



Report of Head of Operations, Leeds Building Services

Report to Director of Resources and Housing

Date: 23rd August 2018

Subject: Flooring Materials Provision – Proposed Contract Extension

Are specific electoral wards affected? If yes, name(s) of ward(s): Potentially City Wide	<input checked="" type="checkbox"/> Yes <input 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: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- The flooring materials provision contract is due to expire on the 30th September 2019. This contract was awarded with a 12 month extension period available.
- The goods provided under the contract are still required to complete flooring works by Leeds Building Services (LBS) across the Leeds city area, covering Housing and Civic Sites. The service levels from the contractors have been of a good standard and the service manager is happy to extend with the current framework providers.
- In order to enable continuity of service this report seeks approval to extend the contract arrangements outlined in this report.

2. Best Council Plan Implications

- Provision of the flooring materials will contribute to the Best Council Plan by ensuring Housing is of the right quality and type. It will also support the Civic buildings of Leeds thereby making Leeds' public buildings accessible, safe, and clean and welcoming, along with enhancing the image of Leeds through attractions.

3. Resource Implications

- The estimated value of extending the contracts, based on current expenditure levels equates to £300,000.00 per annum, this is based on the 2018/19 spend being £276,929.85 and a contingency has been added to this spend value.

Recommendations

- a) The Director of Resources and Housing is recommended to approve the extension of all Lots of the Supply of Flooring Materials Framework agreement with all contractors awarded to each lot as referred to in this report for a period of 12 months commencing on 1st October 2019.

1. Purpose of this report

- 1.1 To provide an update on the contractors performance of the current contracts.
- 1.2 To seek approval to extend the Supply of Flooring Materials framework agreement for an additional 12 months on all Lots - Lot 1,2 and 3 (expiring 30th September 2019).

2. Background information

- 2.1 This extension will allow LBS to continue delivering services to Council departments as an Internal Service Provider (ISP), specifically with regards to flooring materials.
- 2.2 This extension will ensure Council departments are able to approach LBS in line with Contract Procedure Rule 3.1.4, and will support the ISP to meet the varied needs of its client groups, contributing to best value being achieved for the Council.

- 2.3 LBS Flooring Team provide a vinyl and carpet repair, replacement and fitting service to Council departments that include Corporate Property Management who look after all the Council's public buildings, Children's Services who provide advice and support to Schools and Housing Leeds who manage the Councils housing stock. The service covers a wide variety of buildings in terms of type and use which includes school, leisure centres, offices, public buildings, residential / nursing homes, day centres, children's homes and residential properties.
- 2.4 The Flooring Team has over recent years seen growth in their workloads and last year spent approximately £276,929.85 on materials. The service is presently supported by a number of contractors on different lots with associated products available. The extension will secure the provision of these supplies through the framework.

3. Main issues

- 3.1 In September 2016 the Director of Resources and Housing approved the awarding of the framework agreement for the supply of flooring for 3 years with the provision to extend for a further 12 months.
- 3.2 It is now the intention of the Head of Leeds Building Services to take up the provision to extend the framework agreement for an additional 12 months.
- 3.3 The current contractors in all lots are providing a good service and quality products to the service area. In line with the Supplier Management Information requirements all contractors have reported the, spend per month, number of orders returned as faulty and average number of days taken to supply. Using this report the service have been able to monitor the quality levels from the contractors used and to ensure that the contractors are providing value for money and delivering the service levels requested in the contract. The Service Team are supportive of extending the framework agreement and use the contractors for everyday service requirements and certain contractors for specialist or bespoke requirements. Please see below the contractors included in this contract.
- F M Birch Ltd (Lot 1,2,3)
 - Wilkies All Floors (Lot 1,2,3)
 - Tarkett Ltd (Lot 2)
 - HFD Ltd t/a Joseph Hamilton and Seaton (Lot 1,2)
 - Gradus Ltd (Lot 1)
 - Gerflor Ltd (Lot 2)
 - Forbo Flooring UK Ltd (Lot 1)
 - Duraflor Europe Ltd Lot (1,2,3)
- 3.4 This extension of 12 months will be used to prepare a future procurement to cover the provision for flooring materials going forward. LBS are continuing to cover the fitting of flooring and therefore the provision for supply of flooring materials will be an ongoing requirement and a future requirement will be required to cover this provision.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Head of LBS, the LBS Service Lead and the Contract Manager have been consulted and are supportive of the recommendations in this report and supports the extension highlighted.
- 4.1.2 Procurement and Commercial Services have been consulted in the preparation of this report, including contribution from Housing Leeds Procurement Team.
- 4.1.3 Property & Contracts Senior Management Team have been consulted on the content of the report and are supportive of the recommendations included.
- 4.1.4 LBS have consulted with Corporate Property Maintenance colleagues and they are supportive of the recommendations included.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 Equality and Diversity / Cohesion and Integration (EDCI) was undertaken as part of the initial procurement exercise, it is not anticipated that the proposed extension influences any changes to those outcomes. A refresh of the EDCI will be carried out as part of the re-procurement activity.

4.3 Council policies and the Best Council Plan

- 4.3.1 The works undertaken via the extended framework agreement will contribute to the Best City Priorities of:
 - 'Housing of the right quality, type, tenure & affordability'
- 4.3.2 This contract will enable the Council to continue to deliver on their six priorities in the Housing section of the Best Council Plan:
 - Affordable housing growth
 - Improving housing quality
 - Promoting independent living
 - Creating sustainable communities
 - Improving health through housing
 - Meeting the needs of older residents

Climate Emergency

- 4.3.3 At Full Council on 27 March 2019, Leeds City Council passed a motion declaring a Climate Emergency. In addition, the Leeds Climate Commission have proposed a series of science based carbon reduction targets for the city so that Leeds can play its part in keeping global average surface temperatures to no more than 1.5°C.
- 4.3.4 It is not believed that the proposed extension decision is likely to have an impact, either positive or negative in carbon emissions and the climate emergency.
- 4.3.5 However, through delivering the service with LBS we are supporting the commitment to reduce air pollution, with the service having the largest fleet of electrical vehicles across the Council. Following further expansion of LBS electric

vehicles in October 2019, Leeds City Council will have the largest fleet of electric vehicles of any council in England.

4.4 Resources, procurement and value for money

- 4.4.1 The value of this provision per annum is: £300,000.00.
- 4.4.2 The extension of this contract represents value for money for the Council by ensuring the price of the goods in the contract still represent market value. Like for like comparison have been carried out to ensure the prices from the current supplies are still at a high specification and are still priced competitively in the market. There may be a small saving made by retendering this contract, however this is not guaranteed and the Council could end up paying more for similar goods at a similar specification. Further checks have been carried out to ensure that other Frameworks available have comparable prices with what the Council currently pays for the goods procured on the current contract and that we are still obtaining value for money by using a LCC Framework rather than another providers.
- 4.4.3 The Framework still represents a large proportion of the contractors in the market who are available to cover all the Lot requirements.
- 4.4.4 The specifications of goods currently used are still fit for purpose and the contractors used have been able to adequately cover the specifications required by the Council. The contractors have expressed their interest in extending the contract and in providing an update on their products available to the Council.

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

- 4.5.1 The decision to extend the contract is a Significant Operational Decision under Article 13 of the Councils constitution. There are no grounds for keeping the contents of the report confidential under the Access to Information Rules.
- 4.5.2 Whilst there are no legal implications in taking up the extension (assuming it is to be taken up in line with the terms of the framework agreement), in making their final decision, the Chief Officer Property and Contracts should be satisfied that the course of action proposed represents best value for the Council.

5. Risk Management

- 5.1 A contract management plan was put in place in line with CPR 3.1.14 by the Contract Manager and this should mitigate any risks in the contract period. The current contract management plan has been reviewed and updated to reflect the extension of the contract and any future risks that need to be mitigated.
- 5.2 Re procuring this contract would perhaps risk the amount of contracts available in all Lots as they may not choose to re tender for this particular contract and the current contractors may no longer believe that re tendering is in their best interest.

6. Conclusions

- 6.1 The contract extension should be approved in order to allow services to continue compliantly and on contract. This extension of 12 months will be used to prepare a future procurement to cover the provision for flooring materials going forward.

7. Recommendations

7.1 The Director of Resources and Housing is recommended to approve the extension of all Lots of the Supply of Flooring Materials Framework agreement with all contractors awarded to each lot as referred to in this report for a period of 12 months commencing on 1st October 2019.

8. Background documents¹

8.1 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.