

**Report of Head of Leeds Building Services**

**Report to Chief Officer Civic Enterprise Leeds**

**Date: October 2020**

**Subject: DN247428 - Contract Extension for Supply and Maintenance of Firefighting Equipment and evacuation chairs**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" 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**

- Churches Fire Security Ltd are currently contracted to carry out servicing, maintenance of firefighting equipment and evacuation chairs citywide on behalf of Leeds City Council - the current contract is due to expire on 31<sup>st</sup> December 2020.
- At the time of original contract award, a 24 month provision to extend was incorporated into the contract.
- The purpose of this report is to provide an update on the current contract and also seek approval to utilise the full 24 month extension provision to enable continuity of the essential firefighting provisions service across the City.

**2. Best Council Plan implications** (see the [latest version of the Best Council Plan](#))

- The extension of this contract will allow a continued contribution to some of the council's 'Best City' priorities outlined below. More detail is provided later in the report.
- **Safe, Strong Communities:** The contract ensures that firefighting equipment is regularly maintained and serviced and is fit for purpose in the event of an emergency to ensure the safe egress of LCC buildings.

- **Safe, Strong Communities:** Keeping people safe from harm, protecting the most vulnerable.

### 3. Resource implications

- The annual value of the contract is £130,000.00. The Schedule of Rates was based fixed service elements and indicative repair quantities over five years with break clauses.
- Actual spend is determined by fixed elemental service charges and any repairs needed to ensure compliance, though no amount of work is guaranteed. Expenditure by the Resources & Housing sector with Churches Fire Security Ltd was approx. £320,000 in 2019-20. The large increase was due to a one off unforeseen event with the large scale theft of dry riser landing valves across the City which had to be replaced along with anti-theft measures being put in place.
- Price increases linked to any increase in the Retail Price Index (RPI) and fuel prices apply.

### Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to note the contents of this report and approve the use of a 24 month extension provision for Churches Fire Security Ltd to continue to provide Service, Inspection & replacement of Fire Fighting Equipment and Emergency Evacuation Chairs Servicing for Leeds City Council from 1<sup>st</sup> January 2021 – 31<sup>st</sup> December 2022 at a value of up to £260,000.00.

#### 1. Purpose of this report

- 1.1. The purpose of this report is to provide an update on the current contract with Churches Fire Security Ltd and also seek approval to utilise the full 24 month extension provisions to enable continuity of Service, Inspection & replacement of Fire Fighting Equipment and Emergency Evacuation Chairs Servicing within Leeds City Council's city wide stock.

#### 2. Background information

- 2.1 Churches Fire Security Ltd provide service, maintenance, repair and replacement of essential firefighting equipment across both the City's housing and corporate stock. The current contract was let via the council's YORtender portal and an EU advert was published in the European Journal; the contract commenced on 1st January 2018 and is due to expire on the 31st December 2020 with the provision to extend for a further 24 months.
- 2.2 At the time of original tender, 4 completed PQQ's and tender submissions were received and following evaluation Fire Safety Services Ltd and Fire Mark Ltd were eliminated at the PQQ stage due to failing to reach the minimum score on the technical element

- 2.3 Following evaluation of the two remaining bidder's method statements by the project team who were Churches Fire Security Ltd and DFP Services Ltd and evaluation of the pricing documents by PPPU, Churches Fire Security Ltd were the outright winner.
- 2.4 The analysis of the winning bidders pricing documents showed the potential for savings in the region of 15% and in line with the bid documents issued and the evaluation undertaken it was recommended to award the contract to Churches Fire Security Ltd
- 2.5 Churches Fire Security Ltd was awarded the contract for carry out servicing, maintenance of firefighting equipment and evacuation chairs Leeds City Council across Leeds from 1<sup>st</sup> January 2018 for an initial period of 3 years with the option to extend by a further 24 months at annual value up to £130,000 based on the use of a Schedule of Rates).

### **3. Main issues**

- 3.1 LBS have consulted with Housing Leeds Mechanical & Electrical officers in regards to the current contractor's performance and to determine whether to implement the available provision to extend, or to begin the process of a reprocurement for the service.
- 3.2 The Mechanical and Electrical Team check performance and progress through quarterly meetings with Churches by monitoring the number of complaints and some agreed KPIs. Reports are produced regarding this. The one main issue to date resulted in complaints arising from the theft of dry riser which due to the potential high risk was resolved quickly. Examples of target KPIs include:
  - Repair attendance time target of 3 Hrs above 95%
  - Repair first fix target of 90%
  - Acceptable to Complaint <2% KPI

All above KPIs have been met for the duration of the contract.

- 3.3 The service delivery began in January 2018 and continued to date until safety concerns around the coronavirus COVID-19 pandemic led to a temporary suspension in servicing in March 2020. Remaining sites were planned to be visited once safe to do so.
- 3.4 Risk assessments arising from potential risks in relation to COVID-19 were prepared submitted and approval given to recommence essential service and inspection of fire safety critical equipment which recommenced on 1<sup>st</sup> June 2020
- 3.5 Due to the nature of the works, no amount of work is guaranteed. A spend report has been analysed to check expenditure was in line with estimates. Spend for the Resources & Housing sector was approx. £320,000 in the periods 2019-20 which is considerably higher than the anticipated value.
- 3.6 This increase was in the main due to unforeseen costs arising from the wholesale theft of dry riser valves across the East of the City which due to the high risk

needed to be replaced immediately and additional security measures implemented to prevent further theft and resulted in additional costs in excess of £150,000.00

- 3.7 As a means of market testing, an external frameworks (YPO) was investigated to compare Churches against other providers. There were other providers that may have been suitable but none provided the whole range of services required by Leeds as a one stop service. Though Churches were not ranked first on these frameworks, it would not have been possible to direct award compliantly for the above reason. Additionally the resources needed for a re-procurement may outweigh any possible cost savings, which has become even more important during the coronavirus pandemic.
- 3.8 A price increase is due to come into effect in January 2021. As the Supply Agreement states, price fluctuations can be considered on the anniversary for each contract. The increase will be based on the RPI and fuel prices. Expenditure should still be within the budget, despite this increase. The published RPI annual growth rate for April 2020 was 1.5%. If the index were to be recalculated using the correct interest rate, it would reduce the RPI annual growth rate by 0.1 percentage points to 1.4% based on interests rates in June 2020 which is acceptable.
- 3.9 As a matter of course, the financial position was checked on 13<sup>th</sup> May 2020 using Creditsafe. This showed that Churches Fire Security Ltd have a good score at 78 and classification of "Very low risk".
- 3.10 In summary, it is recommended that the contract be extended for the full 24 months with a review to be conducted next year when there is less uncertainty around the coronavirus in order to determine the future requirement for this service from 1<sup>st</sup> January 2023 once the recommended 24 month extension expires.
- 3.11 The service is essential as equipment is needed for emergency situations and must therefore work effectively without disruption to service.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 LBS have consulted with Housing Leeds Mechanical & Electrical Officers and Civic Enterprise Leeds (CEL) Officers on the proposed extension and all agreed it is the best course of action. Expenditure reports provided by Procurement and Commercial Services (PACS) were also used in this analysis

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening document was considered and completed previously. As no adverse impacts had been identified at the time, it is not expected for this to change during the implementation of an extension.

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

- 4.3.1 The extension will and in line with contract conditions be implemented in line with the Council's Contract Procedure Rules 21.1-21.4.

4.3.2 The extension of this contract will continue to deliver outcomes for some of the Leeds 'Best City' priorities as outlined below:

**Age-Friendly Leeds:** Promoting opportunities for older people to be healthy, active, included and respected.

**Health & Wellbeing:** Supporting self-care, with more people managing their own health conditions in the community • Enabling people with care and support needs to have choice and control.

**Safe, Strong Communities:** Keeping people safe from harm, protecting the most vulnerable.

4.3.3 This extension will continue to allow Leeds to be an **age-friendly** city by ensuring older residents are healthy and feel included with the ability to communicate with service providers for their mental and physical **health & wellbeing**. Residents can decide upon the level of provision they require so are empowered with self-care as they have the opportunity to ask for support should they choose to. The optional speech facility can provide reassurance and guidance. The fire detection systems ensure residents are kept safe in emergencies so these must work effectively to **ensure safe, strong communities**. The services are important for the more vulnerable aging population within Leeds. The Council has a duty of care to ensure a safe living environment within sheltered housing.

#### Climate Emergency

4.3.4 On 27th March 2019, Leeds City Council passed a motion to declare a climate emergency in the city, which included a carbon reduction target. Tunstall Healthcare have local engineers and track their location to ensure efficient scheduling and allocation. This helps reduce the carbon footprint by shortening commutes between jobs.

### **4.4 Resources, procurement and value for money**

4.4.1 The use of the Yortender procurement portal for the original tender exercise means Churches were screened using an OJEU compliant process which ensures value for money.

4.4.2 Expenditure for the Resources & Housing sector was approx. £320,000 in the periods 2019-20 which is considerably higher than the anticipated value. This was in the main due to unforeseen costs arising from the wholesale theft of dry riser valves across the East of the City which due to the high risk needed to be replaced immediately and additional security measures implemented to prevent further theft and resulted in additional costs in excess of £150,000.00.

4.4.3 A price increase is due to come into effect on the contract anniversary in June 2021. Expenditure should still be within the budget, despite this increase.

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

4.5.1 In line with Contract Procedure Rules the awarding of this contract originally was a significant operational due to the value of the contract, therefore the decision to approve an extension will also be a significant operational decision

4.5.2 The provision of fire detection equipment servicing and maintenance of existing firefighting systems ensures compliance with national fire legislation.

## **4.6 Risk management**

4.6.1 Quarterly review meetings are held by the Electrical Team to monitor Churches performance, therefore mitigating risk of under-performance or complacency.

4.6.2 This service is essential as equipment is for emergency situations and must work effectively, especially given the nature of the buildings and vulnerability of the service users.

4.6.3 The current pandemic temporally halted servicing due to safety concerns but has now recommenced. The Council budget has also been affected so extensions must be kept to the shortest feasible term, hence why only one of the extension provisions has been requested. The second provision will be evaluated nearer the time.

4.6.4 Should we not extend the contract the risk of failure to essential equipment and hence life and property is heightened whilst we commence a new procurement which based on the previous process is likely to take 6 to 9 months

## **5. Conclusions**

5.1 Extending this contract by 24 months is recommended to ensure continuity of a service to essential safety equipment and services. Churches Fire Security Ltd have provided a satisfactory service to date. The second extension and re-procurement can be evaluated after the pandemic.

## **6. Recommendations**

- a) The Chief Officer Civic Enterprise Leeds is recommended to note the contents of this report and approve the use of a 24 month extension provision for Churches Fire Security Ltd to continue to provide Service, Inspection & replacement of Fire Fighting Equipment and Emergency Evacuation Chairs Servicing for Leeds City Council from 1<sup>st</sup> January 2021 – 31<sup>st</sup> December 2022 at a value of up to £260,000.00.

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

7.1 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.