

Report of Head of Operations, Leeds Building Services

Report to Director of Resources and Housing

Date: 19.9.2019

Subject: Authority to Procure Contractors to support Leeds Building Services' to deliver a programme for the supply and installation of communal entrance doors to housing blocks

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 deliver a programme to replace the communal entrance doors to Housing Blocks managed by Housing Leeds.
- LBS currently do not have internal resources with the skills and capacity to undertake this requirement so support from an external contractor is required.
- The contractor(s) will both manufacture and install the heavy duty aluminium security doors and surrounding frames/panels.
- Since 2016, LBS has spent on average £115,000 per annum on the replacement of communal entrance doors. LBS currently do not have a long term contract in place for this requirement and they currently procure packages of work via a quotation process.

- The programme is looking to replace approximately 250 communal entrance doors across the life of the contract.
- The anticipated spend will be £300,000 per annum.

2. **Best Council Plan Implications**

- Housing – Ensuring our housing is kept safe and secure, and ensuring housing is of the right quality.
- 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.

Recommendations

- a) In accordance with the Council's Contract Procedure Rules 3.1.6, the report requests the Director of Resources and Housing to approve the recommended procurement route for the appointment of up to 2 contractors to undertake the replacement of communal entrance doors required to Housing Leeds stock. The contract has an estimated value of £300,000 per annum, for a term of 3 years from the 1st April 2020, plus 2 x 12 months optional extensions, with a potential total contract value of £1.5m.

1. **Purpose of this report**

- 1.1 The report seeks approval in accordance with Contract Procedure Rule (CPR) 3.1.6 from the Director of Resources and Housing to the proposed procurement route for the appointment of up to 2 contractors to undertake the proposed replacement of communal entrance doors.

2. **Background Information**

- 2.1 LBS has been requested to manage and deliver a programme of work for the replacement of communal entrance doors to housing blocks.
- 2.2 The current doors are predominately manufactured out of timber and steel which are coming to the end of their lifecycle. The powder coating on steel doors is failing due to many factors including exposure to weather conditions and this is causing the metal to rust. A lot of the doors are also subject to constant vandalism and as a result, some are unrepairable and are in need of replacing.
- 2.3 The works shall comprise of the replacing of communal doors to mostly low rise housing blocks (however other housing property types may require replacement doors) with new heavy duty aluminium security doors

and frames which have enhanced security features and require reduced maintenance in comparison to previously installed doors.

3. **Main Issues**

3.1 In order to deliver a consistent service to Housing Leeds in maintaining the housing stock across the city, LBS will need to establish compliant and sufficient contractual arrangements in order to support the service.

3.2 It is proposed that the contract will be established for a 3 year period from 1st April 2020 with the option to extend for a further 2 x 12 months at the Council's discretion.

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

3.4 The 2 highest scoring tenderers will be ranked position 1 and 2. The highest scoring tenderer will be given 60% of the value of the works and the 2nd place scoring tenderer will be given 40%. If the scores between positions 1 and 2 are greater than 20%, we will then have the option to give a higher proportion to position 1, if the contractor accepts the increase.

3.5 In discussion with Procurement Officers within the Projects, Procurement & Contract Management team, the following procurement options have been considered in line with CPR 3.1

3.6 **Procurement Options**

3.6.1 **Do Nothing** - this option was discounted as there would be no procurement activity and therefore no contractor(s) to deliver the programme.

3.6.2 **ISP** – the ISP, Leeds Building Services, does not have the internal capability to manufacture the communal doors and expertise to fit them to housing blocks.

3.6.3 **Call off from an existing framework** – a number of existing externally managed OJEU compliant frameworks were researched and reviewed and only two frameworks met the scope of works of this programme. These were Efficiency East Midlands (EEM) and LHC. Both were analysed in more detail;

- *Efficiency East Midlands -Manufacture and Installation of Aluminium and Composite Entrance Doors framework:*
There is only 1 contractor awarded onto the framework; Bamford Engineering Ltd. LBS want to take this opportunity to run a

competitive process with more than 1 contractor to gain best possible value for money for the Council.

- *LHC Communal Entrance Door sets and Associated Products framework:*

There are two contractors awarded onto the framework; Bamford Engineering Ltd and Close Circuit Security Services Ltd. We are able to run a competitive process between the two contractors however ideally we would prefer to have a larger number of contractors to gain best possible value for money for the Council.

3.6.4 **Undertake below OJEU threshold procurement (Recommended)**

This route is considered to be the most appropriate. The project team have agreed that the best route to market would be to issue an open market Expression of Interest (EOI), then restrict the tender to those contractors who are interested in tendering. This is in accordance with the CPRs.

We have undertaken an expression of interest exercise and 26 contractors are interested in tendering. We will only invite these 26 contractors to tender for the contract.

3.6.5 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	1 st to 26 th November 2019
Tender evaluation (Inc. governance reporting, and contract award prep)	27 th November 2019 to 29 th February 2020
Contract Award	1 st March 2020
Contract Start	1 st April 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 to enable full re-charging of supply costs incurred by Leeds City Council to leaseholders.

4.3.2 The Council's procurement service, LBS and Housing Leeds have been consulted and all are supportive of the proposals contained in the report.

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 CPRs.

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 planned works requirements so that the installations to housing blocks take place nearby each other which will help to reduce multiple journeys around the City, reducing carbon emissions.

4.3.3 This contract will contribute to the delivery of the following Best Council Plan Key Priorities;

- Housing – Ensuring our housing is kept safe and secure, and ensuring housing is of the right quality.

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 CPRs by ensuring competition is sought and encouraged 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 supply of goods to site. This is to ensure the contract adheres to any programme of works.

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 Due diligence checks of the preferred supplier(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.

4.5.2 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 supplier performance will be measured over the life of the contract.
- 4.6.2 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 supply and installation of communal entrance doors.
- 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 exercise to seek competitive bids.

6 **Recommendations**

- 6.1 In accordance with the Council's Contract Procedure Rules 3.1.6, the report requests the Director of Resources and Housing to approve the recommended procurement route for the appointment of up to 2 contractors to undertake the replacement of communal entrance doors required to Housing Leeds stock. The contract has an estimated value of £300,000 per annum, for a term of 3 years from the 1st April 2020, plus 2 x 12 months optional extensions with a potential total contract value of £1.5m.

7 **Background Documents**

- 7.1 None.