



Report of Head of CPM

Report to Director of Resources & Housing

Date: 10th March 2021

Subject: DN480073 – Approval for Contract Award to support LBS & Housing Leeds with delivery of Asbestos Removal Citywide

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 type="checkbox"/> Yes <input checked="" 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: 10.4 (3) Appendix number: The information in Appendix 1 of this report has been identified as exempt/confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- LBS & Housing Leeds are looking to award contracts to 3 contractors to support them with the removal of asbestos in both domestic and commercial properties including schools and children's homes.
- This has been split in two lots
 - i. Lot 1 – Leeds Building Services (LBS) will manage 2 contractors to carry out licenced and non-licenced works where LBS do not have the capacity to undertake this works themselves. LBS will provide asbestos removal services which do not require a licence where they are able to do so. The value of this works is in the region of £2million per annum
 - ii. Lot 2 – Housing Property and Contracts will manage a single contractor to undertake all asbestos removal works arising from the housing capital programme. The value of this works is estimated to be in the region of £300K per annum
- The length of the contract will be for 3 years with an option to extend for a further 12 months.

- This reports outlines the procurement process undertaken, the results from a tender exercise using the Efficiency North Framework and also seeks to award contracts to 3 contractors.

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

The award of the contract will contribute to the councils Best Council Plan in making sure that the homes are of right quality, type, tenure and affordability.

3. Resource implications

- Leeds City Council has a legal obligation to remove from its buildings any asbestos in poor condition or asbestos likely to be disturbed during construction or maintenance work.
- All licensed removals need to be undertaken by an asbestos licensed company.
- LBS can remove unlicensed asbestos material but also need to outsource unlicensed work should they not have the capacity to do the full works in-house.
- The estimated value of the contract is £2.3million per annum or £9.2million overall (including extensions) based on a schedule of rates submitted at tender stage.
- Because of the nature of this works it was decided the tender was evaluation was based on a 60% Quality, 40% price split to ensure safety and value for money.
- Volume of work is not guaranteed as the scope of works is dependent on demand for the service.

Recommendations

- a) The Director of Resources & Housing is recommended to note the contents of this report and approve the appointment of the following contractors:
 - i. Lot 1 – McHale Contracts & Plant Environmental LLP T/A MCP Environmental & Tolent Solutions Ltd. The value of the works will be in the region of £2million per annum.
 - ii. Lot 2 – Rhodar Limited. The value of the works will be in the region of £300K per annum.
- b) The contract will commencing on the 1st April 2021 for a period of 3 years with the option to extend for a further 12 months. The annual value of this contract will be £2.3million with a potential estimated contract value of £9.2 million if the extension is utilised.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to award contract to the three contractors as outlined in the recommendations
- 1.2 This report will outline the procurement process undertaken and reasons behind the decision to award to the identified organisations

2. Background information

- 2.1 The Authority to Procure (ATP) report as required under Contract Procedure Rule (CPR) 3.16 requested permission to invite external competition and was approved

28th February 2020. The ATP considered appropriate procurement options and recommended the use of the Efficiency North Framework agreement as this was used for the Asbestos Survey contract.

- 2.2 Asbestos removals is undertaken on a survey recommendation. The Health & Safety Executive (HSE) closely monitor the whole process, having produced regulatory guidance; award licences to contractors and regularly check works on site. The HSE states in their regulations (Health and Safety Guidance documents 247,248, and Asbestos Approved Code of Practice, L143, along with the Control of Asbestos Regulations 2012) that it is good practice that the contractors are different to those which are responsible for air monitoring. This is to ensure that there is no conflict of interest
- 2.3 Leeds City Council has a legal obligation to remove from its buildings any asbestos in poor condition or asbestos likely to be disturbed from their buildings.
- 2.4 There is a need for licenced contractors to undertake this work, as well as support LBS removal of unlicensed material.

3. Main issues

- 3.1 An Expression of interest (EOI) to contractors were registered with Efficiency North originally in November 2019 prior to the submission of an Authority to Procure report submitted in February 2020. A second EOI was issued following the start of the COVID-19 pandemic in May 2020 to ensure there was still provision in the market to provide the services required by the contract. Subsequently 8 contractors were invited to tender having responded positively to the opportunity
- 3.2 These 8 contractors were invited to tender on 23rd September and tender submissions by the 16th November 2020. Seven of those invited submitted bids.
- 3.3 The tenders were evaluated on 60% quality, 40% price basis and was overseen by Construction & Housing Procurement Officers. The evaluation team comprised of 3 officers from the Asbestos Removal within Housing Leeds and an officer from LBS.
- 3.4 Quality submissions were scored on a consensus basis out of 10, with weighting applied to each question, leading up to a total possible score of 600 points.
- 3.5 The council's commercial Quantity Surveyors team within Housing Leeds were responsible for evaluating the Schedule of Rates and price submission while verifying their completeness and compliance.
- 3.6 The tenderer with the lowest price was given the highest score available for price (400 points) and the others who qualified were given a reduced score based on the calculating the percentage difference between them and the lowest price and then deducting this percentage from the maximum score.

3.7 The combined Quality & Price score are as follows:

Tenderer	Quality (600 marks)	Price (400 marks)	Total Score	Rank
Tolent Solutions Ltd	527.00	400.00	927.00	1
McHale Contracts and Plant Environmental LLP	507.00	393.27	900.27	2
Rhodar Ltd	435.00	364.22	799.22	3
Aspect Contracts Ltd	456.00	212.97	668.97	4
em1 Ltd	Non- compliant	Not evaluated	Non- compliant	N/A
Envirocall Ltd	Non- compliant	Not evaluated	Non- compliant	N/A
Rilmac Ltd	Non- compliant	Not evaluated	Non- compliant	N/A

3.8 The rates submitted by the successful contractors have been benchmarked against the current rates and are deemed to be within acceptable parameters for the work of this nature.

3.9 As part of due diligence, financial checks have been completed to ensure there is no risk to the authority. The results will be kept on file and identified

3.10 Due to the requirements of this contract, there is no guarantee of any volume of works throughout the contract term. Actual spend will be based on works required against the Schedule of Rates submitted at tender stage.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Consultation and engagement with council stakeholders have taken place during the development of the procurement and assessment of the tender submissions. This involved officers from the Procurement, Asbestos team and LBS. Where necessary legal advice has been sought from the Procurement Legal team within Procurement & Commercial Services.

4.2 Equality and diversity / cohesion and integration

4.2.1 An equality & diversity screening was completed with the Authority to Procure report and there was no issues highlighted.

4.3 Council policies and the Best Council Plan

4.3.1 The works undertaken through this new contract will contribute towards the Best City Priority in that it will ensure that the Housing is of right quality, type, tenure and affordability.

Climate Emergency

- 4.3.2 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.
- 4.3.3 It is not believed that the proposed new contract is likely to have an impact, either positive or negative on carbon emissions and the climate emergency

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 the CPRs. The tender evaluation was based on a 60% quality, 40% price split due to the nature of the works and to ensure value for money is achieved.
- 4.4.2 The estimated value of the works is £2.3million per annum and based on a Schedule of Rates submitted at tender stage.
- 4.4.3 Due to the requirements of this contract, there is no guarantee of any volume of works throughout the contract term.

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

- 4.5.1 The provision of an Asbestos service is required to comply with Health & Safety and Work Act (1974) and the Control of Asbestos Regulations (2012) legal requirement
- 4.5.2 The decision is a Significant Operational Decision and is not subject to call-in
- 4.5.3 Other than confidential Appendix 1, there are no grounds for keeping the contents of this report confidential under the Access to Information Rules. 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.

4.6 Risk management

- 4.6.1 **Asbestos Removal** - Asbestos removals is undertaken on a survey recommendation. The Health & Safety Executive (HSE) closely monitor the whole process, having produced regulatory guidance; award licences to contractors and regularly check works on site. The HSE states in their regulations (Health and Safety Guidance documents 247,248, and Asbestos Approved Code of Practice, L143, along with the Control of Asbestos Regulations 2012) that it is good practice that the contractors are different to those which are responsible for air monitoring. This is to ensure that there is no conflict of interest
- 4.6.2 **Ensuring the identified contractors are managed effectively** – LBS and Housing Leeds asbestos team will ensure that regular contract meetings take place throughout the duration of the contract and will monitor performance/Key Performance Indicators included within the specification and Contract Management Plan. They will ensure performance standards are met by the contractors 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.

4.6.3 Capacity of Contractor - Due to the nature of the works (volumes not guaranteed), contractors could potentially reject work if they reach capacity. LBS & Housing Leeds Asbestos team will closely monitor the contractor and identify reasons for rejection

5. Conclusions

5.1 In conclusion this report highlights the procurement process and results of the tender which supports the recommendation of award to the identified contractors as below.

6. Recommendations

6.1 The Director of Resources & Housing is recommended to note the contents of this report and approve the appointment of the following contractors:

- I. Lot 1 – McHale Contracts & Plant Environmental LLP T/A MCP Environmental & Tolent Solutions Ltd. The value of the works will be in the region of £2million per annum.
- II. Lot 2 – Rhodar Limited. The value of the works will be in the region of £300K per annum.

6.2 The contract will commencing on the 1st April 2021 for a period of 3 years with the option to extend for a further 12 months. The annual value of this contract will be £2.3million with a potential estimated contract value of £9.2 million if the extension is utilised.

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.