

Report of: Head of Operations Leeds Building Services

Report to: Director of Resources and Housing

Date: 11 September 2019

Subject: Public Adaptation Bathing Contractors to undertake the supply and Installation of Bathing Facilities to Domestic Properties - Authority to procure report in line with CPR 3.1.6

Are specific electoral Wards affected? If relevant, 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:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

1. Summary of main issues

Interim contract arrangements via a waiver of Contract Procedure Rules for the provision of bathing adaptations were put in place in January 2019 to enable the use of 3 contractors by Leeds Building Services (LBS). These arrangements provide for separate rates from each contractor and are due to expire on 7th December 2019.

These arrangements are in place to support LBS and provide the following works:

- Wet Floor Showers
- Over bath Showers
- Bathroom trays

The largest share of these works are delivered through the supply and installation of wet floor showers.

A procurement options review has been undertaken with the intention to implement a new procurement strategy that after a competitive tendering exercise will see new contracts in place from 1 April 2020 for 3 years with option of 2 further 12 month extensions.

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

- These services support the council's ambition for Leeds to be a compassionate and caring city that tackles poverty and reduces inequality, by making sure that our tenants, including some of the most vulnerable people in our city, are able to live in safe, accessible and well maintained homes.

- The services contribute to the following Best Council Plan ambitions:
 - Housing – in particular housing of the right quality, and the key performance indicator of percentage of council housing repairs completed within target; and
 - Safe, Strong Communities – in particular keeping people safe from harm and protecting the most vulnerable.
 - Health and Wellbeing - Enabling people with care and support needs to have choice and control.

Recommendations

The Director of Resources & Housing is recommended to approve the procurement strategy for a non-OJEU compliant procurement activity to establish a contract to engage preferably 4 private contractors for a term of 3 years with the option to extend for a further 2 x 12 months, with an estimated value of £600,000 per annum, so total procurement estimated contract value of £3m including the optional extensions.

The Director of Resources & Housing is recommended to note that the existing arrangements will be maintained from current end date of 7th December 2019 to 31st March 2020 by variation to the contract to ensure continuity of bathing adaptations provision until new arrangements are in place after conclusion of the new procurement.

1.0 Purpose Of This Report

1.1 The purpose of this report is to seek approval to a procurement strategy as required under CPR 3.1.6 to carry out a procurement exercise to put in place contract arrangements to support Leeds Building Services (LBS) in the delivery of bathing adaptations to domestic properties in Leeds.

2.0 Background information

2.1 LBS currently manage the delivery of works undertaken through the current contract on behalf of departments across the authority.

2.2 Interim contract arrangements via a waiver of Contract Procedure Rules were put in place in January 2019 using 3 contractors. These arrangements are currently on individual variable rates and are due to expire on 7th December 2019.

2.3 These arrangements support LBS in delivery and provide the following works:

- Wet Floor Showers
- Over bath Showers
- Bathroom replacement trays

2.4 The procurement was carried out using a wider ranging schedule of rates and there was no additional interest at that time.

2.5 To seek to support a more streamlined and cost effective approach to help LBS delivery the Council is currently working with the 3 appointed contractors to seek to agree the one common and consistent rate for each of the above work areas. This is expected to be completed by early September 2019. This proposal will provide the 3 contractors with more incentive to deliver the works and it is proposed that they be asked to provide the service from 7th December 2019 to 31st March 2020 in order to ensure continuity of service provision at a collective estimated cost of £150,000. This will also provide the Council with sufficient and realistic time to carry out a robust new procurement exercise.

3.0 Main Issues

3.1 LBS currently delivers approximately £600,000 of works per annum in relation to bathing adaptations across Leeds City Council, the use of external contractors is a key mechanism to support and achieve this level of expenditure.

3.2 The works consist of bathroom adaptations: Wet Floor Showers, Bath Replacement Tray (BRT) and Over Bath Showers (OBS).

3.3 It is proposed that the tender documents refer to an evaluation criteria based on a 70% price and 30% quality. Approval of the evaluation criteria will be sought from the Chief Officer of Property & Contracts in accordance with CPR 15.1 in due course.

3.4 It is proposed to allocate the works to all 4 contractors due to the nature, size and requirement to deliver an annual programme of £600k, works are proposed to be

allocated as follows, overall winning contractor 40% of programme, 2nd to 4th ranked 20% each. This mechanism will be clearly identified in the tender invitation.

3.5 A procurement options review has been undertaken with the intention to implement a new procurement strategy that after a competitive tendering exercise will see new contracts in place from 1 April 2020 for 3 years with option of 2 further 12 month extensions.

3.6 **Procurement Options**

3.6.1 **Do nothing** – This is not an option as a total of approximately £600,000 of works is carried out each year and the internal service provider cannot deliver this requirement in house.

3.6.2 **Internal Service Provider (ISP)** – This work would be undertaken by the Internal Service Provider as per CPR 3.1.4. However, they do not have the resource capacity directly to carry out all the work and therefore are required to subcontract this work.

3.6.3 **Call off from an existing framework** – A number of existing externally managed frameworks have been considered and reviewed including YORBuild2, Efficiency North and Fusion 21. These have been considered and although such as Efficiency North does have an adaptations lot it is not considered to be suitable considering these are urgent works with quick turnaround to be delivered in Leeds.

3.6.4 **Constructionline (Recommended)** – Issue an Expression of Interest on YORtender and then invite contractors to tender via Constructionline, which is in effect a Government supported approved list for below OJEU threshold procurements.

3.7 The proposed timetable for the delivery of this arrangement is:

Publish on list of Forthcoming Key Decisions	12 July 2019 (Decision not before 10 August 2019)
Approval to commence Procurement (Procurement Strategy in line with CPR 3.1.6 – key decision)	Mid September 2019
Produce Tender documentation specification, scope of works, pricing documents, evaluation criteria, performance and contract management requirements	By end September 2019
Tender Issue	w/c 7 th October 2019
Tender Return	27 th November 2019
Tender Evaluation Report	December 2019 / January 2020
Contract Award	Late January / early February 2020

Contract Commencement	1 st April 2020
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4.0 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 LBS have consulted with:
- LBS Head of Operations
 - Housing Leeds Adaptations team

4.2 Equality and diversity / cohesion and integration

- 4.2.1 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.

4.3 Council Policies and Best Council Plan

- 4.3.1 The procurement of these contracts will enable the delivery of adaptations works within the city and therefore contribute to key objectives within the Best Council Plan by;
- Best city for health and wellbeing
 - Support more people to live safely in their own homes
 - Increase the proportion of people with long-term conditions to feel supported to be independent and to manage their condition.

Climate Emergency

- 4.3.2 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 temperature increases to no more than 1.5C.
- 4.3.3 LBS will contribute to this target by:
- Reducing air pollution e.g. increased electric vehicles and reduction in fuel
 - Improving energy efficiency of homes
 - Reducing waste and use of resources in delivering repairs and maintenance
 - Improving biodiversity outcomes in the repaired homes where possible.
- 4.3.4 LBS is committed to reducing air pollution and has 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.
- 4.3.5 The service will also use its influence to improve sustainability outcomes through its procurement activity and supply chain, inviting contractors and local SMEs to set-out their response to climate emergency.

4.4 Resource implications and value for money

- 4.4.1 The procurement will be carried out in an open and transparent manner in line with the Council's Contract Procedure Rules whilst ensuring competition is sought to identify best value.
- 4.4.2 This contract will be managed by LBS, and in line with the council's governance a Contract Management Plan will be put in place which will outline how the contract will be managed, including performance reporting processes and how payments will be made.

4.5 Legal Implications, access to information and call In

- 4.5.1 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 1998 we are currently working with the Leeds City Council Information Governance Team in order to develop these.
- 4.5.2 Given the contract value this procurement activity will be a key decision and will be eligible for call in.
- 4.5.3 This procurement value is below the works OJEU threshold of £4.55m so is a non OJEU procurement, hence the proposal to use Constructionline.

4.6 Risk management

- 4.6.1 The procurement exercise will seek to put robust new arrangements and progress will be monitored and managed against the programme listed in 3.7 of this report.
- 4.6.2 The service will need to ensure that ongoing provision of bathing adaptations is available from December 2019 to end March 2020, this will be achieved via a variation to the existing arrangement that is estimated will equate to approx. £150,000 spread between the 3 current contractors
- 4.6.3 In order to maintain the programme referred to in 3.7 it is essential that existing technical resources within LBS and the Commercial QS team in Property and Contracts are maintained on this work and remain committed to this project

5.0 Conclusions

- 5.1 In conclusion this report highlights the proposed procurement route and sets out the proposed procurement route for the delivery of adaptations provision.
- 5.2 LBS and Procurement Officers have reviewed all the potential procurement options and have concluded that the preferred option would be to procure a contract arrangement that would preferably identify up to 4 contractors to support LBS in the delivery of these bathroom related adaptation works

5.3 It is proposed to allocate the works to all 4 contractors due to the nature, size and requirement to deliver an annual programme of £600k, works are proposed to be allocated as follows, overall winning contractor 40% of programme, 2nd to 4th ranked 20% each. This mechanism will be clearly identified in the tender invitation.

6.0 Recommendations

6.1 The Director of Resources & Housing is recommended to approve the procurement strategy for a non-OJEU compliant procurement activity to establish a contract to engage preferably 5 contractors for a term of 3 years with the option to extend for a further 2 x 12 months, with an estimated value of £600,000 per annum, so total procurement estimated contract value of £3m including the optional extensions.

6.2 The Director of Resources & Housing is recommended to note that the existing arrangements will be maintained from current end date of 7th December 2019 to 31st March 2020 by variation to the contract to ensure continuity of bathing adaptations provision until new arrangements are in place after conclusion of the new procurement.

7.0 Background Papers

7.1 None