



Report of: Head of Leeds Building Services
Report to: Director of Resources and Housing
Date: 21ST April 2020
Subject: **DN461161:** Authority to procure in line with CPR 3.1.6 – Contractor to support Leeds Building Services' delivery of painting and decorating to occupied and unoccupied Housing properties

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Alwoodley, Harewood West, Wetherby, Moortown, Roundhay, Chapel Allerton, Gipton, Harehills, Killingbeck, Seacroft, Crossgates, Whinmoor, Burmantofts, Richmond Hill, Temple Newsam, Beeston, Holbeck, Hunslet, Riverside, Morley North, Morley South, Middleton Park, Ardsley, Robin Hood, Rothwell, Garforth, Swillington, Kippax and Methley.	
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number: Appendix number:	

Summary

1. Main issues

- This competitive procurement exercise will be undertaken and a contract put in place as soon as possible in order to address 'non contract spend' on painting works to voids and responsive works that has been occurring since previous contractual arrangements expired on 31st March 2019.
- The previous contract for painting and decorating works to housing properties expired in March 2019 and was not re-procured prior to this as it was intended that this service could be absorbed by the existing Multi Trade Housing contract, however, contractors appointed to this contract were at capacity and could not take on this work.
- The contract will be for a term of one year to address the 'off contract spend' as soon as possible and allow time to procure a longer term solution which will enable Leeds Building Services' (LBS) to deliver better value for money.

- Following a procurement options review it is felt that the most appropriate methodology is that Leeds City Council tender using suppliers from Constructionline.
- In order to establish such a contract a procurement options appraisal has been undertaken, and this procurement has already been added to the list of forthcoming key decisions.

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

- The procurement will impact on the Best Council Plan by; ensuring quality and accessible homes, improving housing stock and lead to an overall improvement to housing in the area around Leeds.
- This contract will support inclusive growth by providing regeneration to housing areas.

3. Resource Implications

- The monetary benefits of this procurement exercise ensure that with competition and the ability to test price and quality, it will maximise efficiency and gain value for money.
- The contractor will have specialist skill, technical expertise and knowledge that will ensure all works are completed with regards to health and safety and environmental considerations. The service will operate on the agreed tender price with clear costs and ways of working laid out during the tender process.

Recommendations

- a) The Director of Resources and Housing is requested to approve, in line with Contract Procedure Rule 3.1.6, a competitive tender process to procure and award a contract to one contractor for the provision of painting and decorating to occupied and unoccupied housing properties. The contract is for a term of one year, with an estimated contract value of £600,000.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval in accordance with Contract Procedure Rules (CPR) 3.1.6 to carry out procurement exercise for a contractor to deliver painting and decorating works to occupied and unoccupied housing properties, in order to support LBS deliver its programme of work.
- 1.2 This report will outline a preferred option, the reasons behind the decision and the steps taken to ensure the tender submissions demonstrate and provide contractors that demonstrate both expertise and value for money.

2. Background information

- 2.1 LBS currently manage the delivery of painting and decorating works covering full internal redecoration to minor patch painting, including anti-fungal and bio-check treatment works, to domestic properties. The previous contract expired on the 31st March 2019 and currently all decoration work where a contractor is utilised is classified as off contract spend.

- 2.2 LBS previously managed another contract for painting and decorating for non-housing, civic and this will be dealt with in a separate Authority to Procure report and Delegated Decision.

3. Main issues

- 3.1 LBS currently delivers approximately £600k per annum in the east of the city. It is proposed that the contract be let for a 1 year period starting November 2020. The works cover, painting and decorating, covering full internal redecoration to minor patch painting, including anti-fungal and bio-check treatment works, to domestic properties.
- 3.2 It is proposed that the tender evaluation methodology will be based on 70% price and 30% quality split. The questions and weightings that make up the quality tender evaluation criteria are being prepared and approval of the evaluation criteria (including the quality questions) will be sought from the Chief Officer of Civic Enterprise Leeds (CEL) in accordance with CPR 15.1 in due course.
- 3.3 As an attempt to generate a good level of interest extensive research has been undertaken using the government's approved list 'Constructionline' in order to identify good quality painting and decorating specialists. The Expression of Interest (EOI) that has been issued identifies a clear scope of the works required for contractors and the key timelines for implementation.
- 3.4 The decision as to whether to bring housing and civic streams under one contract has been discussed with the service leads and the decision has been taken to keep the two contracts separate. This is due to the associated values of orders this contract is being procured for housing only to enable LBS to work with SME's and attract subcontractors of differing sizes. The larger civic works will be procured separately.
- 3.5 There will be no guarantee of any volume of works throughout the contract terms.

4. Procurement Options

- 4.1 **Do Nothing** – Not an option as the previous contract expired in March 2019 and as the provision for this work is required across the housing stock, a contract must be secured as soon as possible to ensure value for money is achieved for the council and to stop off contract spend in this area.
- 4.2 **Internal Service Provider (ISP)** – This would be a very quick option since there would be no procurement activity and work could be awarded directly to LBS as the council's ISP. However, on this occasion it is not relevant as the procurement is required to support in house capacity to deliver painting and decorating and the contractors will be managed by LBS directly.
- 4.3 **External Frameworks** – There are a number of external frameworks available and information has been gathered on each them. However, the frameworks predominately included larger contractors and for this contract we are looking to utilise small or medium contractors to deliver the works and gain better value for money.

4.4 Constructionline Council Procurement (Recommended) – This route would provide an opportunity to test the market through a competitive exercise. A bespoke specification, pricing documents, robust shortlist and evaluation process will be developed to ensure value for money is obtained. As a result of issuing an EOI to contractors who can carry out works on painting and decorating 10 contractors will be invited to take part in a restricted tender process with bidders being evaluated through a price/quality evaluation methodology. This route allows the Council to approach a wide field of contractors both small and medium in size. This procurement option would provide the Council with a compliant and robust tender process. The use of Constructionline would allow the Council to select suppliers that have already been through a validation process to ensure they have completed a PAS91 and have provided the necessary financial and insurance information. This would give the Council assurance that the contractors selected to tender from Constructionline would have the basic requirements sought by the Council.

4.4.1 The proposed timetable for the delivery of this arrangement using a Council procurement is set out below:

An indicative timetable for the proposed procurement process is set out below:	
Issue Tender Documentation	3 rd June 2020
Tender return deadline	22 nd July 2020
Tender evaluation	23 rd July – 26 th August 2020
Contract Award	w/c 5 th October 2020
Contract Start	16 th November 2020

5. Corporate considerations

5.1 Consultation and engagement

- 5.1.1 A Privacy Impact Assessment was completed from which it was determined that the delivery contractors role would be that of a Data Processors. Assessment of how contractors respond to the requirements of the Data Protection Act 2018 is part of the quality evaluation criteria. The tender documentation will also include standard clauses in line with General Data Protection Act 2018. We are currently working with Leeds City Council Information Governance Team in order to develop these.
- 5.1.2 CEL WAM/WBR, LBS Improvement Board, Head of Leeds Building Service, LBS stakeholders, Procurement and Legal Team, and Leaseholder Team have been consulted as part of this process.
- 5.1.3 The structure of this contract is in line with the LBS Procurement Strategy approach which has been developed through consultation between Senior Procurement colleagues, and the Head of Leeds Building Services. This strategy provides an overarching framework which is to be applied to all future contracts in order to align the way that contracts are managed and monitored effectively to ensure the best

possible output to support LBS' Growth Strategy, and enable them to provide an efficient and value for money responsive repairs service across the City to both domestic, unoccupied, and corporate maintained properties

5.1.4 The strategy has been developed to focus on achieving fit for purpose contracts which will be established with a strong focus on:

- Achieving value for money through effective market engagement to encourage greater levels of competition
- Identifying and enabling cost savings
- Consistent approach to terms of service and contract across housing, and non-housing, to enable improved contract management
- Adoption of a mixed economy of contractors to support the LBS Works programme (including repairs, maintenance and planned works) which will in turn support the local economy and SMEs in line with Core Council Values

5.2 Equality and diversity / cohesion and integration

5.2.1 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.

5.2.2 The proposal will enable the delivery of improvement works for Leeds tenants and the properties in the Leeds City Council housing stock.

5.3 Council policies and the Best Council Plan

5.3.1 The procurement of this contract will enable the delivery of painting and decorating to occupied and unoccupied properties within the City and therefore contribute to key objectives within the Best Council Plan by;

- Ensuring quality and accessible homes.
- Improving the housing stock.

5.3.2 Overall improvements to the housing stock in the area around Leeds.

Climate Emergency

5.3.3 At Full Council on 27th 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.

5.3.4 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, this will reduce the impact on each area and help to reduce the frequent travelling of staff and materials.

5.4 Resources, procurement and value for money.

5.4.1 The procurement will be carried out in line with Public Contract Regulations 2015 whilst ensuring competition is sought to identify best value.

5.4.2 This contract will be managed by LBS who will develop and implement a Contract Management Plan which will detail how the contract will be managed, including performance reporting processes and how payments will be made. Whilst the performance indications and service standards will be the same for both internal and external providers there is a need to have separate plans due to the differences in communication with the provider, payment process and reporting mechanisms. LBS are aiming to have a draft contract management plan available for review prior to contract award.

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

5.5.1 The delegated decision to determine the procurement approach for the services detailed in the report should be taken in compliance with CPR 3.1.6.

5.5.2 Given the costs related to this contract the 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 Access to Information Rules.

5.5.3 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 represents best value for money.

5.6 Risk management

5.6.1 The risks identified with this procurement are listed below;

- No or inadequate tenders submitted, this will be mitigated by ensuring a wide selection of contractors are part of the tender and have responded positively to the EOI.
- The procurement approach may fail to engage with the appropriate organisations to tender for this work. This has been mitigated by using a very clear and informative EOI to ensure that all contractors are aware of the works requirements and have a past history of working in this area.
- Uncompetitive pricing, this will be mitigated through the competitive tender process.
- Poor contract management, which will be mitigated through the use of a proportionate contract management plan and ensuring its use throughout the lifetime of the contract.
- Challenge, which will be mitigated through following best procurement practice, ensuring fairness and transparency, consultation with all the stakeholders to ensure robustness of the tender documents.
- Late delivery of the contract, which will be mitigated through the clearly structured timeline to support service delivery and ownership of the project group and associated officers to ensure this is adhered to.

6. Conclusions

6.1 In conclusion, this report highlights the proposed procurement route and sets out the proposed contract structure for the delivery of painting and decorating to domestic properties across Leeds.

- 6.2 LBS and procurement officers have reviewed all the potential procurement options and have concluded that the preferred option would be to establish a contract using a competitive tender process on YORtender; inviting contractors from Constructionline who have expressed an interest. Extensive work has resulted in 10 contractors expressing their interest in these works and potentially submitting a bid for this tender. Further work will be carried out to improve the specification and tender documentation, including the pricing document.
- 6.3 This contract will support LBS to deliver the specific programme of work. It is expected, with extensive works that has been undertaken in new market research, this new contract will generate interest and hopefully a greater number of tender returns. Therefore, with the perceived benefits of a more competitive price been achieved, in addition to additional contractor resources.

7. Recommendations

- 7.1 The Director of Resources and Housing is requested to approve, in line with Contract Procedure Rule 3.1.6, a competitive tender process to procure and award a contract for the provision of painting and decorating to occupied and unoccupied housing properties. This will support Leeds Building Services deliver its programme for a 1 year period with an estimated sum of £600,000.

8. Background documents¹

- 8.1 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.