

Report of: Head of Operations, Leeds Building Services

Report to: Director of Resources and Housing

Date: 23rd September 2019

Subject: Authority to procure up to 6 x Multi Trade Civic Contractors to support the LBS Multi-Trade Civic Estate Works programme

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 checked="" type="checkbox"/> No

Summary of main issues

1. Leeds Building Services (LBS) currently undertake a programme of work for Multi-Trades Works to the Council's Civic Estate stock and are supported by an existing Multi Trade Civic Estate contract which has been extended until 30th June 2020 to allow for a reprocurement of the service.
2. A supplementary 1 year Multi-Trades Civic Estate contract effective from 1st September 2019 to 31st August 2020 was established and awarded through a complete procurement process to support the existing contract as a result of reduction in the number of available contractors owing to company liquidations
3. A new contract is required to replace this arrangement and up to 6 x contractors will be required to support LBS in delivering multi-trade works to non-housing stock. It is planned that LBS will deliver works through their own direct workforce in the first instance However, this framework is to be put in place in order to provide additional capacity when resource demand is at a peak. In time it is hoped that the need to use external contractor resources will reduce / diminish as LBS recruitment strategy secures more direct employed resources
4. The contract value will be £6,000,000 per annum and it is proposed that the contract be let for a 3 year period starting 1st September 2020 with the option to extend for a further 12 months.

Recommendations

1. The Director of Resources & Housing is asked to approve the recommendation to proceed with an OJEU Restricted Procedure procurement to establish a Multi-Trades Works for Civic Estate (Non-Housing) framework contract with up to 6 contractors for a term of 3 years with the option to extend for a further 12 months

valued at £6,000,000 per annum with a maximum total contract value of £24,000,000.

1.0 Purpose Of This Report

1.1 The purpose of this report is to seek approval in accordance with Contract Procedure Rule (CPR) 3.1.6 to carry out a compliant procurement exercise to establish a 3 (plus 12month optional extension) Year framework contract with up to 6 contractors to support Multi-Trade Civic Estate work.

2.0 Background information

2.1 To ensure delivery of works required to other Council departments LBS sub-contract out certain elements of work. Works are sub-contracted where LBS does not have the direct labour resources to carry out the works internally.

2.2 LBS also utilises their contractors to deliver at times of peak volumes of work. This will be for supporting peak demand responsive repairs and small works where internal resources are limited or do not exist, as well as for larger planned schemes (e.g. summer school works).

2.3 It is planned that LBS will deliver works through their own direct workforce in the first instance However, this framework is to be put in place in order to provide additional capacity when resource demand is at a peak. In time it is hoped that the need to use external contractor resources will reduce / diminish as LBS recruitment strategy secures more direct employed resources.

3.0 Main Issues

3.1 In order to deliver a consistent service to Housing Leeds in maintaining the Civic Estate stock, a compliant contract arrangement is required to support the LBS requirement.

3.2 It is proposed that the contract be let for a three year period from 1st July 2020 with an option to extend for a 12 months at the councils discretion.

3.3 It is proposed that the tender is evaluated based on 60/40 price /quality split, with proportionate minimum thresholds used to ensure quality submissions are encouraged. 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 that up to 6 contractors will be allocated works in the following ways:

3.4.1 **Rotational** – Works up to £100k will be allocated on a rotational basis, commencing with the highest ranking supplier following appointment to the framework, the 2nd ranked supplier will then be allocated the second call off..

3.4.2 **Mini-Competition** - Works above £100k will be subject to mini-competition across all appointed suppliers in an effort to demonstrate value for money throughout the term of the framework.

3.5 The mechanism and wording for the rotational element needs to be agreed and written into the tender & contract and must reflect that all suppliers from 1 – 6 will be treated fairly and receive some work within an agreed period of time. However it should be noted that suppliers may decline work when offered, and in this situation works would be offered to the next supplier,

- 3.6 There will be no guarantee of any volume of works throughout the framework term, as workload is dependent upon LBS being commissioned by departments, and the capacity of internal delivery.
- 3.7 In order for LBS to manage the delivery of the requested works, efficient & effective contractors are required for LBS to work with, therefore a full OJEU Restricted Procedure will be undertaken, This has been identified as the most effective complaint procurement route due to the size and scale of the market and should encourage more small to medium size enterprises to participate.
- 3.8 The proposed timetable for the delivery of this procurement is:

An indicative timetable for the proposed procurement process is set out below:	
Issue SSQ & Draft Tender Documentation	October 2019
SSQ Deadline	December 2019
Issue Tender Documentation	January 2019
Tender Submission deadline	February 2020
Contract Award	May 2020
Contract Start	July 2020

4.0 **Corporate Considerations**

4.1 **Consultation and engagement**

- 4.1.1 LBS have consulted with Housing Leeds colleagues including Corporate Property Management, LBS Team Managers, Team Leaders & Procurement in identifying this compliant procurement route.
- 4.1.2 Leeds City Council's information Governance teams have contributed to developing relevant data protection aspects of the tender documents.

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

- 4.2.1 No Implications have been identified, and an EDCI accompanies this report

4.3 **Council Policies and Best Council Plan**

- 4.3.1 The procurement and resulting work will contribute to the Best Council Plan Objectives including:
- 4.3.1.1. **Growing the economy**- creating jobs, improving skills & promoting a vibrant City.
- 4.3.1.2. **Child-friendly city** - Keeping children safe, supporting families, raising aspirations and educational attainment - All contractors appointed will have demonstrated adherence to safeguarding policies and

procedures to support vulnerable children within the city and vicinity of their work delivery.

Climate Emergency

4.3.1.3. **Low carbon** – Reducing emissions, tackling fuel poverty, delivering efficient and secure energy. - Maintaining housing stock is key in ensuring we are supporting tenants in reducing fuel poverty.

4.4 **Resources and value for money**

4.4.1 This procurement and the works to be delivered by the potential contractors are funded by directorates across the city, approval of which is sought by the relevant Chief Officer as and when the need is identified before commissioning LBS.

4.4.2 The procurement exercise will commence with an expression of interest stage targeted at local medium sized organisations in an effort to encourage competition within the SME market, as well as ongoing competition throughout the framework term on works over £100k in an effort to ensure best value throughout the life of the framework. Appointment of smaller / medium organisation will be subject to evidence of financial standing, which will include a requirement to evidence a positive net worth, and a turnover which is twice the potential annual value of the works, giving consideration to a fair distribution of works through the rotational allocation.

4.5 **Legal Implications, access to information and call In**

4.5.1 The procurement route will be undertaken in compliance with Public Contract Regulations 2015 and the council's internal CPRs.

4.5.2 As the value of the proposed contract exceeds £500k, this report is the subject of a Key Decision linked to the Forward plan notification published in September 2019 which is required to be taken by the Director of Resources and Housing and 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 The service commissioning LBS to undertake works is responsible for ensuring Authority to Spend has been obtained in the appropriate manner. Evidence of which will be provided to LBS upon commission.

4.5.4 Call-offs from the framework are subject to administrative, Significant Operational and Key decision as per CPR 3.1.6.

4.6 **Risk Management**

4.7 **Key areas to monitor and potential areas of risk are:**

4.7.1 Establishing a robust specification, in particular performance standards. Work is ongoing to review and update the specifications currently used to ensure the future contract is implemented with specifications which are fit for purpose.

4.7.2 Ensuring we are able to provide contractors with current stock and spend data to inform contractors of the future work programmes thereby enabling them to accurately plan for workloads and accurately price the contract.

- 4.7.3 Identifying and developing an appropriate form of contract, where changes are made to the current form of contract, consideration will need to be given to undertaking adequate training and appointing experienced and trained contract management resources to ensure contracts are managed effectively.
- 5.1.2 Ensuring contractors identified are managed effectively with robust contract management plans being identified and actively implemented. A Contract Management Plan will be developed during the procurement exercise, and implemented throughout the life of the contract.

5.0 Conclusions

- 5.1 It is proposed that LBS will deliver works through their direct workforce in the first instance and are in the process of recruiting to support this. This framework arrangement will provide support and additional capacity when resource demand is at a peak for civic estate planned works and responsive repairs.
- 5.2 LBS have an ongoing need for support to ensure their ability to deliver the works they are commissioned to carry out with regards to the civic estate, and other non-housing properties. Failure to ensure such a contract in place could:
 - 5.2.1 Adversely affect the growth ambitions of LBS,
 - 5.2.2 Result in non-contract spend in direct contradiction of associated legislations
 - 5.2.3 Result in poor stock condition in civic estate and other non-housing properties across the city.
- 5.3 Therefore it is proposed that LBS undertake this procurement exercise to establish a framework for a period of 3 years with the option to extend for a further 12 months.

6.0 Recommendations

The Director of Resources & Housing is asked to approve the recommendation to proceed with an OJEU Restricted Procedure procurement to establish a Multi-Trades Works for Civic Estate (Non-Housing) framework contract with up to 6 contractors for a term of 3 years with the option to extend for a further 12 months valued at £6,000,000 per annum with a maximum total contract value of £24,000,000.

7.0 Background Papers

- 7.1 None.