

**Report of: Head of Property Management**

**Report to: Director of Communities, Environment & Housing**

**Report: 12<sup>th</sup> April 2021**

**Subject: Tender Evaluation report and proposed Contract Award – Responsive Repairs, Voids & Cyclical Maintenance - West**

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Guisley, Rawdon, Otley and Yeadon, Adel and Wharfedale, Horsforth, Weetwood, Kirkstall, Calverley, Farsley, Bramley, Stanningley, Headingley, Hyde Park, Pudsey, Armley, Little London, Woodhouse, Farnley, Wortley	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, access to information procedure rule number: Appendix number: Confidential Appendix 1 & Confidential Appendix 2 in line with Access to information rule 10.4.3	

**Summary**

**1. Main issues**

- An OJEU advert was published in accordance with EU legislation 28<sup>th</sup> August 2020. Following closure of the first stage of the restricted procedure 8 submissions were received. Subsequent evaluation identified 7 contractors to be shortlisted and invited to tender in line with the published documentation.
- During the tender period 3 organisations withdrew their interest in the opportunity and provided feedback to the Head of Property Management.
- Following closure of the tender opportunity 28<sup>th</sup> October 2020, 4 compliant submissions were received and evaluated by the officers on the tender evaluation panel with support from specialist guest scorers.

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

- These services 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.

- The services contribute to the following Best Council Plan ambitions:
  - a. Housing – In particular housing of the right quality, and the key performance indicator of percentage of council housing repairs completed within target.
  - b. Safe, Strong Communities – in particular keeping people safe from harm and protecting the most vulnerable.
  - c. Inclusive Growth – Tenderers were required to demonstrate a commitment to local employment, local subcontracting and community education to support the people in Leeds into employment.

### **3. Resource implications**

- Funding for this provision is obtained via the Housing Revenue Account (HRA)
- A full project board and project team is in situ to ensure a robust mobilisation period prior to contract commencement on 1<sup>st</sup> October 2021.
- The estimated contract value for the west area of the City is £14.35m per annum.

### **Recommendations**

- a) The Director of Communities, Environment & Housing is requested to approve the award of this contract for Responsive Repairs, Voids & Cyclical Maintenance - West to Mears Limited with an estimated value of £14,35m per annum for a period of 5 years commencing 1<sup>st</sup> October 2021, with no further option to extend.

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

- 1.1 To report the results of the tender evaluation process and to obtain approval to award the contract for Responsive Repairs, Voids & Cyclical Maintenance (RRV&CM) in the West of the City.

#### **2. Background information**

- 2.1.1 It should be noted that this provision excludes the delivery of Domestic & Commercial Gas, Lift Repair & Maintenance, Major Adaptations and Planned Maintenance/Improvements.
- 2.2 Responsive repairs, void maintenance and cyclical maintenance are statutory services and therefore the procurement has continued throughout the pandemic in line with the authority to procure decision obtained at Executive Board in September 2019.
- 2.3 The West area of the city equates to approximately 19,582 homes. This figure is subject to fluctuation considering 'Right to Buy' and 'Housing Growth'

#### **3. Main issues**

- 3.1 An OJEU advert was published on 9th March 2020 in accordance with EU legislation. The original timetable presented to Executive Board, has slipped by

approximately 6 weeks owing to the pandemic, and needing to support our tenderers with an extended submission period.

- 3.2 Following closure of the first stage of the restricted procedure at PAS91 stage 8 completed submissions were received. Subsequent evaluation identified 7 suppliers to be shortlisted. On the 27<sup>th</sup> July the RRV & CM Project board reviewed and supported the invitation to tender in line with the published documentation and procurement guidelines
- 3.3 Tenders were invited from these 7 shortlisted organisations on 28<sup>th</sup> August 2020. During the tender period 3 organisations withdrew their interest in the opportunity and provided feedback to the Head of Property Management.
- 3.4 Following closure of the tender opportunity on 12 noon on 28th October 2020, 4 compliant submissions were received and evaluated by the officers on the tender evaluation panel with support from specialist guest scorers.
- 3.5 Evaluation Summary:

Supplier	Quality Score	Price Score	Total Score
Rank 1 – Mears Limited	531	360.97	891.97
Rank 2	497.50	309.97	807.47
Rank 3	539	255.63	794.63
Rank 4	341.50	399.94	741.44

- 3.6 Full evaluation detail is outlined in the confidential appendices 1 & 2
- 3.7 Due diligence assessment has been undertaken with regards to Health & Safety, Financial Stability and Insurance.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The original authority to procure was approved at Executive Board in September 2019, with the subsequent procurement activity being delegated to the Director of Resources & Housing. Responsibility for Housing functions has, from 1<sup>st</sup> April 2021, resided with the Director of Communities, Environment & Housing.
- 4.1.2 Stage 1 of Leaseholder consultation has been undertaken, and stage 2 Concluded 9<sup>th</sup> April 2021. Further consultation will then be carried out at the point work exceeding the threshold is identified.
- 4.1.3 Tenant consultation has been undertaken, with 4 key tenant representatives providing commentary on 2 questions of the quality submissions pertaining to tenant engagement and safeguarding.

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

- 4.2.1 An Equality, Diversity Cohesion and Integration screening was undertaken at the Authority to procure stage and remains valid.
- 4.2.2 Key Findings to highlight include:

- 4.2.2.1 Failure to award this contract would result in service disruption following expiry of the current contract. This would adversely affect all tenants, in particular those who are most vulnerable such as disabled or elderly.
- 4.2.2.2 The replacement contract will provide an opportunity to ensure that all housing and repairs staff, in regular contact with resident, receive safeguarding training. This will help to protect vulnerable residents and ensure consistent safeguarding arrangements city-wide.

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

4.3.1 The services contribute to the following Best Council Plan ambitions:

- 4.3.1.1 Housing – In particular housing of the right quality, and the key performance indicator of percentage of council housing repairs completed within target.
- 4.3.1.2 Safe, Strong Communities – in particular keeping people safe from harm and protecting the most vulnerable.
- 4.3.1.3 Inclusive Growth – Tenderers were required to demonstrate a commitment to local employment, local subcontracting and community education to support the people in Leeds into employment.

#### Climate Emergency

- 4.3.2 At Full Council on 27<sup>th</sup> 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 The procurement undertaken has sought to appoint a contractor who has demonstrated arrangements are in place within their organisation to reduce their impact on climate change. The successful contractor exceeded the minimum thresholds for these criteria on each occasion.

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

- 4.4.1 Funding for this provision is obtained via the Housing Revenue Account (HRA)
- 4.4.2 A full project board and project team is in situ to ensure a robust mobilisation period prior to contract commencement on 1<sup>st</sup> October 2021.
- 4.4.3 The estimated contract value is £14.35m per annum.

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

- 4.5.1 This decision is categorised as a Significant Operational Decision being implemented as result of a previous Key Decision taken by Executive Board and is therefore not subject to call-in. Other than confidential appendices there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 Leaseholder consultation has been undertaken in line with national legislation to ensure that we can re-charge where appropriate for the cost of any works undertaken to leasehold properties.

- 4.5.3 The Transfer of Undertakings (Protection of Employment) Regulations 2006 does not apply to this contract award as the proposed successful contractor is the current incumbent contractor.
- 4.5.4 The Council is committed to being a caring and responsible landlord, and these services are an essential contribution to meeting our legal obligations and statutory responsibilities including those set out in:
- 4.5.4.1 The Landlord and Tenant Act 1985
  - 4.5.4.2 The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994
  - 4.5.4.3 The Regulatory Framework for Social Housing in England 2012
  - 4.5.4.4 The Homes (Fitness for Human Habitation) Act 2018
  - 4.5.4.5 Charter for social Housing Residents Policy Paper 2020

## **4.6 Risk management**

- 4.6.1 Failure to award this contract, may result in properties falling into disrepair where delays are incurred in undertaking repairs works due to having no contract in place to compliantly do so.
- 4.6.2 There is a risk that the awarded contractor is unable to deliver due to the downturn in the market and/or staff shortages and the company awarded the contract does not survive through to end of the mobilisation period. The council should maintain strong communication links with the preferred bidder and monitor market trends. Prior to formal contract award the financial health of the preferred bidder will be assessed.
- 4.6.3 Contractors systems will need to interface with current and new LCC ICT systems. Risks or issues arising from this will be dealt with during the mobilisation period and prior to the contract commencing in October 2021.
- 4.6.4 Due to the possibility of any further local or national restrictions relating to the current COVID-19 Pandemic, there is a risk may be negatively impacted. The Council and the Contractor will have to continue to be flexible and adapt the way they deliver services.

## **5. Conclusions**

- 5.1 Following completion of a compliant and robust procurement exercise, and owing to the statutory nature of the works, it is agreed by the Project Board that the approach to award this contract to the Most Economically Advantageous Tenderer is the correct approach to take.
- The Project Team will work with Mears Limited to establish a robust mobilisation plan in partnership.
- 5.2 Prices were for evaluation purpose and therefore indicative only. A robust contract management plan / Operational Contract Manual will be developed with service leads and colleagues from compliance and performance. Monthly contract meetings will be undertaken with the awarded contractor. Clear contract management leads will be written into the Contract management plan, breaking down roles and responsibilities including administration and performance monitoring. LCC have an established relationship with the proposed provider.

## **6. Recommendations**

- 6.1 The Director of Communities, Environment & Housing is requested to approve the award of this contract to Mears Limited for an estimated value of £14,35m per annum for a period of 5 years, with no further option to extend.

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

- 7.1 <https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=50234> – the Executive Board Key Decision approving this procurement.

---

<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.