

Report of Head of Repairs, BITMO

Report to Chief Officer Housing

Date: 22 February 2021

Subject: Authority to Procure Report for the BITMO 2021-22 Re-Roofing Scheme for 18 Properties at Winrose Avenue, Belle Isle

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

- BITMO have identified 18 properties to incorporate into the 2021/22 annual Re-Roofing programme located on Winrose Avenue, Belle Isle.
- In order to proceed with the proposed procurement a significant operational decision (SOD) will be required based on the estimated cost of the Re-Roofing and installation of Solar Panels, with an estimated works cost of £391,000.
- It is proposed that the council will procure these works using a JCT intermediate form of contract and using an activity schedule for pricing.
- This report seeks authority under CPR 3.1.6 to undertake a procurement in competition.

1. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The works undertaken will contribute to the Best Council Plan in making sure that the council is being responsible to the local needs of the tenants.

2. Resource Implications

- BITMO need to maintain their housing stock and the annual re-roofing programme supports this.

- The estimated capital construction cost is £391,000.

3. Recommendations

- In accordance with the Councils Contract Procedure Rule 3.1.6, the Chief Officer Housing is recommended to approve the use of a restricted tender process using Constructionline to undertake a competitive procurement process leading to the appointment of a contractor to carry out the re-roofing programme. The pre tender estimated cost of these works is £391,000 for 2021-22.

1. Purpose of this report

- 1.1 This report seeks approval from the Chief Officer Housing to undertake a competitive procurement exercise in line with CPR 3.1.6 for the annual BITMO re-roofing programme of 18 dwellings.

2. Background information

- 2.1 BITMO manages, on behalf of Leeds City Council, housing stock in the Belle Isle area of the city, of which 18 dwellings require re-roofing works in 2021-2022.

The re-roofing works are for non-traditional properties utilising artificial slate products. This will include the replacement of rainwater goods, fascias and soffits, as well as including the upgrading of thermal insulation for compliance with building regulations standards. At the same time solar panels will also be installed as part of an energy efficiency upgrade to the properties. These works include the supply and installation of photovoltaics to the pitched roofs and associated electrical works, with battery/inverter packs to be wall mounted on the party walls within loft spaces. The properties included within the scope are a combination of semi-detached and terraces of 4 properties.

BITMO Board of 26th March 2020 approved the project should which h was planned yo have commence in 20/21, but has delayed due to Covid.

- 2.2 The initiative to install solar panels is supported by George Munson, from the Council's Sustainable Energy and Air Quality Team . These properties will form part of a trial to gain further information on the benefits of fitting solar panels when reroofing existing properties.
- 2.3 The requirement to re-roof these properties, which were built in the late 1940s, is in accordance with the anticipated life expectancy for re-roofing such traditional constructed properties and as outlined in the Council's dwelling asset management database (Keystone).
- 2.4 This procurement exercise will allow the delivery of a programme which supports the current decent homes standard through the continued provision of new roof coverings and associated works to reduce reactive maintenance to both the roof and the effects of water ingress. New materials used will further reduce cyclical maintenance requirements for redecoration of fascia boards, soffit boards and rainwater goods and provide better ventilation to the roof void areas. Re-pointing and repairs to chimney stacks will be undertaken in conjunction with re-roofing works whilst scaffolding is erected at each block.
- 2.5 It is felt that a formal competitive tender will provide both the best value and best service delivery for the work required under this contract. It would be desirable to

tender and engage a service provider solely for this scheme under a JCT Intermediate Works Contract.

3. Main issues

3.1 There are a number of options that the Council has considered as follows:

3.1.1 **Option 1 – Do Nothing**

This is not considered to be a viable option as the works are essential as part of the ongoing maintenance programme.

3.1.2 **Option 2 – Use of Internal Service Provider**

Leeds Building Service (LBS) have been consulted as per CPR 3.1.4. The Head of LBS confirmed in January 2021 that on this occasion, given that these works require installation of solar panels as well as reroofing the properties, these works are of a specialist nature and LBS do not have the resources to undertake this work at this time.

3.1.3 **Option 3 – Restricted Tender via Constructionline (recommended)**

Constructionline is a recognised database of approved contractors who have been vetted and are able to do construction works. The council has used this route successfully in the past for various construction works which are below the works threshold set out in the Public Contracts Regulations 2015 (Regulations) and have found it to be an excellent source for contractors. An initial expression of interest via Constructionline has identified nine who would be interested in tendering for this work in competition.

3.1.4 **Option 4 – Open Tender**

Open tender has been considered but due to the requirement to widen the competition process this option would lengthen the overall tender duration.

Given the position and level of interest we have received from the expressions of interest via the Constructionline database, there would be little benefit going to open tender.

3.2 After due consideration of all the above options it is considered that delivering the competitive procurement exercise through Constructionline provides the Council with the most appropriate option.

3.3 The proposed timetable for this procurement is as follows:

Task	Date
Tender Out	30th April 2021
Tender Return	28 th May 2021
Tender Evaluation & Governance approval	31 st May -11 th June 2021
Contract Award	14 th June 2021
Contract Start	12 th July 2021

Contract Period	6 Months
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4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The BITMO Board are fully aware of this project which was part of our Capital Programme for 20-21 that was approved by them on 26th March 2020. As this programme has been delayed due to the impact of Covid, the project will now form a critical part of the Capital Programme for 21/22 which was approved by the Board on 28th January 2021.
- 4.1.2 The 3 Local Ward Members (2 of which are Members of the BITMO board) have been consulted on this scheme as part of the overall programme.
- 4.1.3 Residents have been made aware of this proposed scheme via letter drops and individual house visits, where we have carried out surveys to establish the scope of works required.
- 4.1.4 Within BITMO the CEO, Head of Repairs, Maintenance and Investment and Head of Governance and Finance have been consulted. In addition, within the Council procurement and legal officers in Procurement and Commercial Services and our Consultants NPS have worked together to develop the proposed procurement strategy.
- 4.1.5 These proposed works do not require leaseholders consultation.

4.2 Equality and diversity / cohesion and integration (EDCI)

- 4.2.1 An EDCI has been completed and no issues have been identified.

4.3 Council policies and the Best Council Plan

- 4.3.1 The works undertaken will contribute to the Best Council Plan in making sure that the Council is being responsible to the local needs of the tenants.

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 increase to no more than 1.5c.
- 4.3.3 The proposed works include for the installation of solar panels and upgrading roof insulation and this will help meet climate change targets by increasing thermal efficiency of the properties and therefor reducing energy usage and increasing thermal comfort for residents.

4.4 Resources, procurement and value for money

- 4.4.1 This project was initially part of the Capital Programme for 2020/21 and was approved by the BITMO Board on 26 March 2020. However, due to delays caused by Covid regarding the delivery of this project, this scheme has been moved back into financial year 2021/22 and the budget required to deliver this project has been

allocated in the BITMO Capital Budget for 2021/2022. The Capital Programme for 2021 -2022 was approved by the BITMO Board on 28th January 2021.

- 4.4.2 The proposal to invite a sufficient number of organisations who have expressed an interest through the proposed Constructionline procurement route will enable competition between them thereby ensuring value for money achieved through a competitive process.

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

- 4.5.1 This is a significant operational decision due to the value of this works and is not subject to call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 In making their decision the Chief Officer Housing should be satisfied that the use of Constructionline to select the contractors who we will be involved in the tendering exercise will represent value for money.

4.6 Risk management

- 4.6.1 A risk register will be developed for this project to monitor known risks during the duration of the contract. The main risk will be that if the contractor chosen becomes financial insolvent during the contract. However this risk will be mitigated by financial checks being carried out on the contractor prior to awarding the contract. Payments for works will also be closely scrutinized by NPS, prior to issuing applications for payment.

5. Conclusions

- 5.1 The proposal for this procurement plan and subsequent delivery of the contract has been formally discussed in detail between both BITMO full board and Leeds City Council's Procurement and Commercial Services with a common agreement that it should move forward for recommendation without delay.
- 5.2 In a procurement sense, as the proposed estimated value is well below the relevant works threshold of £4.7m set out in the Regulations, the proposal to use contractors from Constructionline, a Government driven recognised database of approved contractors who are able to undertake various construction works, is both a legal and viable method to undertake a competitive procurement.

6 Recommendations

- 6.1.1 In accordance with the Councils Contract Procedure Rule 3.1.6 the Chief Officer Housing is recommended to approve the use of a restricted tender process using Constructionline to undertake a competitive procurement process leading to the appointment of a contractor to carry out the re-roofing programme. The pre tender estimated cost of these works is £391,000 for 2021/2022.

7 Background documents

- 7.1 None.