

**Report of Head of Operations, Leeds Building Services**

**Report to Director of Resources and Housing**

**Date: 20.08.2019**

**Subject: Authority to Procure support services for controlled door entry / access systems and automatic doors/gates to housing and civic properties**

Are specific electoral wards affected? If yes, name(s) of ward(s): Citywide	<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 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) are looking to procure a contract for up to 2 external contractors to continue to support the service for the responsive repairs of controlled door entry/access systems and the installation, servicing, maintenance and responsive repairs of automatic doors/gates to housing and civic properties throughout the City.
- LBS currently has a contract in place for the responsive repairs of controlled door entry/access systems to housing properties which is due to expire on the 17th February 2020, however LBS does not have a contract in place for automatic doors/gates and due to increasing expenditure in this area, the service areas have decided to incorporate this into this contract.
- LBS currently spends approximately £500,000 per annum on the current responsive repairs service, however they expect this to rise to

approximately £800,000 per annum with the additional services for automatic doors and gates on housing and civic properties.

- A procurement options review has been undertaken which has identified that a below OJEU threshold procurement process is the preferred route of delivery for this requirement.

## 2. **Best Council Plan Implications**

- Housing – Ensuring we have housing of the right quality which is kept secure.
- Safe Strong Communities - Keeping people safe from harm, and protecting the most vulnerable by keeping our residents safe.

## 3. **Resource Implications**

- The service will operate on the agreed tender prices with clear costs and ways of working laid out during the tender process.
- 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 still be required to be sub-contracted.

## **Recommendations**

- a) In accordance with the Council's Contract Procedure Rules 3.1.6, this report requests the Director of Resources & Housing to approve the use of the below OJEU threshold procurement process as the procurement route to establish a contract with up to 2 contractors for the responsive repairs of controlled door entry/access systems and the installation, servicing, maintenance and responsive repairs of automatic doors/gates to housing and civic properties throughout the City. The evaluation criteria to be used to assess the suitability of the contractor(s) will have a weighting of 60%/40% price/quality evaluation split. The contract is for a term of 3 years with the option to extend for a further 2 x 12 months periods, at a cost of £800k per annum and with an estimated total contract value of £4,000,000.

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

- 1.1 This report advises the Director of Resources and Housing of the options available and seeks approval for the recommended procurement approach to be pursued for the appointment of up to 2 contractors to undertake the proposed works.

## 2. **Background Information**

- 2.1 LBS are currently in contract with Careline Security Ltd t/a Mayfair Security for the responsive repairs to controlled door entry/access systems for Housing Leeds' properties. This contract is due to end on the 17<sup>th</sup> February 2020.
- 2.2 Leeds City Council has a duty to maintain the quality and safety of Council homes for residents, and as such the Council need to be able to promptly repair any controlled door entry/access systems to ensure residents are able to come and go in buildings and prevent access by others.
- 2.3 Such access systems are critical in maintaining safe, secure and appropriate access and exit to Council domestic properties for their users and residents, both on a day to day basis and in relation to any emergency situation requiring urgent entry/exit e.g. evacuation.
- 2.4 This new contract is for responsive repairs activity and resulting remedial and associated works in relation to communal and standalone controlled door entry/access systems for Housing properties. The contract will also include the installation, servicing, maintenance and responsive repairs of automatic doors/gates for both housing and civic properties.
- 2.2 LBS currently spend approximately £500,000 per annum on the current responsive repairs to housing properties, however this is expected to rise to approximately £800,000 per annum with the additional services for automatic doors/gates.

## 3. **Main Issues**

- 3.1 It is proposed that the contract be established for 3 years with the option to extend for a further 2 x 12 months periods.
- 3.2 The contract will contain 2 work streams. These are responsive repairs of controlled door/access systems installed on housing properties valued at approximately £500,000 per annum and the installation, servicing, maintenance and responsive repairs of automatic doors/gates installed on both housing and civic properties valued at approximately £300,000 per annum.
- 3.3 Work allocation is still to be decided and we are reviewing several different options to ensure we are encouraging quality submissions which will offer best value whilst ensuring the requirements of the service are met.

3.4 It is proposed that the tender will be evaluated based on a 60% price / 40% quality split with proportionate minimum thresholds to ensure quality submissions are encouraged.

3.4 **Procurement Options**

3.4.1 **Do Nothing** - LBS currently do not have internal resources to meet this requirement and therefore this will result in a high amount of non-contract spend if no contract is put in place.

3.4.2 **ISP** – This is LBS’ own requirement.

3.4.3 **Call off from an existing framework** – A number of existing externally managed frameworks have been considered and reviewed, however there were no frameworks available which meet our requirements.

3.4.4 **Procure Council led below OJEU threshold contract (Recommended)**  
The project team have agreed that the best route to market would be to take this opportunity to open up competition within the market place to allow the greatest amount of competition which will hopefully achieve the best value for money for the Council.

3.4.5 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	9 <sup>th</sup> October to 8 <sup>th</sup> November 2019
Tender evaluation (inc. governance reporting, and contract award prep)	11 <sup>th</sup> November 2019 to 17 <sup>th</sup> January 2020
Contract Award	20 <sup>th</sup> January 2020
Contract Mobilisation	21 <sup>st</sup> January to 17 <sup>th</sup> February 2020
Contract Start	18 <sup>th</sup> February 2020

4 **Corporate Considerations**

4.1 **Consultation and Engagement**

4.3.1 Leaseholder consultation has been undertaken in line with the Section 20 legislation requirements by the issuing of a Notice of Intent to all leaseholders to enable full re-charging of costs incurred by Leeds City Council to leaseholders.

4.3.2 The Council’s procurement service, LBS, Mechanical & Electrical and Corporate Property Management has been consulted and are all

supportive of the proposals contained in the report.

- 4.3.3 Notification of this procurement was published on the register of forthcoming Key decisions on the 30<sup>th</sup> July 2019 stating that this contract would only be for services relating to housing properties, however since publication, the service areas have agreed that the contract should cover Civic buildings too. Current spend for Civic buildings is approximately £200k, however this is currently off-contract due to the urgency of the services required i.e. mostly responsive repairs, and the time that is unavailable to conduct a competitive quotation process for each order.

The register of forthcoming Key decisions has been updated to reflect this change.

## 4.2 **Equality and Diversity / Cohesion and Integration**

- 4.2.1 An equality, diversity, cohesion and integration screening has been undertaken which has indicated that there are no negative impacts arising from undertaking this procurement.

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

- 4.3.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness and procured in line with Leeds City Council's Contract Procedure Rules.
- 4.3.2 The service contributes to providing good quality affordable homes, ensuring appropriate controlled entry/access systems are maintained, this links to the city priority of meeting housing needs and ensuring residents feel safe in their homes.
- 4.3.3 Climate Emergency

The Council declared a Climate Emergency for the City on the 27th March 2019 and one element is to reduce carbon emissions. With a responsive repairs contract it is difficult to predict future system breakdowns, therefore journeys cannot be planned to reduce carbon emissions. However, if systems require a second visit to install parts to fix the system failure or install a new system, these visits will be planned to ensure repairs within the same areas of the city are conducted on the same day. This will attempt to reduce the impact on each area and help to reduce the frequent travelling across the city.

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

- 4.4.1 The procurement will be carried out in an open and transparent manner in line with Contract Procedure Rules by ensuring competition is sought to identify best value.
- 4.4.2 The works will have a named Project Manager and resources set aside (from LBS Delivery Team) to manage the contract and facilitate the contractors in gaining access to the properties.

4.4.3 The Project Manager will have the assistance of financial and commercial support from a dedicated Housing Leeds team.

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

4.5.1 The procurement will be undertaken in line with Leeds Council's Contract Procedure Rules where applicable.

4.5.2 Due diligence checks of the preferred contractor(s) will be done to ascertain their financial position prior to contract award. This will ensure we are contracting with a financially sound organisation limiting the risk of works not being completed.

4.5.3 Given the costs related to this contract this decision will be a Key Decision and will be eligible for call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

#### **4.6 Risk Management**

4.6.1 The contract will be managed and monitored regularly by service area representatives to ensure the benefits of the services are maximised and the contractor's performance will be measured over the life of the contract.

4.6.2 There is a risk that the tender for the proposed works will exceed the budget available. This will only become apparent upon receipt of the tenders. This risk cannot be completely mitigated and, if the issue arises, it may be necessary to review the scope of service to comply with the budget available.

4.6.3 A contract management plan will be developed that will clearly identify roles and responsibilities of officers with contract ordering and performance management & monitoring activities. This plan will also emphasise the perceived aims and objectives of the contract and how their realisation and contract success will be received and managed, in addition to the plan clearly stating the responsibilities of the contractor.

### **5 Conclusions**

5.1 In conclusion, this report highlights the proposed procurement route and sets out the proposed contract structure for the service to support LBS for the responsive repairs of controlled door entry/access systems and the installation, servicing, maintenance and responsive repairs of automatic doors/gates to housing and civic properties, city wide throughout the City.

5.2 LBS and Procurement Officers have reviewed all the potential procurement options and have concluded that the preferred option would be to conduct a below OJEU threshold procurement process to seek competitive bids.

### **6 Recommendations**

6.1 In accordance with the Council's Contract Procedure Rules 3.1.6, this report requests the Director of Resources & Housing to approve the use of

the below OJEU threshold procurement process as the procurement route to establish a contract with up to 2 contractors for the responsive repairs of controlled door entry/access systems and the installation, servicing, maintenance and responsive repairs of automatic doors/gates to housing and civic properties throughout the City. The evaluation criteria to be used to assess the suitability of the contractor(s) will have a weighting of 60%/40% price/quality evaluation split. The contract is for a term of 3 years with the option to extend for a further 2 x 12 months periods, at a cost of £800k per annum and with an estimated total contract value of £4,000,000.

## **7 Background Documents**

### **7.1 Equality, Diversity, Cohesion and Integration Screening**