

**Report of Head of Operations LBS**

**Report to Director of Resources & Housing**

**Date: 5<sup>th</sup> August 2019**

**Subject: Contract Award for Multi Trade Contractors to support the Leeds Building Services Civic Maintenance programme**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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: 10.4 (Category 3) Appendix number: Appendix 1 – Confidential tender Analysis Report for Multi-Trades Civic Estate Works	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Summary**

**1. Main issues**

- On 5th March 2019, the Director of Resources & Housing authorised a key decision as required under Contract Procedure Rule 3.1.6 to carry out the procurement of a new contract to appoint two contractors to deliver Multi-Trades Work to Leeds Civic Estate Stock on a contract which is independent and secondary to the existing Multi Trade Civic Contract
- The rationale for creating a secondary contract was due to two of the four Contractors initially awarded to the current Multi-Trade Civic Contract having ceased trading during the term original contract, therefore additional contractor support is urgently required to assist Leeds Building Services (LBS) with the delivery of Multi-Trades Civic work.
- Following approval of the original key decision, LBS have undertaken a procurement exercise in their capacity as the contract administrator to establish a contract with a value of £1.5m per annum to commence 1st September 2019 for a 1 year period to 31<sup>st</sup> August 2020 with no option to extend.
- Tenders were received, verified and evaluated for Multi-Trades Work to Civic Estate and two contractors have been identified as suitable to deliver the services required.

## **2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- Sustainable infrastructure - Improving the resilience of the city's infrastructure and the natural environment, reducing flooding and other risks from future climate change
- Safe Strong Communities - Being responsive to local needs, building thriving, resilient communities.

## **3. Resource Implications**

- LBS have confirmed they have the expertise to manage this contract but will need to evaluate resource requirements following the latest recruitment of LBS operatives to assess whether they can deliver more of this service directly. Therefore work will continue to be sub-contracted if authority to proceed with this contract award recommendation is approved.
- The service will operate on the agreed tender prices with clear costs and ways of working laid out during the tender process.

## **Recommendations**

- The Director of Resources and Housing is recommended to note the contents of this report and approve the award of contracts to Aspect Building Solutions Ltd, and Walter West Builders Ltd Limited to deliver the requirements of the Multi-Trade work for Civic Estate contract. The contracts will run for 12 months with no option to extend commencing 1<sup>st</sup> September 2019 valued at approximately £1,500,000.00.

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

- 1.1 The purpose of this report is to set out the procurement process undertaken, including how tenders were evaluated to identify the preferred providers to be appointed to a contract for Multi-Trade Works within Leeds City Council's Civic Estate stock.
- 1.2 To obtain approval from the Director of Resources and Housing to award the contract to the recommended contractors to deliver the requirements of the Multi-Trade work for Civic Estate contract
- 1.3 The contract value is estimated at £1.5M. It is proposed that the contract be let for a 12 Month period commencing 1st September 2019 with no option to extend.

## **2. Background information**

- 2.1 LBS currently undertake a programme of work across the City for responsive repairs and maintenance to the Council's Civic Estate on behalf of Corporate Property Maintenance, Schools, and other Council Departments, which is also supported by the current Multi Trade Civic Contract which has been extended until March 2020, with a further provision to extend until 30<sup>th</sup> June 2020, to allow for a full re-procurement of the service.
- 2.2 Since the current Multi Trade Civic contract was awarded to 4 contractors, 2 of the appointed contractors have ceased trading which has led to LBS identifying a 50% reduction in contract support of approx. £1.5m worth of Multi-Trade Civic work which is to be delivered in this financial year 19/20 to improve the condition of civic stock across the city.
- 2.3 LBS do not currently have the internal capacity, or enough support on existing sub-contractor arrangements to deliver the works and are proposing to utilise a further 2 external contractors to assist with delivering up to the full £1.5m of this work in the coming year, on a contract separate from the current Multi Trade Civic contract
- 2.4 The procurement route was agreed following approval of the key decision by the Director of Resources & Housing in March 2018, which was to run a restricted non-OJEU procurement through YORtender.
- 2.5 A procurement exercise was undertaken by LBS to identify contractors who were deemed capable of delivering Multi-Trades works to Leeds City Council Civic Estate. The delivery of works will be managed by LBS in their capacity as the contract administrator.
- 2.6 This contract will be JCT Measure Term 2016 and it is proposed to commence 1<sup>st</sup> September 2019 for a 12 month period with no extension available.

## **3. Main issues**

- 3.1 In order to deliver a consistent service to Corporate Property Maintenance, Schools, and other Council Departments in maintaining the civic stock across the city, LBS need to establish a further compliant contract arrangement to support the two contractors on the existing Multi-Trade Civic Contract, who are at full capacity.

- 3.2 It is proposed that the contract be let for a 12 month period from 1st September 2019 with no option to extend, as a re-procurement is currently underway to establish one main contract covering the full Multi-Trade civic requirements to start from approx.1st July 2020.
- 3.3 This contract award recommendation will create an independent, secondary contract running alongside the existing Multi Trades Contract which is due to expire 30<sup>th</sup> June 2020.
- 3.4 The tenders have been evaluated based on a 60/40 price /quality split, with proportionate minimum thresholds used to ensure quality submissions are encouraged.
- 3.5 It is proposed that 2 contractors be appointed and work will be allocated on a ranked basis, meaning that the organisation identified as the most economically advantageous tenderer will be offered the work in the first instance with the second contractor approached only where the first contractor is unable to meet the requirement.
- 3.6 A two stage restricted procurement procedure was undertaken inviting a selection of efficient & effective contractors listed on Constructionline to express interest in this opportunity. Following consultation with LBS Team Managers, a range of suitable contractors were identified following the expression of interest stage, and a shortlist of 6 contractors were drawn up to progress to invitation to tender stage carried out via YORtender.
- 3.7 Tender documentation was issued to 6 tenderers via YORtender on 22<sup>nd</sup> May 2019 - Four tenderers failed to return submissions due to insufficient resources, being unable to be competitive or unable to comply with LCC requirements.
- 3.8 Two tenders were received by the deadline for tender submissions
- 3.9 The pricing evaluation was based on a series of brief headings for the purpose of compilation of a contract sum and a sample civic project which was scrutinised and evaluated by a Housing Leeds Quantity Surveyor. The price submitted by the top ranked tender was the lowest received

<b>Multi Trade Works</b>		
Bidder	Score (600)	Rank
Aspect Building Solutions Ltd	600	1
Walter West Builders Ltd	452.29	2

- 3.10 Full details of this price evaluation can be found on Appendix 1 -Tender analysis report – Housing Leeds
- 3.11 The quality evaluation was carried out by 2 x Service Managers (Resources & Housing), Senior Service Manager (Resources & Housing) & a Senior Projects Manager (Resources & Housing). The panel assessed the quality submissions individually before coming together with LBS Procurement support to arrive at a consensus score. Quality was evaluated on 400 points and the minimum quality threshold was 160 points. The scoring criteria for quality and weightings included:

- Staff training (Weighted score 45 points)

- Staff performance management (Weighted score 40 points)
- Managing incorrect orders (Weighted score 20 points)
- Payment of Sub-contractors, temporary staff and materials (Weighted score 20 points)
- Complaints procedure (Weighted score 50 points)
- Resourcing (Weighted score 25 points)
- Health and Safety (Weighted score 50 points)
- Clean air zone initiatives (Weighted score 15 points)
- Employment and skills (Weighted score 15 points)
- Value for money (Weighted score 20 points)
- Working in occupied buildings (Weighted score 100 points)

3.12 The outcome of the evaluation for the tenders received is that two bids have been successful for this work stream (Multi Trades Works for Civic Estate) and this report recommends that the two successful contractors are appointed to deliver Multi Trades Works for Civic Estate. Aspect Building Solutions Ltd have been ranked first and Walter West Builders Ltd second in relation to Multi-Trades Civic Estate Works. The outcome of the evaluation was as a result of price/quality evaluation.

<b>Multi Trade Works</b>				
Bidder	Quality (400)	Price (600)	Total Score (100)	Rank
Aspect Building Solutions Ltd	330.00	600.00	930.00	1
Walter West Builders Ltd	326.5	452.29	778.79	2

3.13 The overall evaluation/due diligence process has not identified any significant risks in terms of awarding the contract to the successful bidders. The successful organisations have the capacity, resource and experience within this operational field of work deemed necessary to deliver the requirements of this contract.

3.14 Confidential Appendix 1 of this report sets out the detailed evaluation scores for each contractor for Senior Management Team's (SMT) reference

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

4.1.1 LBS have consulted with Corporate Property Management colleagues, procurement practitioners and the Property and Contracts SMT in identifying this compliant procurement route, and for the purposes of undertaking the tender evaluation process.

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

4.2.1 An Equality and diversity / cohesion and integration impact assessment has been completed and no implications have been identified.

### **4.3 Council policies and the Best Council Plan**

4.3.1 The procurement and resulting work will contribute to the Best Council Plan Objectives including growing the economy, creating jobs, improving skills & promoting a vibrant City

#### **Climate Emergency**

4.3.2 It is not believed that the proposed decision is likely to have an impact, either positive or negative, on carbon emissions and the climate emergency.

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

4.4.1 The procurement was carried out in line with the Public Contracts Regulations 2015 (Regulations) and the Councils Contract Procedure Rules thereby ensuring competition was sought to identify best value.

4.4.2 The established contract including allocation of work packages will be managed by LBS, who will develop and implement a Contract Management Plan. Whilst the performance indicators and service standards will be the same for both internal and external provider, there is a need to have separate plans due to the differences in communication with the provider, payments, process and reporting mechanisms. Contract Management Plan is available for review prior to contract award.

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

4.5.1 The procurement route identified is in compliance with the Regulations and the council's Contract Procedure Rules.

4.5.2 This report is a Significant Operational Decision, as a consequence of the previous Key Decision for the authority to procure, to be taken by the Director of Resources and Housing and therefore is not subject to call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

4.5.3 The information in Appendix 1 of this report has been identified as exempt/confidential under the Access to Information Rules 10.4 (3). The public

interest in maintaining the exemption in relation to the confidential Appendix outweighs the public interest in disclosing the information and financial details which, if disclosed would adversely affect the business of the Council and the business affairs of a number of individual companies.

4.5.4 The tenders have been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, provided the works are still required and affordable the preferred contractors should be appointed..

4.5.5 In making their final decision, the Director of Resources and Housing should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

## **4.6 Risk management**

4.6.1 Key areas to monitor and potential areas of risk are:

- Measures/ KPI's included within the specification and encompassed within the Contract Management Plan.
- Ensuring the identified contractors are managed effectively within the Contract Management Plans included in the Tender.
- Ensuring use of both suppliers are optimised wherever feasible and financially viable.

## **5. Conclusions**

5.1 The procurement process has been undertaken in accordance with the Council's Contract Procedure Rules and the Regulations, with full guidance and support from procurement colleagues.

5.2 Both submissions have undergone thorough evaluation to establish value for money, and suitability to deliver the works associated with this contract therefore it is proposed that the recommended contractors be appointed to Multi Trades Civic Estate work stream to enable LBS to manage this requirement for the benefit of the Council and its Clients.

## **6. Recommendations**

6.1 The Director of Resources and Housing is recommended to note the contents of this report and approve the award of contracts to Aspect Building Solutions Ltd, and Walter West Builders Ltd Limited to deliver the requirements of the Multi-Trade work for Civic Estate contract. The contracts will run for 12 month with no option to extend commencing 1<sup>st</sup> September 2019 valued at approximately £1,500,000.00.

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

7.1 None.

---

<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.