

Report of Head of Leeds Building Services

Report to Director of Resources & Housing

Date: 20th December 2019

Subject: Tender Evaluation report - Approval to award contracts to Contractors to support the delivery of Non-Housing Maintenance works to stock managed by Corporate Property Management

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| Are specific electoral wards affected? If yes, name(s) of ward(s): | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Has consultation been carried out? | <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 |
| 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: 10.4.3 Appendix number: Appendix 1 – Tender Analysis | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

Summary

1. Main issues

- Leeds Building Services (LBS) will be taking on additional multi-trade maintenance to deliver a backlog maintenance programme on behalf of Corporate Property Management, these works are valued at £4.3m which is in excess of the current contract arrangements in place. In addition to this £4.3m work which will be contracted out, an estimated £1m will be undertaken in-house by LBS which is the maximum capacity that LBS can currently deliver.
- A competitive procurement exercise has been undertaken in line with the authority to procure report that went through the key decision process which expired on 4th September 2019. This has resulted in the receipt of a number of tender submissions and this report proposes the appointment of 7 organisations to a list of contractors to deliver the non-housing maintenance works for a period of 24 months.

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

- Good growth – Growing the economy, creating jobs, improving skills, promoting a vibrant city.

3. Resource Implications

- This procurement and the works to be delivered by the identified contractors are funded by the approved capital programme provision within Corporate Property Management.

Recommendations

- a) The Director of Resources & Housing is requested to approve the proposed contract award to the 7 providers listed below for a period of 24 months commencing on 13th January 2020 with no further option to extend. The total estimated value of the works is £4.3m over the two year period and work will be allocated to providers on a rotational basis as documented in the tender documents commencing with the contractor identified as ranked first as a result of the price only evaluation.

Rank 1 – FSH

Rank 2 – Main-Pro

Rank 3 – Walter West Builders

Rank 4 – Excell (UK) Limited

Rank 5 – Neo Property Solutions

Rank 6 – Aspect Building Solutions

Rank 7 – Cornel Building Services

1. Purpose of this report

- 1.1 The purpose of this report is to detail the competitive procurement process, and subsequent tender evaluation, undertaken to identify the organisations to be appointed to carry out these works.

2. Background information

- 2.1 Corporate Property Management have identified £7m of backlog maintenance works to be delivered over the next two financial years (19/20/21) to improve the condition of civic stock across the city.
- 2.2 As the internal service provider under CPR 3.1.4 LBS has been commissioned to deliver the full £7m backlog maintenance works to the civic estate across the city on behalf of Corporate Property Management.
- 2.3 The £7m of backlog maintenance has been prioritised and LBS are in the process of recruiting internal resources to deliver this work directly and currently can only look to self-deliver £1m, there is therefore a requirement to seek the assistance of external contractors for up to a contract value of £4.3m. The prioritisation of the works has meant that a total of £5.3m of the initial £7m will be undertaken at this stage.
- 2.4 A competitive procurement exercise has been undertaken and has identified 7 organisations able to deliver works of this nature. These contractors and works on site will be contract managed by LBS.

3. Main issues

- 3.1 The procurement exercise has been undertaken as a restricted procedure via Constructionline. Tenders were invited on 20th September 2019 from 14 organisations.
- 3.2 By the tender return deadline of 18th October 2019 7 compliant tender submissions were received.
- 3.3 Tenderers were assessed on a 100% price basis with all 7 submissions recommended for appointment after due diligence undertaken around compliant bids by appropriate officers within the Quantity Surveying (QS) and Procurement teams in Property & Contracts.
- 3.4 The detailed results and tender prices are enclosed in confidential Appendix A.
- 3.5 The successful organisations proposed to be awarded in ranked order are:
 - Rank 1 – FSH
 - Rank 2 – Main-Pro
 - Rank 3 – Walter West Builders
 - Rank 4 – Excell (UK) Limited
 - Rank 5 – Neo Property Solutions
 - Rank 6 – Aspect Building Solutions
 - Rank 7 – Cornel Building Services

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 LBS have consulted with Corporate Property Management (CPM) colleagues, procurement practitioners and the Property and Contracts SMT in identifying this compliant procurement route. The Capital Finance team has confirmed that they are happy to proceed with any procurement exercise.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 No implications have been identified.

4.3 Council policies and the Best Council Plan

- 4.3.1 The procurements and resulting work will contribute to the following Best Council Plan objectives:

- 4.3.1.1 Good growth – Growing the economy, creating jobs, improving skills, promoting a vibrant city.

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 works so that sites nearby are worked on at similar times. Through shared travelling and bulk deliveries to site, this will reduce the

impact on each area and help to reduce the frequent travelling of the staff and materials.

4.4 Resources, procurement and value for money

- 4.4.1 This procurement and the works to be delivered by the identified contractors are funded by the approved capital programme provision within Corporate Property Management. Costs arising from these awards in the 2019/20 financial year will be funded through the £0.5m of uncommitted expenditure within the 2019/20 CPM capital programme. Work allocated will be managed in accordance with approved capital programme provision. Future years' commitments and expenditure against these awards will also be managed in line with approved capital programme provision with a further £3.5m of CPM backlog and another £1.5m of "parent" scheme capital funding included as part of the draft 2020/21 capital programme.
- 4.4.2 The proposed contract management strategy will follow similar lines to the model used on the current contract. This will be undertaken by Corporate Property Management and Commercial QS team, to both allocate the work batches, manage and monitor works on site and subsequently pay monthly valuations for completed works. This has proved to be very successful for the term of the existing contract.

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

- 4.5.1 The procurement route used is in compliance with Contract Procedure Rules 9.1 and 9.2, as at least 2 of the organisations that have been invited to tender are local suppliers.
- 4.5.2 An initial key decision was approved on 27th August 2019 as the Authority to Procure (ATP) and was subject to call in which expired on 4th September 2019. As such, this report is a significant operational decision to be taken by the Director of Resources and Housing, and not subject to call-in.
- 4.5.3 In making their final decision, the Director of Resources and Housing should note the above comments and be satisfied that the course of action chosen will deliver best value for the Council.

4.6 Risk management

- 4.6.1 Key areas to monitor and potential areas of risk are:
- Establishing robust specifications, in particular performance standards;
 - Ensuring contractors identified are managed effectively with robust contract management plans being identified and actively implemented.

5. Conclusions

- 5.1 In order for LBS to manage the delivery of the required works on behalf of Corporate Property Management an effective list of contractors is required for LBS to work with, therefore, approving the award of this contract is in the best interests of LBS and Corporate Property Management.

- 5.2 Works will be issued in value packages up to £250,000 for various properties on a rotational basis starting with the first ranked contractor through to the seventh ranked contractor.
- 5.3 This arrangement is proposed to be put in place following the successful operation of a similar contract and also to enable and support LBS delivery at the same time as they seek to expand resources to deliver these works through directly employed resources.

6. Recommendations

The Director of Resources & Housing is requested to approve the proposed contract award to the 7 providers listed below for a period of 24 months commencing on 13th January 2020 with no further option to extend. The total estimated value of the works is £4.3m over the two year period and work will be allocated to providers on a rotational basis as documented in the tender documents commencing with the contractor identified as ranked first as a result of the price only evaluation.

Rank 1 – FSH

Rank 2 – Main-Pro

Rank 3 – Walter West Builders

Rank 4 – Excell (UK) Limited

Rank 5 – Neo Property Solutions

Rank 6 – Aspect Building Solutions

Rank 7 – Cornel Building Services

7. Background documents¹

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.