendations**

- 6.1. In accordance with the Council's Contract Procedure Rules 3.1.6, the report requests the Director of Resources and Housing to approve the recommended restricted OJEU procurement route for the appointment of two contractors to deliver the annual Fire Safety Improvements Programme to Back-to-Back properties, Victorian converted properties, and Low/High Rise Housing Blocks, and that the evaluation criteria to be used to assess the suitability of the contractor(s) to undertake the service be based on a two stage traditional tender with a weighting of a 70%/30% price/quality evaluation split. The term of the contract will be for three years with 2 x 12 months further options to extend for, valued at up to £1,600,000 per annum. The total potential contract value and term will be £8,000,000 over five years.

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

- 7.1. None.

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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.