



Report of Chief Officer Civic Enterprises Leeds

Report to Director of Resources and Housing

Date: 8/03/2021

Subject: DN525238 – Authority to procure specialist contractors to support Leeds Building Services with the delivery of non-housing roofing responsive repairs and planned schemes

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 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) are looking to conduct a new procurement exercise to put in place a framework agreement for responsive roofing repairs and planned schemes to the Council's non housing property portfolio.
- The proposed new framework will be approximately £700,000 per annum. It will run for a period of 4 years starting on 1st September 2021.
- The framework agreement structure along with the award arrangement has been carefully considered to allow the adoption of a mixed economy of contractors to support the LBS works programme and to ensure that work is accessible, fairly distributed to encourage competition and engagement from the widest spread of potential bidders including local SME's, which in turn will support the local economy in line with Core Council Values

2. Best Council Plan implications

- Below are some of the Best Council Plan priorities. More detail of how this procurement would help to achieve them will be discussed later in the report.

- **Inclusive Growth** – ‘Supporting growth and investment’ and ‘Supporting businesses and residents to improve skills, helping people into work and into better jobs’.
- **Safe, Strong Communities** – ‘Keeping people safe from harm, protecting the most vulnerable’ and ‘Being responsive to local needs, building thriving, resilient communities’.

3. Resource implications

- The contractors will have specialist skill, technical expertise and knowledge that will ensure all works are completed with regards to Health and Safety and Environmental consideration. The successful contractor’s will be required to provide the full service at the agreed tender price with clear costs and ways of working laid out from the tender process.

Recommendations

- a) The Director of Resources and Housing is recommended to approve a below threshold restricted competitive procedure to establish a framework agreement of up to 5 contractors, valued at £700,000 per annum, starting on 1st September 2021 for a term of 4 years. The maximum value of the framework agreement will be up to £2,800,000.

1. Purpose of this report

- 1.1 In accordance with CPR 3.1.6, the purpose of this report is to seek approval to carry out a below threshold compliant procurement exercise to establish a 4 year framework agreement to support LBS with non-housing related roofing repairs, planned and maintenance works.
- 1.2 This report provides the required information and detail to allow the Director of Resources and Housing to approve the proposed procurement route for the appointment of up to 5 contractors to the framework.

2. Background information

- 2.1 LBS currently manage the roofing works for all non-housing properties and they subcontract out all elements due to the specialist nature of the works and not having internal roofing operatives.
- 2.2 The contractors will be required to be able to repair or install roofing consisting of the following materials - slate, tile, built up felt, system approved flat roofing, sheet and asphalt.
- 2.3 LBS’ current arrangements provide various works through specialist and specific elemental trade contracts. The proposed framework agreement will continue to allow works to be delivered through the use of specialist contractors to support LBS with the responsive repairs to roofs and/or planned roofing schemes where LBS has been tasked by the client to replace the current roof.
- 2.4 The question as to whether to bring housing and civic streams under one contract has been discussed with the LBS Senior Service Leads and the decision has been taken to keep the two contracts separate due to the different types of works under

each stream which require different specialisms in relation to the types of materials used, and specific tasks to be undertaken for each specific portfolio of properties.

3. Main issues

- 3.1 In order to deliver a consistent and efficient service for CPM, a new arrangement is required to continue to support the LBS workforce:

A JCT Measured Term Contract, valued at £700,000 per annum is proposed. The framework will be in place for a period of 4 years from 1st September 2021 with no option to extend. It is proposed that jobs will be allocated via 2 methods; for responsive works, jobs will be allocated on a ranked basis with the number 1 contractor offered the job first, and for planned works, a mini-competition will be undertaken amongst the contractors awarded onto the framework.

- 3.2 In order to achieve consistency across contracts for non-housing building works, an appropriate schedule of rates for shall be used for responsive and maintenance works. We will use a bespoke set of rates for any planned scheme that will be specific to the planned project.
- 3.3 It is proposed that the tender will be evaluated using a separated quality and price approach. Contractors will be required to meet minimum quality thresholds in their quality submission. Thereafter, contractors that submitted the lowest prices will be appointed to the framework agreement. This ensures contractors are providing the minimum quality standard that LBS expects whilst achieving best value for money for the Council. Approval of the evaluation criteria will be sought from the Head of LBS in accordance with CPR 15.1 and the relevant directors sub delegation scheme.
- 3.4 In discussion with the Procurement Officers within Procurement & Commercial Services, the following procurement options have been considered in line with CPR 3.1;

Procurement Options

- 3.4.1 **Do Nothing** – LBS currently do not have internal operatives to deliver roofing works and therefore this will result in a high amount of non-contract spend or a failure to deliver the service.
- 3.4.2 **Call off from an existing framework** – a number of existing externally managed compliant frameworks were researched and reviewed, however the frameworks predominately included larger contractors which excluded a lot of SMEs, which doesn't support the strategy of LBS.
- 3.4.3 **Conduct below threshold restricted procurement (RECOMMENDED)** – this route is considered to be the most appropriate. The procurement strategy developed to support LBS in conjunction with the Head of LBS outlines that the best route to market would be to conduct a restricted procurement exercise by utilising Construction Line approved contractors. After consideration of the nature and estimated value of these works to be procured from the external market, we believe this would be the best route to market. This is in accordance with the Contract Procedure Rules (CPRs). This route would provide an opportunity to test the market through a competitive exercise, it would reduce timescales from not having to conduct a PAS91 and it also allows the Council to procure these works compliantly. An expression of interest (EOI) with contractors who can carry out commercial

roofing works was issued and 15 contractors have confirmed interested in tendering for the works. This procurement option would provide the Council with a compliant and robust tendering process.

The use of Construction Line would allow the Council to select suppliers that have already been through a validation and vetting process to ensure they have completed a PAS91 and have provided the necessary financial and insurance information. This would give the Council assurance that the contractors selected to tender from Construction Line are able to satisfy the technical and financial requirements and due diligence sought by the Council.

3.5 The proposed timetable for delivery of this arrangement is:

An indicative timetable for the proposed procurement process is set out below:	
Issue Tender Documentation	April 2021
Tender evaluation (Inc. governance reporting, and contract award prep)	May to August 2021
Contract Award	August 2021
Contract Start	September 2021

3.6 There will be no guarantee of any volume of works throughout the term of this framework agreement, due to the responsive nature of roofing repairs and financial capital budgets of the clients.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 LBS have consulted with Corporate Property Management, LBS service managers and Procurement and Commercial Services (Resources & Housing) in identifying the options and making the recommendation of a compliant procurement route to establish this framework agreement.

4.2 Equality and diversity / cohesion and integration (ECDI)

4.2.1 No implications have been identified and a supporting EDCI screening form accompanies this report.

4.3 Council policies and the Best Council Plan

4.3.1 Below are some of the Best Council Plan priorities. More detail of how this procurement would help to achieve them will be discussed later in the report.

4.3.1.1 Inclusive Growth – ‘Supporting growth and investment’ and ‘Supporting businesses and residents to improve skills, helping people into work and into better jobs’.

- 4.3.1.2 **Safe, Strong Communities** – ‘Keeping people safe from harm, protecting the most vulnerable’ and ‘Being responsive to local needs, building thriving, resilient communities’.

All contractors appointed must adhere to safeguarding policies to protect those in the vicinity of their work delivery. Maintenance of properties helps to ensure people are kept safe from harm arising from disrepair problems.

Responsiveness to repair and maintenance issues shows awareness to the needs of the local people.

Climate Emergency

- 4.3.2 Leeds City Council declared a Climate Emergency in March 2019 and one of the aims is to reduce the city’s carbon footprint. Through effective tender, and contract management document creation we can encourage the use of sustainable materials, recycling and green vehicles in the scopes and specifications where possible.

4.4 Resources, procurement and value for money

- 4.4.1 This framework agreement will be managed by LBS who will develop and implement a contract management plan which will detail how the framework agreement 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. LBS are aiming to have a draft contract management plan available for review prior to contract award.

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

- 4.5.1 This procurement will be undertaken in compliance with the Public Contract Regulations 2015 and the Councils CPRs.
- 4.5.2 As the value of the proposed framework agreement exceeds £500,000, it is a key decision subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

4.6 Risk management

- 4.6.1 There are risks in using old scopes, specifications and pricing documents from previous framework agreements as standards may become outdated. Updating these are important in ensuring specifications are still fit for purpose. The use of an appropriate schedule of rates will allow consistency across LBS contracts. The ‘off-the-shelf’ documents guarantees pricing schedules are up to date standards and practices.
- 4.6.2 Suppliers can be managed effectively with robust contract management plans so these will be developed during the procurement exercise, and implemented throughout the life of the framework agreement. A KPI framework will also be adopted as part of the contract management to ensure suppliers adhere to expected targets.

4.6.3 Suppliers must be provided with enough data to inform them of future work programmes so they can accurately plan workloads and price the framework agreement to avoid capacity problems or disagreements further down the line.

5. Conclusions

5.1 LBS require ongoing support to enable delivery of responsive repairs and planned schemes for roofing on non-housing properties. Failure to establish such a framework agreement could adversely affect the growth ambitions of LBS, result in non-contract spend or poor condition of Council properties, leading to an increased in disrepair bills.

6. Recommendations

6.1 The Director of Resources and Housing is recommended to approve a below threshold restricted competitive procedure to establish a framework agreement of up to 5 contractors, valued at £700,000 per annum, starting on 1st September 2021 for a term of 4 years. The maximum value of the framework agreement will be up to £2,800,000.

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.