

Report of Head of Leeds Building Services

Report to Chief Officer Civic Enterprise Leeds

Date: 22 September 2020

Subject: Contract Award for Contractors to support Leeds Building Services' Delivery of Planned Re-roofing and Associated works to Housing properties

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Ardsley & Robin Hood, Beeston & Holbeck, Gipton & Harehills, Harewood, Kippax & Methley, Headingley & Hyde Park, Rothwell	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, access to information procedure rule number: 10.4 (3). Appendix number: Appendix 1 - Confidential Tender Analysis	

Summary

1. Main issues

- To support Leeds Building Services (LBS) this report seeks approval to award a contract to external contractors to provide support for planned re-roofing and associated works to housing properties.
- This report demonstrates the procurement process undertaken and the results from a tender exercise, utilising Construction Line, to identify good quality roofing specialists to support LBS and seeks approval to award contracts to 2 external contractors.

2. Best Council Plan Implications

- This scheme will improve the energy performance and efficiency of the homes leading to reduced carbon emissions and reduced fuel poverty.
- This scheme will support the council's ambition for Leeds to be a compassionate and caring city that tackles poverty and reduces inequality, by making sure that our tenants, including some of the most vulnerable people in our city, are able to live in safe, accessible and well maintained homes.

3. Resource Implications

- Funding for the scheme comes from the Housing Revenue Account (HRA).
- LBS are required to deliver £800,000 of planned re-roofing works to Council houses to support the delivery of the Housing Leeds' capital programme for 2020/21.
- The service will operate on the agreed tender prices with clear costs and ways of working formalised during the tender process and through the contract.

Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to note the content of this report and approve the award of a contract to 2 external contractors for planned re-roofing and associated works to housing properties in the city for the period of 1st October 2020 to 31st March 2021 with estimated expenditure of £600,000. The proposed contractors are:
- Marcher Roofing Limited
 - Taylor's Property Developments (Yorkshire) Ltd

1. Purpose of this report

- 1.1 The purpose of this report is to document the procurement evaluation process undertaken and to seek approval to award contracts to the identified contractors that will carry out planned re-roofing and associated works to housing properties.

2. Background information

- 2.1 The authority to procure report as required under CPR 3.1.6 in order to invite external competition was approved on 1st July 2020, with an effective date of decision from 9th July 2020. This report considered appropriate procurement options and approved the use of inviting contractors approved by Construction Line to tender, as the manner in which to proceed with an external procurement competition. This report also acted as the key decision under the Constitution.
- 2.2 Planned re-roofing and associated works to residents' properties are an ongoing part of the planned works within the housing capital programme, funded by the HRA. In line with Contract Procedure Rule 3.1.4, as the Internal Service Provider (ISP), LBS were consulted by Housing Leeds and are managing the delivery of £800,000 of planned re-roofing works.
- 2.3 LBS require subcontractors to support delivery of £800,000 of re-roofing works in 2020/21. LBS have already procured sub-contractors to deliver £200,000 of re-roofing works which leaves £600,000 remaining to be procured. The tender was issued at a value of £400,000 due to the remaining properties on the property list provided by the housing capital programme not equating to £600,000. This was decided by the service area after receiving a pre-tender estimate from the quantity surveyors. LBS has since decided to increase the contract value to £600,000 in line with the original value approved at the authority to procure stage and to obtain additional properties from Housing Leeds to make up the shortfall to achieve the £800,000 target. Both successful contractors and the market will be notified of this change at contract award.

3. Main issues

- 3.1 The planned re-roofing scheme has to be completed by the 31st March 2021, therefore the proposal is to establish a contract for an initial 6 months period, starting on the 1st October 2020 and finishing on the 31st March 2021
- 3.2 An expression of interest inviting contractors from Construction Line was issued on the 6th May 2020 and 9 contractors of which 8 submitted tenders and 1 opted out. The bids were assessed on a 100% price only basis. The Council's Commercial Quantity Surveyor team within Housing Leeds were responsible for evaluation of priced submissions. Bidders were required to complete a schedule of rates for the works which was then applied to a sample scheme for evaluation.
- 3.3 The cheapest price submitted received the maximum points available – details of the scores for price evaluation are shown in the table below.

Rank	Contractor	Price Score (1000 points available)
1	Marcher Roofing Limited	1000
2	Taylor's Property Developments (Yorkshire) Ltd	984.35
3	A. Connolly Limited	953.58
4	City West Works Limited T/A Liberty Group	827.49
5	Karl Austerfield Roofing Limited	810.12
6	Jackson Jackson & Sons Limited	799.52
7	Jennings Roofing Limited	761.70
8	Houston Roofing Limited	<i>Withdrew</i>

- 3.4 Full details of the pricing review can be found in the Appendix 1 Confidential Tender Analysis.
- 3.5 The two organisations who are recommended for the contract award are:
- Marcher Roofing Limited
 - Taylor's Property Developments (Yorkshire) Ltd
- 3.6 As Marcher Roofing Limited came first, they will be allocated 60% of the value of the works and Taylor's Property Developments (Yorkshire) Ltd will be allocated 40%.
- 3.7 The established contract including allocation of work packages will be managed by LBS, who will develop and implement a Contract Management Plan. This will ensure that any underperformance is efficiently identified and appropriate action taken.
- 3.8 Prior to award, financial and reference checks have been undertaken for both contractors to ensure there is no risk to the authority. The results will be kept on file.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation and engagement with council stakeholders has taken place when developing the procurement work stream as well as assessing the tenders when they were returned. This has involved the Procurement Service, Housing Leeds Quantity Surveyors and LBS. When necessary, legal advice has been sought from the PACS commercial team.
- 4.1.2 The list of housing properties provided to LBS have been confirmed to contain no leaseholders, therefore there has been no consultation with the Leasehold team.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An Equality and Diversity Screening was carried out and completed when we asked for the procurement strategy to be approved in July 2020. This indicated that there were no expected impacts on the protected characteristics of individuals and therefore it was not applicable to do an EDCl impact assessment.

4.3 Council policies and the Best Council Plan

- 4.3.1 The procurement was undertaken with a view to ensure openness, transparency and fairness and was procured in line with the Council's Contract Procedure Rules (CPRs).
- 4.3.2 The service contributes to providing good quality affordable homes and helps to improve the energy efficiency of homes. This links to the city priority of meeting housing needs and helps to solve issues of fuel poverty for the most vulnerable people in our city.

Climate Emergency

- 4.3.3 The Council declared a Climate Emergency for the City on the 27th March 2019 and one element is to reduce carbon emissions. One method of how we are trying to tackle carbon emissions is by planning our programme of properties that require roof replacements to ensure work is being conducted in the same area, at the same time, for all required properties in that area. This also helps with the delivery of materials. The contractors have the ability to deliver all materials required for all properties located in the same location in 1 or very few bulk deliveries, resulting in fewer journeys throughout the City.
- 4.3.4 This scheme will also improve the energy performance and efficiency of the homes leading to reduced carbon emissions and reduced fuel poverty.

4.4 Resources, procurement and value for money

- 4.4.1 The procurement was carried out in an open and transparent manner in line with CPRs in order to ensure competition was sought to achieve best value.
- 4.4.2 This contract will be managed by LBS, using a Contract Management Plan which will include performance reporting processes and how payments will be made.

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

- 4.5.1 Given that the Key Decision has already been taken on 9th July 2020, this decision to award the contract can be treated as a Significant Operational Decision as it's a consequence of the original Authority to Procure, and is therefore not subject to call-in. Other than confidential Appendix 1, there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 The information in Appendix 1 of this report has been identified as exempt/confidential under the Access to Information Rules 10.4 (3). The public interest in maintaining the exemption in relation to the confidential Appendix outweighs the public interest in disclosing the information and financial details which, if disclosed would adversely affect the business of the Council and the business affairs of a number of individual companies.
- 4.5.3 In making their final decision, the Chief Officer of Civic Enterprise Leeds should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

4.6 Risk management

- 4.6.1 Key areas to monitor and potential areas of risk are:
- 4.6.1.1 Ensuring the contract is managed and monitored by the appointed contract manager within LBS to ensure the benefits of the services are maximised to meet Housing Leeds requirements as the client.
- 4.6.1.2 The Contract Manager from LBS will ensure that regular contract meetings take place throughout the duration of the contract and they will monitor Performance Measures/KPI's that are included within the specification and Contract Management Plan.
- 4.6.1.3 Budgets will be monitored regularly to ensure that they're on track with expected levels of spend.
- 4.6.1.4 There is a risk that the contractors may fall into financial difficulty. Financial checks have already taken place and the awarded contractors are financially stable. If they reject any work from LBS, the Contract Manager will closely monitor the contractor and identify the reasons for the rejection.
- 4.6.1.5 There is a low risk of challenge by one or more of the unsuccessful tenderers due to the increase in contract value from £400,000 to £600,000. LBS believes that a risk of challenge is very unlikely to occur.

5. Conclusions

- 5.1 There is a requirement for LBS to deliver £600,000 of planned re-roofing and associated works to housing properties throughout the City.
- 5.2 The requirement has now been through a robust tender process and 2 contractors have been successful in their submissions.

6. Recommendations

6.1 The Chief Officer Civic Enterprise Leeds is recommended to note the content of this report and approve the award of a contract to 2 external contractors for planned re-roofing and associated works to housing properties in the city for the period of 1st October 2020 to 31st March 2021 with estimated expenditure of £600,000. The proposed contractors are:

- Marcher Roofing Limited
- Taylor's Property Developments (Yorkshire) Ltd

7. Background documents¹

7.1 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.