

**Report of Head of Strategy and Investment**

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**Report to Director of Resources and Housing**

**Date: 2<sup>nd</sup> June 2020**

**Subject: Authority to Procure Report to source a Contractor in connection with priority concrete repair works to various housing high rise blocks**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Kirkstall, Little London and Woodhouse, Burmantofts and Richmond Hill		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

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**Summary of main issues**

- Ongoing steeplejack surveys have identified defects to the external envelop of a number of tower blocks across the city. Concrete and render is continuing to become loose, therefore, work to repair these defects needs to be carried out as a priority
- Currently 5 blocks have been identified, that require essential repairs, with an estimated cost of £850k as a pre tender estimate for the initial identified blocks this may increase and provision is made for this in this proposed procurement for an additional 50% to allow for any additional blocks to be added should that be necessary to deal with priority works. This would mean that the maximum contract value would be £1.275m.report.
- In order to proceed with the proposed procurement a key decision is required based on the estimated cost of the works of £1.275m and to work to various locations in multiple wards. This project was published on the list of forthcoming key decisions on 15<sup>th</sup> November 2019.
- A review of procurement options has been undertaken and this report identifies the preferred option. This report seeks authority under CPR 3.1.6 to undertake a procurement in competition
- It is proposed that the council will procure these works in completion, using the NEC form of contract, option B, using a bill of quantities for pricing.

- It is anticipated the works be undertaken over a 12 month period by the successful contractor.
- The works are anticipated to start in November 2020 and last for 12 months. There is £878k currently available in the budget spread over years 2020/21 and 2021/22. Executive Board of 21<sup>st</sup> February 2020 and Full Council of 26<sup>th</sup> February 2020 approved the Capital programme for 2020 to 2024 that contained £1.35m in relation to these works and subsequently authority to spend will be subject to approval of the Director of Resources and Housing for these works

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

- The works undertaken will contribute to the Best Council Plan in making sure that the council is being responsible to the local needs of the tenants in the high rise blocks and making sure that the property are safe from any issues around concrete. Resulting from steeplejack works.

**2. Resource Implications**

- The Council need to carry out priority repairs of external concrete to a number of identified high rise housing blocks.
- During the COVID – 19 lockdown period, the council has stated that only emergency/essential works will proceed. These works fall into these categories and the actual works do not require crossing the threshold and is something that could proceed at pace with minimal interaction with the tenants.

**3. Recommendations**

- The Director of Resources & Housing is recommended to approve the use of a restricted tender process using Constructionline to undertake a procurement process leading to the appointment of a specialist contractor to carry out priority repair works to external facades of the high rise blocks.

**1. Purpose of this report**

- 1.1 This report seeks approval from the Director of Resources & Housing to undertake a competitive procurement exercise in line with CPR 3.1.6 to carry out concrete repairs to various priority high rise blocks.

**2 Background information**

- 2.1 In 2019 five multi storey blocks in various parts of the city were identified for priority concrete repairs following steeplejack surveys. The immediate action was to remove loose concrete and make safe. Additionally, steeplejacks' inspections were increased in frequency from annual to quarterly as a precautionary measure.
- 2.2 These blocks were all built in circa 1960s and are a combination of the following system builds Wimpey, Terson and Simms and Cook.

- 2.3 These works involve removal or breaking out defective contaminated concrete to expose corroded rebar, using mechanical means if necessary. Grit blast / clean reinforcement to achieve quality BS 7079 standard minimum SA2 standard. If reinforcement is corroded to beyond repair then add additional reinforcement where required. Pre dampen the substrate then apply primer to exposed clean concrete and steel reinforcement. Apply polymer modified concrete repair mortar by hand or by mechanical means ensuring a flush neat finish with existing concrete face. Leave polymer modified concrete to cure and apply corrosion inhibitor to all uncoated concrete areas to reduce existing corrosion rates. Apply ore filler/ sealer, apply protective coating primer and apply finish protective coating available in various colours.

### **3 Main issues**

- 3.1 These blocks have been identified as requiring priority concrete repairs from steeplejack surveys, however the longer term investment strategy will be a 'whole buildings' approach. The steeplejack contractor only removes the loose concrete they do not repair it. As the concrete is removed this exposes the block to the elements which can lead to further damage of the building structure as well as water ingress to the building.
- 3.2 The following options have been considered in discussion with Procurement Officers and these are explained below in 3.3.

#### **3.3 Procurement Options:**

##### **3.3.1 Option 1 – Do Nothing**

This is not considered to be a viable option as the works are essential in order to provide a safe environment and to maintain the blocks.

##### **3.3.2 Option 2 – Use of Internal Service Provider**

Leeds Building Service (LBS) have been consulted in line CPR 3.1.4. The Head of LBS has confirmed that on this occasion given the nature of the works in relation to external concrete repairs works to five multi storey blocks is of a specialist nature.

Whilst noting that LBS constantly review works to identify what can be aligned to LBS growth however as the review of the business plan is with a focus on continuity of works these specialist works do not align to that approach.

The Head of Service for LBS and union colleagues have been consulted and they have confirmed that they support the recommendations as set out in this report.

##### **3.3.3 Option 3 – Restricted Tender via Constructionline (recommended approach)**

Constructionline is a recognised database of approved contractors who have been vetted and are able to do construction works. The council has used this route successfully in the past for various construction works which are below the OJEU works threshold and have found it to be an excellent source for contractors.

### 3.3.4 **Option 4 – Open Tender**

Open tender has been considered but due to the requirement to widen the competition process this option would lengthen the overall tender duration.

However using Constructionline will give the council a manageable amount of competition to enable a competitive tender. The Constructionline option is quicker since it removes the PAS91 stage with the contractors already being on a pre-vetted framework and also removes the risk of receiving a large amount of tenders, all of which would need evaluating.

### 3.3.5 **External Frameworks**

YORbuild2, Efficiency North and Fusion 21 have all been considered since they all have suitable lots specifically for high rise dwellings with relevant contractors on them. Bidders appointed to the framework have already been assessed through an OJEU compliant competitive tendering exercise and have been deemed as best value in this. They have already had their technical capacity and ability evaluated. However, having considered this option due to the lack of viable specialist lots or concrete repairs specialist this option has been discounted on this occasion.

3.4 After due consideration of all the above options it is considered that delivering the competitive procurement exercise through contractors from Constructionline as identified in option 3.3.3 above provides the Council with the most appropriate option.

3.5 The proposed timetable for this procurement is as follows:

<b>Task</b>	<b>Date</b>
Tender Out	3 <sup>rd</sup> July 2020
Tender Return	12 <sup>th</sup> August 2020
Tender Evaluation	Mid-September 2020
Governance Approval	Early October 2020
Contract Award	Late October 2020
Contract Start	Mid November 2020
Contract Period	12 months

#### 3.5.1 Capital programme provision

There is provision for this work within the capital programme over years 2020/21 and 2021/22 in line with the proposed programme in 3.5 above.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 These works were identified as essential / compliance need by NPS Structural team as part of management of routine steeplejack survey contract, essential repairs carried out in order to make safe, but this procurement is to be put in place in order

to ensure an adequate long term solution for these blocks and to ensure that we meet our obligations as a landlord.

- 4.1.2 Within Resources and Housing the project manager, quantity surveyors, capital programme team as well as procurement and legal officers in Procurement and Commercial Services have worked together to develop the proposed procurement strategy.
- 4.1.3 The Head of LBS has confirmed that on this occasion given the nature of the works in relation to external concrete repairs works to five multi storey blocks is of a specialist nature. Whilst noting that LBS constantly review works to identify what can be aligned to LBS growth however as the review of the business plan is with a focus on continuity of works these specialist works do not align to that approach.
- 4.1.4 The Head of Service for LBS and union colleagues have been consulted and they have confirmed that they support the recommendations as set out in this report
- 4.1.5 Leaseholders in these blocks have been consulted as part of the resident consultation process for these proposed works and further notices will be issued when required.
- 4.1.6 Tenants will be consulted with when a contractor has been appointed and will be advised about the programme of works.

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

- 4.2.1 An EDCI has been completed and no issues have been identified.

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

- 4.3.1 These works is project will contribute towards the delivery of a number of Best Council and City priorities, notably for everyone in Leeds to be able 'to live in good quality affordable homes within clean and well cared for places'

### **4.3.2 Climate Emergency**

- 4.3.3 At Full Council on 27<sup>th</sup> 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 increase to no more than 1.5c.
- 4.3.4 The proposed priority concrete repairs will have a positive impact on the climate emergency or emissions since the insulated high rise blocks will help reduce CO2 emissions from power stations. Properties will be more energy efficient so tenants will use less gas and electricity to heat their homes.

## **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 the Council's Contract Procedure Rules whilst ensuring competition is sought to identify best value.

- 4.4.2 This contract will be managed by the Strategy and Investment team and, in line with the council's governance processes, a Contract Management Plan will be put in place which will outline how the contract will be managed, including performance reporting processes and how payments will be made.
- 4.4.3 The proposal to invite a sufficient number of organisations who have expressed an interest through the proposed Constructionline procurement route will enable sufficient competition, thereby ensuring value for money achieved through a competitive process.
- 4.4.4 It is proposed that the tender evaluation criteria will be 60% price and 40% quality
- 4.4.5 The works are anticipated to start in November 2020 and last for 12 months. There is £878k currently available in the budget spread over years 2020/21 and 2021/22. Executive Board of 21<sup>st</sup> February 2020 and Full Council of 26<sup>th</sup> February 2020 approved the Capital programme for 2020 to 2024 that contained £1.275m in relation to these works and subsequently authority to spend will be subject to approval of the Director of Resources and Housing for these works.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 This is a key decision due to the value. Decisions that flow from this including the award of the contract will be treated as significant operational decisions in accordance with Article 13. Further decisions will be taken in accordance with the delegation scheme of Resources and Housing.
- 4.5.2 This report is subject to Call In under the provisions made in the Council Constitution. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 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 provide best value for the Council.

#### **4.6 Risk Management**

- 4.6.1 A risk register is in place and managed by the project team, this is reviewed each month along with our Compliance Team. Increased monitoring of these blocks has occurred as indicated in below (part 4.6.5 and 4.6.6)
- 4.6.2 These works are required to be put in place and completed as soon as possible to address the following key issues listed below at 4.6.3 to 4.6.6.
- 4.6.3 Health and safety of individuals residing or required to work on the high rise buildings, should these works not be undertaken then personnel will not be able to undertake repairs to high rise blocks leading to damage of the building infrastructure.
- 4.6.4 The existing buildings exterior protection has deteriorated and further delays to repairs will allow further water ingress that could impact on the structural integrity of the buildings.

- 4.6.5 An increase in concrete becoming loose at the blocks requires steeplejack inspections to be more frequent to ensure that the loose concrete is removed. Removing the loose concrete is a short term safety measure and not a robust long term repair. A comprehensive concrete repair scheme for each block will prevent water ingress, concrete spalling and longer term damage. In addition it will reduce the potential for disrepair claims.
- 4.6.6 More frequent visits are undertaken by the Compliance Team to undertake a visual inspection of the stanchions to log deterioration and flag accordingly.
- 4.6.7 Prior to the tender invitation further checks are being undertaken with the bidder market in order to ensure that the tenderers are still working and have estimator capacity in order to put together a tender submission.

## **5 Conclusions**

- 5.1.1 In a procurement sense, as the proposed estimated value is well below the OJEU Works threshold of £4.7m, the proposal to use contractors from Constructionline, a Government driven recognised database of approved contractors who are able to undertake various construction works, is both a legal and viable method to undertake a competitive procurement.
- 5.1.2 Many of the buildings are a visible eyesore due to spalling concrete and exposed rusting rebar. The appearance of these blocks might put off new tenants to the property and demand could reduce. Some of the blocks are close to the city centre and are next to blocks that have had investment through PFI work. The concrete repair will improve the appearance of these blocks.
- 5.1.3 Spalling of concrete to some external elevations and exposed communal areas if left unattended will lead to some structural elements exposed to high levels of corrosion and weakening of the surrounding concrete substrate leading to failure of the main components. By not carrying out this essential work sooner will lead to an escalation in costs over time.

## **6 Recommendations**

- The Director of Resources & Housing is recommended to approve the use of a restricted tender process using Constructionline to undertake a procurement process leading to the appointment of a specialist contractor to carry out priority repair works to external facades of the high rise blocks.

## **7 Background documents<sup>1</sup>**

- 1.1 None.

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<sup>1</sup> 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.