



Report of Head of Leeds Building Services

Report to Chief Officer Civic Enterprise Leeds

Date: 1st October 2020

Subject: Leeds Building Services - Brickwork Sub Contractor Framework Agreement Extension

Are specific electoral wards affected? If yes, name(s) of ward(s): East area of City	<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 type="checkbox"/> Yes <input checked="" 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 have a framework agreement in place for the repair, renewal and alteration of brickwork, blockwork and associated works. This covers both planned and responsive works which are carried out to individual properties from the Council's housing stock, civic estate and other assets. This framework agreement started on the 1st August 2017 for an initial period of 3 years until the 31st July 2020, with the option to extend for a further 12 months until the 31st July 2021.
- The framework has now expired however the intention to extend this framework has been discussed internally and with the contractors prior to its expiration. This report formalises the implied extensions that have been implemented to date, in accordance with the governance processes. The delay in submitting this report has occurred due to resources being diverted to other priorities arising from the response to the COVID-19 pandemic.
- The framework agreement was let with an annual value of £900,000. However, LBS would like to extend the framework agreement for 12 months at a value of up to £200,000 as the last 3 years of the framework agreement has shown that LBS is spending this amount per annum and not the £900,000 originally envisaged. As this is a framework, there is no commitment to spend any money.

2. Best Council Plan Implications

- This service will link into the Best Council Plan element of contributing to providing good quality affordable properties, and effective maintenance of the housing estate by ensuring that the appropriate services are available and properties can be maintained and repairs conducted to a safe and high standard.
- This links to the city priority of meeting housing needs and ensuring residents feel safe and happy in their homes.

3. Resource Implications

- The proposed extension to this framework will maintain an efficient method of procuring these essential services. LBS will continue to procure the services using the methods set out in the framework to ensure we are obtaining value for money in a compliant manner.
- This procurement of external contractors is to support the LBS direct workforce, there is no minimum spend required.

Recommendations

- a) The Chief Officer Civic Enterprise Leeds is required to note the content of this report and to approve the recommendation to retrospectively extend the Brickwork framework agreement with Beacon Construction (UK) LTD, John Rodriguez Plastering LTD, and Palm (Yorkshire) Limited for a period of 12 months commencing from the 1st August 2020 until the 31st July 2021 with a total extension value of up to £200,000.

1. Purpose of this report

- 1.1 This report is to inform the Chief Officer Civic Enterprise Leeds of the requirement to extend the Brickwork Framework. The extension will be for a period of 12 months starting from 1st August 2020.

2. Background information

- 2.1 LBS set up a framework in August 2017 to allow the Council to procure external contractors to support LBS with the repair, renewal and alteration of brickwork, blockwork and associated works.
- 2.2 The framework was awarded to 5 contractors:
 - Beacon Construction (UK) LTD;
 - John Rodriguez Plastering LTD;
 - NEO Property Solutions Limited;
 - Palm (Yorkshire) Limited; and
 - S & C Construction Management Limited.
- 2.3 Works are allocated to contractors using the SWAPS system (Sub-contract Work Allocation & Payment System). SWAPS allocates work to contractors based on a combination of price and quality through the contractors tendered rates as well as monitored Key Performance Indicators (KPIs).

- 2.4 There has however been no recorded spend for S & C Construction Management Limited since the framework agreement started in August 2017. We have therefore decided to not to extend the framework agreement with them.
- 2.5 Since the framework agreement commenced, NEO Property Services Ltd have also changed the core focus of their business, and no longer provide the type of work associated with this framework. As a result, the framework agreement will also not be extended with them and they have previously been informed of this decision.

3. Main issues

- 3.1 The framework agreement expired on the 31st July 2020 with 1 available extension of 12 months. LBS are seeking approval to retrospectively utilise this extension in accordance with CPR 21.1 and award extensions to 3 of the 5 contractors originally awarded onto the framework agreement.
- 3.2 During discussions, LBS have confirmed that the current framework agreement is working satisfactory and no better option has been identified which could be procured in time prior to the expiry of this framework agreement to ensure there is no lapse in contract compliancy.
- 3.3 The 3 contractors with whom we are seeking approval to extend have been contacted to ascertain whether they would be willing to accept the extension on the basis of the original contract terms and conditions, call-off procedures, rates & pricing structures remaining the same during the extension period, and all 3 have formally responded to confirm they will accept the extension on these terms.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Legal advice has been sought from the Council's Procurement Manager within Procurement & Commercial Services (PACS) in relation to seeking a retrospective approval and whether this is permissible – the Procurement Manager has confirmed that subject to satisfying the Chief Officer that this course of action represents best value for the service, and as the original contract contained a provision to extend, then a retrospective extension can be established.
- 4.1.2 Consultation has taken place with the Head of LBS, LBS Key Stakeholders, Procurement and Commercial Services, and Civic Enterprise Leeds Senior Management Team, who are all in agreement with the recommendations in this report.
- 4.1.3 In light of recent guidance issued from the Corporate Leadership Team in relation to the budgetary impact of COVID-19, and to ensure that reviews are being conducted to ensure contract awards and extensions are necessary in the current climate, this requirement has been discussed between the LBS Procurement & Commercial Lead, acting as Category Manger for LBS, the Head of LBS, and the Senior Financial Officer for LBS and has been deemed a statutory requirement to ensure continued external contractor support for installation and repairs to maintain the Council's property stock portfolio as required over the next 12 months.
- 4.1.4 The proposed extension to this existing framework agreement will allow LBS sufficient time to review this requirement to determine a suitable method to re-procure the requirement 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.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 It is not necessary to carry out an additional EDCI screening or impact assessment at this time as there will be no change to framework agreement terms or conditions and the original EDCI is satisfactory.

4.3 Council policies and the Best Council Plan

- 4.3.1 The proposed extension to this framework agreement will maintain a Contract Procedural Rules compliant method of procuring external contractors to conduct brickwork services.

4.3.2 Climate Emergency

- 4.3.3 At Full Council on 27 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 temperatures to no more than 1.5°C.
- 4.3.4 It is not believed that the proposed extension decision is likely to have an impact, either positive or negative in carbon emissions and the climate emergency.
- 4.3.5 However, through delivering the service with LBS we are supporting the commitment to reduce air pollution, with the service having the largest fleet of electrical vehicles across the Council. Following further expansion of LBS electric vehicles in October 2019, Leeds City Council will have the largest fleet of electric vehicles of any council in England.

4.4 Resources, procurement and value for money

- 4.4.1 The proposed extension to this framework agreement will maintain an efficient method of procuring these essential services and is expected to offer value for money..

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

- 4.5.1 This is a Significant Operational Decision which is not subject to call-in and there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 Whilst there are no legal implications in taking up the extension (assuming it is to be taken up in line with the terms of the framework agreement), in making their final decision, the Chief Officer 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 The existing contractors have performed well and so the risk in extending the framework agreement is low. A new tender exercise is not expected to bring any

further savings at this time, and additional costs would be associated with a further tender process.

- 4.6.2 If this extension isn't approved, this service will no longer be contractually compliant and therefore incur high levels of non-contract spend which may put the Council at risk of challenge from other contractors.
- 4.6.3 LBS has already conducted due diligence checks to ensure each of the 3 contractors recommended for extension remain financially sound.

5. Conclusions

- 5.1 It is recommended that the extension of this framework agreement should be approved in order to allow LBS to retain external contractor support to continue providing brickwork services to their clients, compliantly and on contract.

6. Recommendations

- 6.1 The Chief Officer Civic Enterprise Leeds is required to note the content of this report and to approve the recommendation to retrospectively extend the Brickwork framework agreement with Beacon Construction (UK) LTD, John Rodriguez Plastering LTD, and Palm (Yorkshire) Limited for a period of 12 months commencing from the 1st August 2020 until the 31st July 2021 with a total extension value of up to £200,000.

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.