

**Report of Head of Operations, Leeds Building Services  
Report to Director of Resources and Housing**

**Date: 8<sup>th</sup> February 2019**

**Subject: Authority to procure Contractors to carry out the Isolated Rewiring element of the Kitchen and Bathroom replacement programme to Leeds City Council Domestic Properties**

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. LBS are currently undertaking a programme of work for Kitchen and Bathroom replacements which includes an element of isolated rewires. Rewiring works are currently covered on the existing Electrical contract for housing however due to the lack of existing supplier capacity, LBS require a separate contract for the rewiring element only in order to support LBS in delivering the Kitchen and Bathroom replacement programme
2. Without appropriate support in place, there is a risk that LBS would not be able to complete the works allocated to them which in turn would delay the programme of works and affect the spend levels of the Capital Programme.
3. In order to establish this contract, a procurement options review has been undertaken which has identified that to procure Leeds Building Services own contract is the preferred route of delivery for this requirement, therefore this procurement has already been added to the forward plan

**Recommendations**

The Director of Resources & Housing is requested to approve the competitive tender procurement activity to establish a contract with 2 providers to be appointed for a 3 year period with the option to extend for a further 2 x 12months at a cost of £350,000 per annum.

## 1. Purpose of this report

- 1.1 The purpose of this report is to seek approval in accordance with CPR 3.1.6 to carry out a procurement exercise to put in place a contract to deliver Isolated Rewiring element of the Kitchen and Bathroom replacement programme.

## 2. Background information

- 2.1 Leeds Building Services (LBS) currently manage the delivery of Isolated rewiring works undertaken through the existing Electrical contract on behalf of departments across the authority. This arrangement will continue through the additional contract for Isolated rewiring. The value of the proposed re-procurement of a new Electrical Contract will therefore be reduced proportionately, leaving a small contingency for any unexpected fluctuations.

## 3. Main issues

- 3.1 Leeds Building Services currently delivers approximately £350,000 per annum in relation to Isolated rewiring works relating to Kitchen and Bathroom replacements. It is proposed that the contract be let for 3 year period starting April 2019 with the option to extend for a further 2 x 12 months
- 3.2 It is proposed that the tender be evaluated based on 60/40 price /quality split, with proportionate minimum thresholds used to ensure quality submission are encouraged. Approval of the evaluation criteria will be sought from the Chief Officer of Property & Contracts in accordance with CPR 15.1 in due course.
- 3.3 It is proposed that 2 contractors will be appointment and work will be allocated on a ranked basis, meaning that the organisation identified as the most economically advantageous tenderer will be offered work in the first instance with the second contractor approached only where the first contractor is unable to meet the requirement.
- 3.4 There will be no guarantee of any volume of works throughout the contract term

## 4. Procurement Options and Timescales

The following procurement options have been reviewed

- 4.1 **Do nothing** – This option was discounted as there would be no procurement activity and therefore no contractor to deliver the programme.
- 4.2 **Use of existing Electrical Contract** – This option was discounted as the existing suppliers on this contract are at full capacity and unable to accept any additional work.
- 4.3 **Internal Service Provider (ISP)** – This would be very quick option since there would be no procurement activity and work could be awarded directly to the ISP. However, although this option has been considered in line with CPR 3.1.4 there are no appropriate internal providers or exclusive suppliers which can be utilised. LBS will manage the delivery of this contract on behalf of Leeds City Council.

- 4.4 **External Frameworks – Efficiency North Framework:** an expression of interest was undertaken with reference to Lot 11 (Electrical Installers) but the contractors who were invited to bid for this lot do not have the capacity to undertake this requirement.
- 4.5 Additional external housing frameworks were also considered. Bidders appointed to these frameworks have already been assessed through an OJEU compliant competitive tendering exercise and have been deemed as best value. Using the call off mechanism in these frameworks, a mini competition exercise could be carried out to test the appointed providers. Timescales for the procurement could have been reduced as frameworks are already established and no shortlisting would be required. Unfortunately there are no suitable lots on these frameworks that could fit Leeds City Council's requirements and therefore this option has not been recommended as the preferred procurement approach.
- 4.6 **Procure Leeds Own Contract (Recommended)** – This route is considered to be the most appropriate route as the value is below the EU threshold. An expression of interest was undertaken on Yortender and 8 contractors registered an interest to this scheme. Shortlisting was also undertaken to reduce the number of suppliers base on their credit ratings and 6 shortlisted contractors will be invited to tender via Yortender.
- 4.7 The proposed timetable for the delivery of this arrangement is:

An indicative timetable for the proposed procurement process is set out below:	
Issue Tender Documentation	25 <sup>th</sup> February 2019
Tender Submission deadline	18 <sup>th</sup> March 2019
Tender evaluation	19 <sup>th</sup> March 2019
Contract Award	29 <sup>th</sup> March 2019
Contract Start	1 <sup>st</sup> April 2019

## 5. Corporate considerations

### 5.1 Consultation and engagement

#### 5.1.1 Leeds Building Services have consulted with:

- Housing Procurement Team representatives, for developing relevant data protection aspects of the tender documents
- Leeds City Council's information governance teams have contributed to developing relevant data protection aspects of the tender documents

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

- 5.2.1 An equality, diversity, cohesion and integration impact assessment has been undertaken which has indicated that there are no negative impacts arising from undertaking this procurement.
- 5.2.2 The proposal will enable the delivery of isolated rewiring works for Leeds tenants. This works will enhance people's quality of life. It will also ensure compliant safe wiring is installed in Leeds Housing properties.

## **5.3 Council policies and best council plan**

- 5.3.1 The procurement of this contract will enable the delivery of Kitchen and Isolated rewiring works within the city and therefore contribute to key objectives within the Best Council Plan by:
- Ensuring high quality health and wellbeing - improving quality, efficiency and involving people in shaping their city, with a focus on improving housing and ensuring the wiring is compliant safe.
  - Delivery of Better Lives programme - helping local people with care and support needs to enjoy better lives, with a focus on helping people to stay living at home and creating the right housing, care, and support.

## **5.4 Resources and value for money**

- 5.4.1 The procurement will be carried out in an open and transparent manner in line with Public Contract Regulations and EU Public Procurement Directives whilst ensuring competition is sought to identify best value.
- 5.4.2 This contract will be managed by Leeds Building Services, who will develop and implement a Contract Management Plan which will detail how the contract will be managed, including performance reporting processes and how payments will be made. Whilst the performance indicators and service standards will be the same for both internal and external providers there is a need to have separate plans due to the differences in communication with the provider, payments process and reporting mechanisms. Leeds Building Services are aiming to have a draft contract management plan available for review prior to contract award.

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

- 5.5.1 A Privacy Impact Assessment was completed from which it was determined that the delivery contractors role would be that of Data Processors. Assessment of how contractors respond to the requirements of the Data Protection Act 1998 is part of the quality evaluation criteria. The tender documentation will also include standard clauses in line with the Data Protection Act 2018 we are currently working with the Leeds City Council Information Governance Team in order to develop these.
- 5.5.2 Given the costs related to this contract this decision will be a key decision and will be eligible for call in.

## **5.6 Risk management**

- 5.6.1 The procurement of the contract will be undertaken in accordance with the Regulations and the Council's Contracts Procedure Rules, with full guidance and support from the LBS Procurement Team. Any notable risks and their mitigation will be set out in future reports
- 5.6.2 The contract will be managed and monitored regularly by service area representatives with support from the Property & Contracts Commercial Manager to ensure the benefits of the services are maximised, and to measure the contractor's performance over the life of the contract.

## **6. Conclusions**

- 6.1.1 In conclusion this report highlights the proposed procurement route and sets out the proposed contract structure for the delivery of Isolated rewiring works.
- 6.2 Leeds Building Services and Procurement Officers have reviewed all the potential procurement options and have concluded that the preferred option would be to establish a contract using a competitive tender procedure on Yortender amongst contractors who have expressed an interest.
- 6.3 Establishing a contract will ensure that the authority maximises financial and quality benefits in order to make efficiencies.

## **7. Recommendations**

- 7.1 The Director of Resources & Housing is requested to approve the competitive tender procurement activity to establish a contract with 2 providers to be appointed for a 3 year period with the option to extend for a further 2 x 12 months at the sum of £350,000 per annum.

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

- 8.1 N/A

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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.