



Report of: Head of Leeds Building Services
Report to: Director of Resources and Housing
Date: 13th July 2020
Subject: (DN461184): Authority to procure in line with CPR 3.1.6 – Contractors to support Leeds Building Services' delivery of painting and decorating works to Civic property

Are specific electoral wards affected? If yes, name(s) of ward(s): ALL	<input checked="" type="checkbox"/> Yes <input 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) currently manage the delivery of painting and decorating works for new build, major refurbishments, full internal redecoration, minor refurbishments and minor patch painting works to Civic properties.
- The previous contract for painting and decorating works to Civic 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 Civic contract, however, contractors appointed to this contract were at capacity and could not take on this work.
- The provision is an ongoing requirement with current works and services being commissioned off contract and therefore a new competitive procurement exercise needs to be undertaken in order to establish a contract to deliver this requirement in a compliant manner.
- In order to approach the market to establish a suitable contract, a procurement options appraisal has been undertaken and it has been identified that the most appropriate method is to undertake a competitive process inviting suppliers from Constructionline to tender for an opportunity to be awarded to the contract to deliver these works.

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

- This procurement will impact on the Best Council Plan by; enhancing the image of Leeds through major events and attractions, by keeping the Civic buildings around Leeds in a good upkeep and condition.
- This contract will support inclusive growth by providing regeneration to Civic buildings.

3. Resource Implications

- The monetary benefits of this procurement exercise ensure that with encouraged competition and the ability to test price and quality, it will maximise efficiency and gain value for money.
- We will seek to appoint contractors with specialist skills, technical expertise and knowledge to ensure all works are completed with regards to Health and Safety and Environmental consideration. 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 contracts, with up to four contractors for the delivery of painting and decorating works to Civic Property. Work is to be allocated with requirements sub £20k issued on a ranked allocation basis and any works over £20k will be subject to a mini competition, between the four contractors on the framework. The contract is for a term of four years, with an estimated sum of £700k per annum and a total contract value of £2.8m.

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 Civic property, 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 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 from new build, major refurbishments, full internal redecoration, minor refurbishments, and minor patch painting works to Civic properties.
- 2.2 The delivery of these works are to Civic Properties' located Citywide including schools, libraries, Town Halls and other buildings within the Corporate Property Management (CPM) portfolio. To date, the Planned & Service Projects Manager has been engaged with and informed.

- 2.3 A separate procurement exercise is also underway to cover the requirement for painting and decorating works to Housing properties, 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 £700k per annum in relation to painting and decorating works to Leeds Civic Property. It is proposed that the contract be let for a four year period starting November 2020 as a framework. The works cover from new build, major refurbishments, full internal redecoration, minor refurbishments down to minor patch painting works, to Civic properties.
- 3.2 It is proposed that the tender evaluation methodology will be based on 80% price and 20% 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 prior to issue of the final tender documents
- 3.3 In an attempt to generate increased levels of interest and to encourage competition extensive research has been undertaken using the Government's approved contractor list 'Constructionline' in order to identify specialist painting and decorating contractors. The Expression of Interest (EOI) that has been issued specifies a clear scope of the works required to contractors and the key timelines for implementation.
- 3.4 Due to the associated values of orders this contract is being procured for Civic only to enable us to work with medium to large contractors and ensure sufficient interest is received. The smaller Housing works will be procured separately.
- 3.5 This decision has been discussed and is supported by the Head of Operations for LBS.
- 3.6 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 Civic stock, a contract must be secured as soon as possible to stop off contract spend in this area.
- 4.2 **Internal Service Provider** – This would be a very quick option since there would be no procurement activity and work could be awarded directly to the ISP. However, on this occasion it is not relevant as the procurement is required to support in house capacity to deliver painting and decorating works 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 the decorating contract for non-housing we are looking to utilise 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. An EOI to contractors who can carry out works on painting and decorating works has been issued to 21 contractors and all those expressing an interest will be invited to a restricted tender with bidders being evaluated through a price/quality evaluation methodology. The EOI responses have shown 9 of contractors are interested in tendering for the works. This route would allow the Council to approach a wide field of medium sized enterprises. 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 to give confidence to their financial standing thereby reducing the risk of Leeds City Council entering into a contract with a firm with potential financial difficulties. This would also give the Council assurance that the contractors selected to tender from Constructionline would have the specialist skills and experience required by the Council for these works.

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	5 th August 2020
Tender return deadline	23 rd September 2020
Tender evaluation	24 th September – 30 th October 2020
Contract Award	w/c 30 th November 2020
Contract Start	4 th January 2021

5. Corporate considerations

5.1 Consultation and engagement

- 5.1.1 CEL WAM/WBR, LBS Improvement Board, Head of Leeds Building Service, LBS stakeholders, Procurement and Legal Team, and Corporate Property Management have been consulted as part of this process.
- 5.1.2 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

5.1.3 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

5.1.4 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

5.1.5 Consultation has also taken place with trade unions, Councillor Lewis, Deputy Leader and Executive Member for Resources and Councillor Coupar, Deputy Leader and Executive Member for Communities of our intentions to procure this contract and they have been provided opportunity to provide feedback for consideration in the procurement of this contract.

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 Civic properties located Citywide

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 works to Civic property Citywide and therefore contribute to key objectives within the Best Council Plan by;

- Enhancing the image of Leeds through major events and attractions, by keeping the Civic buildings around Leeds in a good upkeep and condition.
- This contract will support inclusive growth by providing regeneration to Civic buildings.

Climate Emergency

5.3.2 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.

5.3.3 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 the Council's CPRs to ensure competition is sought in a compliant manner 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. Leeds Building Services 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 accordance 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 Expression of Interest.
 - 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 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 works to Civic 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. An expression of interest exercise has resulted in 9 contractors responding positively in wanting to receive tender documentation for these works with the potential to submit 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 work that has been undertaken in new market research, this new contract will generate interest, encourage competition and therefore lead to 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

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 contracts, with up to four contractors for the delivery of painting and decorating works to Civic Property. Work is to be allocated with requirements sub £20k issued on a ranked allocation basis and any works over £20k will be subject to a mini competition, between the four contractors on the framework. The contract is for a term of four years, with an estimated sum of £700k per annum and a total contract value of £2.8m.

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.