



**Report of Head of Leeds Building Services**

**Report to Chief Officer Civic Enterprise Leeds**

**Date: 19<sup>th</sup> October 2020**

**Subject: DN461161 - Contract Award for contractors 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 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	

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**Summary**

**1. Main issues**

- Leeds Building Services (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
- To support LBS with the continued delivery of this work this report seeks approval to award a contract to an external contractor to deliver the service of painting and decorating to occupied and unoccupied housing properties.
- This report demonstrates the procurement process undertaken and the results from a tender exercise, utilising Construction Line, to identify a suitably skilled and experienced painting and decorating specialist to support LBS

**2. Best Council Plan implications**

- 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.
- This contract will support LBS's direct workforce, providing additional resource where LBS staff do not have enough capacity, ensuring that outputs can be delivered.
- The contractor will have specialist skill, technical expertise and knowledge evidenced through robust evaluation of tender responses which 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 Chief Officer Civic Enterprise Leeds is recommended to note the contents of this report and approve the award of a contract to Greens (Decorating) Contractors Limited for painting and decorating services to occupied and unoccupied housing properties for the period of 1<sup>st</sup> December 2020 to 30<sup>th</sup> November 2021 with estimated expenditure of £600,000.

### **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 a contract to the identified contractor that will carry out painting and decorating services to Council occupied and unoccupied 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 the 24<sup>th</sup> June 2020, with an effective date of decision from 2<sup>nd</sup> July 2020. This report considered appropriate procurement options and approved the use of inviting contractors approved by Construction Line to tender. This report also acted as the Key Decision under the Constitution.
- 2.2 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. LBS require an external specialist to support and deliver these works for an interim period of 12 months to address the current 'non-contract spend'. This 12 months period will provide time for LBS to conduct a larger procurement exercise to secure long term contracts with external contractors.
- 2.3 The contract will cover the east and south areas of the City. The affected wards are 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.

### **3. Main issues**

- 3.1 The proposal to establish a contract for 12 months, starting in December 2020 to November 2021, will help support the LBS works programme. The intention is for a long term painting and decorating contract to start from December 2021.
- 3.2 An expression of interest inviting contractors from Construction Line was issued in May 2020 and 11 contractors were subsequently invited to tender. By the tender return date, out of the 11 contractors invited, only 4 submitted tenders. The 7 withdrawals were primarily due to reasons such as remobilisation issues linked to furlough, internal management restructuring, and lack of capacity due to a backlog of works due to COVID-19.
- 3.3 The 4 contractors that submitted a bid were assessed on a 70% price, 30% quality basis. The evaluation team comprised of service managers from the LBS planned and responsive services.
- 3.4 The Council's Commercial Quantity Surveyor (QS) team within Housing Leeds were responsible for evaluation of priced submissions to verify completeness and compliance. Bidders were required to complete a schedule of rates for the works with indicative quantities.
- 3.5 The maximum points that could be achieved was 1000 points. The combined quality and price scores were as follows:

<b>Tenderer</b>	<b>Quality</b>	<b>Price</b>	<b>Total Score</b>	<b>Rank</b>
Greens (Decorating) Contractors Limited	240.00	700.00	940.00	<b>1</b>
Alfred Bagnall & Sons (Leeds) Ltd	233.00	512.82	745.82	<b>2</b>
Wharfedale Decorations Ltd	235.00	504.69	739.69	<b>3</b>
GME Painting Contractors Ltd	163.00	160.42	323.42	<b>4</b>

- 3.6 Full details of both the quality and pricing review can be found in appendix 1 – Confidential Tender Analysis.
- 3.7 The contractor who we are recommending for the contract award is Greens (Decorating) Contractors Limited. The rates submitted by the contractor have been benchmarked against current and historic industry rates and are deemed to be within acceptable parameters for work of this nature.
- 3.8 Prior to award, financial and reference checks have been undertaken for the contractor 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 have taken place when developing the procurement work stream as well as assessing the tenders when they were returned. This has involved Procurement and Commercial Services (PACS), Housing Leeds QS Team, and LBS. When necessary, legal advice has been sought from the PACS Commercial Team.

4.1.2 The Tender Analysis report produced by the Housing QS Team which supports this recommendation has been reviewed and agreed by the Council's Procurement Manager within PACS

## **4.2 Equality and diversity / cohesion and integration (EDCI)**

4.2.1 An Equality and Diversity Screening was carried out and completed when we asked for the procurement strategy to be approved on the 2<sup>nd</sup> 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 EDCI 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 key objectives within the Best Council Plan by;

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

### Climate Emergency

4.3.3 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.

4.3.4 In order to try and reduce carbon emissions works will be scheduled 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.

## **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 This is a Significant Operational Decision as a consequence of the original Authority to Procure (Key Decision) taken on the 2<sup>nd</sup> July 2020, 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. The Contract Manager will ensure performance standards are met by the contractor and if they are found to be underperforming and failing to meet minimum standards, appropriate action will be taken to rectify the cause of failure.
- 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 contractor is financially stable. If they reject any work from LBS, the Contract Manager will closely monitor the contractor and identify the reasons for the rejection.

## **5. Conclusions**

- 5.1 There is a requirement for LBS to deliver painting and decorating services to occupied and unoccupied housing properties with an approximate value of spend of £600,000 during the 12 months period (there will be no guarantee of any volumes of works throughout the contract term).
- 5.2 We therefore undertook a procurement process in accordance with the Council's CPRs with guidance and support from the LBS Team, in order to meet this requirement.
- 5.3 The requirement has now been through a robust tender process and 1 contractor has been successful in their submission.

## **6. Recommendations**

- 6.1 The Chief Officer Civic Enterprise Leeds is recommended to note the contents of this report and approve the award of a contract to Greens (Decorating) Contractors Limited for painting and decorating services to occupied and unoccupied housing properties in the city for the period of 1st December 2020 to 30th November 2021 with estimated expenditure of £600,000.

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

### **7.1 Appendix 1 - Confidential Tender Analysis**

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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.