



**Report of Chief Officer of Civic Enterprise Leeds**

**Report to Director of Resources and Housing**

**Date: 19<sup>th</sup> March 2021**

**Subject: DN530222 Authority to procure contractors to support LBS' delivery of planned roofing improvements to housing properties**

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Adel & Wharfedale	
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number: Appendix number:	

**Summary**

**1. Main issues**

- Leeds Building Services (LBS) request authority to undertake a procurement exercise with a current estimated value of up to £600,000 for up to 2 contractors to re-roof housing properties located in the Holt Park area of the City.
- These works are required to be completed by 31<sup>st</sup> March 2022.
- The re-roofing and associated works to residents' properties are required as an ongoing part of the housing capital programme, funded by the Housing Revenue Account (HRA).
- LBS currently has no long term contract in place to deliver works on this scale and are therefore seeking to undertake a competitive procurement exercise to ensure these works are completed in the financial year 2021/22.

**2. Best Council Plan Implications**

- This scheme will improve the energy performance and efficiency of the homes leading to reduced carbon emissions and reduced fuel poverty.
- This scheme will support the Council's ambition for Leeds to be a compassionate and caring city that tackles poverty and reduces inequality, by making sure that our tenants, including some of the most vulnerable people in our city, are able to live in safe, accessible and well maintained homes.

### **3. Resource Implications**

- Funding for the scheme comes from the Housing Revenue Account (HRA).
- This report seeks authority for LBS to procure up to 2 contractors to deliver up to £600,000 worth of planned roofing improvement works to Housing properties.
- The service will operate on the agreed tender prices with clear costs and ways of working formalised during the tender process and through the contract.

### **Recommendations**

- a) In accordance with the Council's Contract Procedure Rules 3.1.6, this report requests the Director of Resources & Housing to approve the use of the below threshold restricted procurement process via construction line as the procurement route to establish a contract with up to 2 contractors for the delivery of planned roofing improvement works to Housing properties.
- b) The Director of Resources and Housing is requested to note that the tender will be evaluated by price only and the contract is proposed for a works period of 9 months, with an estimated total contract value of up to £600,000.

### **1. Purpose of this report**

- 1.1 This report advises the Director of Resources and Housing of the options available and seeks approval for the recommended procurement approach to be pursued for the appointment of up to 2 contractors to undertake the proposed roofing improvement works.

### **2. Background information**

- 2.1 Re-roofing and associated works to residents' properties are an ongoing part of the planned works within the housing capital programme, funded by the HRA.
- 2.2 In order to deliver these re-roofing works to complete by the 31<sup>st</sup> March 2022, LBS are required to engage contractors through a competitive procurement exercise to support their direct workforce. The recommendation to award to 2 contractors for this work is to ensure LBS can meet the demand to complete the required work in the current financial year.

### **3. Main issues**

- 3.1 LBS do not have sufficient directly employed internal resource to deliver the programme of re-roofing works required by Housing Leeds, therefore LBS require external contractor support.
- 3.2 LBS are seeking to procure up to 2 contractors to support the conduct of these works on a 60% / 40% work allocation split based on the value of works. The highest scoring contractor will be given 60% of the works and the second placed contractor will be given 40%. If there is a variation of 5% or more in the submitted prices between the contractors, LBS will have the right to offer up to 100% of the works to the first placed contractor.
- 3.3 It is proposed that the tender will be evaluated on price only.

3.4 As a result of COVID-19 Housing Leeds has carried out a review of priority works and works that have no or minimal impact to entering tenant's properties and are non-intrusive. Consequently as these works are of an external surveying nature initially and constitute in the main external enveloping works, these works are deemed essential to be completed within 2021/22.

### 3.5 Procurement Options

3.5.1 As LBS do not have sufficient internal capacity to undertake all of this roofing work directly, the services will be procured using the approved framework, Construction line. This is in accordance with the Contract Procedure Rules (CPRs).

3.5.2 This route would provide an opportunity to test the market through a competitive exercise, reducing timescales from not having to conduct a PAS91 and allowing the Council to procure these works compliantly. An expression of interest (EOI) with contractors who can carry out domestic roofing works was issued and 11 contractors have confirmed interested in tendering for the works. The use of Construction Line allows 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.

3.5.3 The proposed timetable for the delivery of this arrangement is:

An indicative timetable for the proposed procurement process is set out below:	
Issue Tender Documentation	April 2021
Tender return date	May 2021
Tender evaluation (inc. governance reporting, and contract award prep)	May 2021
Contract Award	June 2021
Contract Start	July 2021

## 4. **Corporate considerations**

### 4.1 **Consultation and engagement**

4.1.1 No properties within the list of properties that Housing Leeds has provided to LBS contain leaseholders so therefore we do not need to undertake any consultation under Section 20 of the Landlord and Tenant Act 1985.

4.1.2 The Council's procurement service, PACS commercial team and Housing Leeds Quantity Surveyors have all been consulted, are all supportive of the proposals

contained within this report and are all contributing towards preparation of the tender documents.

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

- 4.2.1 An equality, diversity, cohesion and integration screening has been undertaken which has indicated that there are no negative impacts arising from undertaking this procurement exercise.

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

- 4.3.1 It is paramount that procurement within the Council is undertaken with a view to ensure openness, transparency and fairness and procured in line with Contract Procedure Rules.
- 4.3.2 The service contributes to providing good quality affordable homes and helps to improve the energy efficiency of homes. This links to the city priority of meeting housing needs and helps to solve issues of fuel poverty for the most vulnerable people in our city.

### Climate Emergency

- 4.3.3 The Council declared a Climate Emergency for the City on the 27<sup>th</sup> March 2019 and one element is to reduce carbon emissions. One method of how we are trying to tackle carbon emissions is by planning our programme of properties that require roof replacements to ensure work is being conducting in the same area, at the same time, for all required properties in that area. This also helps with the delivery of materials. The contractor(s) have the ability to deliver all materials required for all properties located in the same location in 1 or very few bulk deliveries, resulting in fewer journeys throughout the City.
- 4.3.4 This scheme will also improve the energy performance and efficiency of the homes leading to reduced carbon emissions and reduced fuel poverty.

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

- 4.4.1 The procurement will be carried out in an open and transparent manner in line with Contract Procedure Rules, ensuring competition is sought to identify best value.
- 4.4.2 The works will be managed on site by an LBS contract manager who will manage the contract and facilitate the contractors in gaining access to the properties and will also monitor contractor's performance.
- 4.4.3 The LBS contract manager will have the assistance of financial and commercial support from a dedicated Housing Leeds team.

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

- 4.5.1 The procurement will be undertaken in line with Leeds Council's Contract Procedure Rules.

- 4.5.2 Due diligence checks of the preferred contractor(s) will be done to ascertain their financial position prior to contract award. This will ensure we are contracting with a financially sound organisation limiting the risk of works not being completed.
- 4.5.3 Given the costs related to this contract this decision is a Key Decision and is eligible for 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 The contract will be 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. In addition the contractor's performance will be measured over the life of the contract.
- 4.6.2 A contract management plan will be developed that will clearly identify roles and responsibilities of officers with contract ordering and performance management & monitoring activities. This plan will also emphasise the perceived aims and objectives of the contract and how their realisation and contract success will be received and managed, in addition to the plan clearly stating the responsibilities of the contractor.

## **5. Conclusions**

- 5.1 In conclusion, this report highlights the proposed procurement route and sets out the proposed contract structure to procure up to 2 contractors to support LBS with roofing improvements to housing properties.
- 5.2 LBS and Procurement Officers have reviewed all of the potential procurement options and have concluded that the preferred option would be to conduct a below threshold restricted procurement process in completion from Construction Line.

## **6. Recommendations**

- 6.1 In accordance with the Council's Contract Procedure Rules 3.1.6, this report requests the Director of Resources and Housing to approve the use of the below threshold restricted procurement process via Construction Line as the procurement route to establish a contract with up to 2 contractors for the delivery of planned roofing improvement works to Housing properties.
- 6.2 The Director of Resources and Housing is requested to note that the tender will be evaluated by price only and the contract is proposed for a works period of 9 months, with an estimated total contract value of up to £600,000.

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

- 7.1 None.

---

<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.