

Report of Head of Leeds Building Services

Report to Director of Resources & Housing

Date: August 2019

Subject: Authority to procure a framework of Contractors to support the delivery of Non-Housing Maintenance works to stock managed by Corporate Property Management

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 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
Will the decision be open 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

1. Main issues

- Leeds Building Services (LBS) will be taking on additional multi-trade maintenance to deliver a backlog maintenance programme on behalf of Corporate Property Management, these works are valued at £4.3m which is in excess of the current contract arrangements in place.
- The programme will address outstanding works in buildings such as sports centres, parks facilities, homes for older people (HOPs), social care day centres, community centres, libraries, community hubs, visitor attractions and operational buildings used as office accommodation by Leeds City Council (LCC) staff. The contractors will be issued in small packages of works on these types of buildings under the framework agreement.
- LBS will be delivering an element of these works directly in house, however, the full programme exceeds the capacity available in-house at this current time. Currently, we have an arrangement in place that is due to conclude in October, which has been delivered successfully.

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

- Good growth – Growing the economy, creating jobs, improving skills, promoting a vibrant city.

3. Resource Implications

- This procurement and the works to be delivered by the identified contractors are funded by Corporate Property Management, approval of which has already been sought in the executive board report in February 2019.

Recommendations

- a) The Director of Resources & Housing is requested to approve a procurement strategy that will seek to appoint up to 8 contractors to a framework for 24 months with no option to extend with an overall estimated value of up to £4,3m. The new agreement is due to be in place from November 2019.
- b) The Director of Resources & Housing is to note that it is proposed that a competitive process will be undertaken with contractors selected using the government approved list 'Constructionline'.

1. Purpose of this report

- 1.1 In compliance with the councils Contract Procedure Rule 3.1.6 (which requires the delegated decision to undertake a procurement to be taken at the point that the procurement route is chosen) this decision report seeks authority from the Director of Resources and Housing to approve the procurement route for establishing an 24 month framework to deliver maintenance works to CPM portfolio properties across the city.

2. Background information

- 2.1 Corporate Property Management have identified £7m of backlog maintenance works to be delivered over the next two financial years (19/20/21) to improve the condition of civic stock across the city.
- 2.2 As the internal service provider under CPR 3.1.4 LBS has been commissioned to deliver the full £7m backlog maintenance works to the civic estate across the city on behalf of Corporate Property Management.
- 2.3 LBS are in the process of recruiting internal resources to deliver this work directly and currently can only look to self-deliver £2.7m, there is therefore a requirement to seek the assistance of external contractors for up to a contract value of £4,3m.

3. Main issues

- 3.1 In order to deliver a consistent service to Corporate Property Management in maintaining the civic stock across the city, it is necessary to put into place a framework of contractors to support both LBS and the delivery of these works. The proposal is to put in place the same model previously used to successfully deliver similar works from July 2018 to January 2020.
- 3.2 The current arrangement is managed by the Corporate Property Management team along with the Commercial team in Property and Contracts, due to the size, nature and volume of the works all contractors and packages/ batches of works up to the value of £250,000 are issued to each in. The work is shared between all 6 contractors, so all are engaged and delivering.
- 3.3 Procurement Options:

In coming to the proposed decision regards procurement strategy the following options have been given consideration.

Do nothing – This option was discounted as there would be no procurement activity and therefore no contractor or ability to assist in delivering the programme.

Internal Service Provider (ISP) – The internal service provider has been consulted, as required by Contract Procedure Rule 3.1.4, with regard to the scope of works. They can deliver an element of the works in house, however, would require a contract to be put in place to assist with the delivery of £4,3m of the total works required.

Procure LCC own contract arrangement through Constructionline (Recommended) – This route would provide an opportunity to test the market through a competitive exercise. A bespoke specification, pricing documents, robust

shortlisting and evaluation process to determine a value for money solution is already in place and working successfully on the previous arrangement, so would only need minor review / update from any lessons learned since mid-2018. This would include an initial Expression of Interest (EOI) to contractors from Constructionline, followed by a restricted tender via YORtender with bidders being evaluated through a price only evaluation methodology.

This mechanism has been used on the previous phase and therefore has the appropriate contractors for these types of works. The works fall below the OJEU threshold. We will look to proceed to issue out an EOI to confirm interest in tendering but we are confident this will deliver sufficient interest from contractors of the right size, with a view to appoint preferably up to 8 contractors.

External Frameworks – A number of frameworks have been considered including YORBuild2 and Efficiency North, however, considering the small batch nature of these works and the need for multiple contractors these are not felt to be suitable on this occasion.

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. The Senior Finance Manager from the Financial Development Capital Finance team has confirmed that they are happy to proceed with any procurement exercise without an authority to spend in place, on the basis that the capital programme in both February 2018 and February 2019 referred to provision of £3.5m each year for these works. However, it is anticipated that the authority to spend will be confirmed in March 2020.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 No implications have been identified.

4.3 Council policies and the Best Council Plan

- 4.3.1 The procurements and resulting work will contribute to the following Best Council Plan objectives:

- Good growth – Growing the economy, creating jobs, improving skills, promoting a vibrant city.

Climate Emergency

- 4.3.2 The Council declared a Climate Emergency for the City on the 27th March 2019 and one element is to reduce carbon emissions. How we are trying to achieve this is by scheduling the works so that sites nearby are worked on at similar times. Through shared travelling and bulk deliveries to site, this will reduce the impact on each area and help to reduce the frequent travelling of the staff and materials.

4.4 Resources, procurement and value for money

- 4.4.1 This procurement and the works to be delivered by the identified contractors are funded by Corporate Property Management, approval of which has already been sought.
- 4.4.2 The proposed contract management strategy will follow similar lines to the model used on the current contract. This will be undertaken by Corporate Property Management and Commercial QS team, to both allocate the work batches, manage and monitor works on site and subsequently pay monthly valuations for completed works. This has proved to be very successful for the term of the existing contract.

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

- 4.5.1 The procurement route identified is in compliance with Contract Procedure Rules 9.1 and 9.2, at least 2 of the organisations that will be invited to tender will be local suppliers.
- 4.5.2 This report is a Key Decision to be taken by the Director of Resources and Housing, therefore, will be 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 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 will deliver best value for the Council.

4.6 Risk management

- 4.6.1 Key areas to monitor and potential areas of risk are:
 - 4.6.1.1 Establishing robust specifications, in particular performance standards;
 - 4.6.1.2 Ensuring contractors identified are managed effectively with robust contract management plans being identified and actively implemented.

5. Conclusions

- 5.1 In order for LBS to manage the delivery of the required works on behalf of Corporate Property Management an effective list of contractors are required for LBS to work with, therefore, procuring a framework of providers via Constructionline has been identified as the most effective procurement route.
- 5.2 The procurement route identified is following the same model previously used to successfully deliver similar works from July 2018 to January 2020.

6. Recommendations

- 6.1 The Director of Resources & Housing is requested to approve a procurement strategy that will seek to appoint up to 8 contractors to a framework for 24 months with no option to extend with an overall estimated value of up to £4,3m. The new agreement is due to be in place from November 2019.
- 6.2 The Director of Resources & Housing is to note that it is proposed that a competitive process will be undertaken with contractors selected using the government approved list 'Constructionline'.

7. Background documents¹

7.1.1 None.

¹ 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.