

Report of Head of Strategy and Investment

Report to Director of Communities, Housing and Environment

Date: 15 April 2021

Subject: Tender evaluation results and proposed award of a framework contract for Housing Leeds Planned Works: Reroofing and Associated Works

Are specific electoral wards affected? If yes, name(s) of ward(s): Citywide (All wards)	<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: 10.4. (3) Appendix number: Appendix 1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- Following the key decision by the Director of Resources and Housing to competitively procure contractors for re-roofing and associated works, the council has undertaken a procurement exercise and identified four preferred contractors to enter into a framework agreement to carry out these works over a four year period.
- This report seeks the decision to enter into a framework contract agreement with the identified preferred contractors.
- Each year there is planned to be a call off from the framework agreement to award work packages to the two most competitive contractors. This will be a separate decision each year, through a report to the decision maker.

2. Best Council Plan implications (see 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 and making sure that the property are safe from any issues resulting from the works.
- This work is strongly aligned to the Best Council Plan Housing Priorities and our ambitions to:

- Support communities and tackle poverty, improve housing quality and standards.
- Promote sustainable and inclusive economic growth.

3. Resource implications

- Executive Board of 21st February 2020 and Full Council of 26th February 2020 approved the Capital programme for 2020 to 2024 that contained £3.5m per annum for re-roofing to council housing stock.
- The proposed expenditure over a four year term is circa £14m (£3.5m per annum).
- Planned re-roofing and associated works which will be provided from this procurement activity will be fully funded by the HRA.

4. Recommendations

It is recommended that the Director of Communities, Housing and Environment:

- approves the award of the re-roofing and associated works framework agreement for the 4 year period May 2021 to March 2025 to the following four contractors:
 - Houston Group of Companies Ltd (formerly Houston Roofing Ltd)
 - A Connolly Ltd
 - DLP Services (Northern) Ltd
 - City West Works T/A Liberty Group
- notes that a subsequent report seeking approval to award contracts for the first year works as a call off from this framework agreement is expected to require a decision in April 2021.

1. Purpose of this report

- 1.1 This report is to document the procurement process undertaken, including how tenders were evaluated, to identify the preferred contractors to be appointed to the framework agreement for Housing Leeds Planned Works: Re-roofing and Associated Works.

2. Background information

- 2.1 The need to undertake planned works is considered necessary under the council's repairing obligations to its tenants.
- 2.2 Planned 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.
- 2.3 Currently this work is delivered through LBS as internal service provider, as well as a framework agreement of four contractors which will be ending on 31st March 2021.
- 2.4 The key decision of June 2020 (see background documents) approved the procurement of a new framework contract.
- 2.5 The Housing Capital Programme plans to deliver a maximum of approximately £3.5m of re-roofing works per year throughout the next 4 years through a combination of both call-offs from this framework agreement and delivering work through the internal service provider.

3. Main issues

- 3.1 Following approval of the key decision in June 2020, a competitive OJEU Restricted Tender procurement exercise was undertaken with the intention to appoint four contractors to the framework agreement for Housing Leeds Planned Works: Re-roofing and Associated Works.
- 3.2 Due to this being an OJEU Restricted Tender, a PAS91 (Pre-qualification Questionnaire) and draft contract and tender documentation was published on YORtender on 24th July 2020 the submission deadline was 9th September 2020.
- 3.3 Fifteen PAS91 submissions were received by the deadline. The evaluation criteria, approved by the Head of Strategy & Investment, agreed that a maximum of ten organisations were to be shortlisted. Fourteen contractors passed the qualifying criteria and minimum threshold of 50% on their quality criteria submission overall and the top ten scoring organisations from the PAS evaluation were invited to tender.
- 3.4 The five unsuccessful contractors at the PAS91 stage was notified accordingly with feedback provided to support future procurement applications.
- 3.5 Finalised tender and contract documentation was published via YORtender to the ten shortlisted contractors on 19th October 2020, with a tender return deadline of 2nd December 2020.
- 3.6 During the tender period, two tenders opted out and tenders were received from the remaining eight contractors. Due to a number of clarification queries raised by interested contractors it was agreed to extend the tender return deadline to 9th December 2020.

- 3.7 As agreed in the key decision, tenders were assessed on a 70% price and 30% quality split, and the evaluation process was overseen by procurement officers.
- 3.8 The quality aspect of each submission saw each of quality criteria assessed and scored by a panel consisting of officers within the Strategy & Investment team. They were supported by a non-scoring consultee from Employment Leeds with expertise on Social Value to support in assessing this quality criteria. The strengths and weaknesses of each answer were discussed and a consensus score for each response reached.
- 3.9 The price evaluation was undertaken separately by Quantity Surveyors in the Housing Leeds Strategy & Investment team. Full details of this price evaluation are provided in the confidential Appendix 1 – Tender analysis report.
- 3.10 A summary of the evaluation scores are:

Tenderer	Price Score (70%)	Quality Score (30%)	Total Score
Houston Group of Companies Ltd	700.00	286.50	986.50
A Connolly Ltd	693.46	292.00	985.46
DLP Services (Northern) Ltd	508.20	279.00	787.20
Liberty Group Ltd	436.07	243.50	679.57
Jennings Roofing Ltd	299.20	246.50	545.70
Avonside Roofing Ltd	166.02	268.50	434.52
Karl Austerfield Roofing	88.75	299.50	318.25
BAAS Construction	0.00	276.50	276.50

- 3.11 As a result the four contractors who are recommended to be appointed to the framework agreement are:

- Houston Group of Companies Ltd (formerly Houston Roofing Ltd)
- A Connolly Ltd
- DLP Services (Northern) Ltd
- City West Works T/A Liberty Group

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Within Communities, Housing and Environment, the Strategy and Investment team as well as procurement and legal officers in Procurement and Commercial Services have worked together to deliver this procurement process in line with council rules and procedures.
- 4.1.2 TUPE information from the current contractors was shared as part of the tender process and should a TUPE transfer occur, it would be contractor to contractor.

- 4.1.3 Residents will be fully engaged and given adequate notice when re-roofing work is planned for their property. A consultation and engagement plan will form part of the contractual arrangements for those contractors being appointed to the framework.
- 4.1.4 In June 2020, Leaseholders were notified of the Council's intention to procure a new contract for this work under the Leasehold Consultation Requirements (England) Regulations 2003. In February 2021, a 2nd legal notice was served, stating the council's proposals to enter into an agreement with the recommended contractors to be appointed to this framework agreement.

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

- 4.2.1 An Equality, Diversity, Cohesion and Integration (ECDI) screening was completed as part of the key decision report. No issues were identified.

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

- 4.3.1 This procurement has been undertaken with openness, transparency and fairness throughout. This project has been procured in line with the councils Contract Procedure Rules.
- 4.3.2 This work is strongly aligned to the Best Council Plan Housing Priorities and our ambitions to:
- Support communities and tackle poverty, improve housing quality and standards.
 - Promote sustainable and inclusive economic growth.

Climate Emergency

- 4.3.3 In 2019 the Elected Members of Leeds City Council declared a Climate Change Emergency, and we have a commitment to becoming carbon neutral by 2030.
- 4.3.4 The proposed re-roofing programme will have a positive impact on the climate emergency as loft insulation is improved or installed as part of all new roof replacements. This will help reduce carbon emissions. Properties will be also be more energy efficient.

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

- 4.4.1 The procurement process has been carried out in an open and transparent manner in line with the Contract Procedure Rules. It has ensured that competition was sought to identify best value.
- 4.4.2 Executive Board of 21st February 2020 and Full Council of 26th February 2020 approved the Capital programme for 2020 to 2024 that contained £3.5m per annum for re-roofing to council housing stock.
- 4.4.3 Planned re-roofing and associated works which will be provided from this procurement activity will be fully funded by the HRA.
- 4.4.4 A contract management plan will be in place for each contractor once they are appointed, and will provide clear roles, responsibilities and regular review points with the contractors during the framework agreement.

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

- 4.5.1 This report is a Significant Operational Decision and not subject to call in. It is a subsequent decision of the key decision to undertake the procurement.
- 4.5.2 As noted in the Key Decision Report (see section 7), a further Significant Operational Decision will result from this, requesting approval from the decision maker to carry out a call off from this framework to allow the contractors ranked first and second during the evaluation process to undertake the first year re-roofing works.
- 4.5.3 The tenders have been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, provided the works are still required and affordable, the preferred contractor should be appointed. In making the final decision, the Director of Communities, Housing and Environment should be satisfied that this contract represents best value for the Council.
- 4.5.4 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, could adversely affect the business of the Council and the business affairs of a number of individual companies.
- 4.5.5 A 10 day standstill period was carried out and ended on 5th March 2021 in order to allow unsuccessful providers to view the outcome of this procurement in an open and transparent manner.
- 4.5.6 Each year's work for each contractor will require a separate decision and contract award in line with the framework approach. Given the size of the annual spend related to Re-roofing and associated works, each year's call off from this framework will be a key decision.

4.6 Risk management

4.6.1 A risk register has been produced and will be managed throughout this procurement process. The project team will continue to monitor the identified risks and consider any new risks moving forward.

4.6.2 Notable risks relevant to this procurement are:

Health & Safety - Following the outbreak COVID19, the health and safety of residents, staff and its contractors is the council's priority. As part of this scheme activity where entry to a resident's property is required, will be carried out in line with government guidance and site specific risk assessments.

Continuity of Work – Due to the nature of the work, it is often difficult to supply continuous work throughout the period of the call off. Work has been undertaken by Housing Leeds to ensure that investment planning targets are achievable, and works are given to contractors quarterly to support surveying resources.

Housing ICT System – Work to upgrade the Housing ICT systems has been ongoing and during this framework agreement it is expected that the new Civica systems will become operational. Housing ICT Project Staff will work with Housing Leeds officers and contractors to train on the functionality of the new system where appropriate.

4.6.3 Lessons learnt from the current contract include ensuring we are able to provide contractors with current stock data and able to inform contractors of the future work

programme, promoting partnership working; establishing a robust performance management framework and having a clear understanding of how the framework will operate.

5. Conclusions

- 5.1 The procurement process undertaken has been in accordance with the Council's Contracts Procedure Rules, with full guidance and support from procurement officers.
- 5.2 Following the tender evaluation of all 8 submissions, the bids recommended for appointment to the framework agreement have been identified. This has taken into consideration both quality and price submissions and are therefore the most economically advantageous tenders.

6. Recommendations

It is recommended that the Director of Communities, Housing and Environment:

- approves the award of the re-roofing and associated works framework agreement for the 4 year period May 2021 to March 2025 to the following four contractors:
 - Houston Group of Companies Ltd (formerly Houston Roofing Ltd)
 - A Connolly Ltd
 - DLP Services (Northern) Ltd
 - City West Works T/A Liberty Group
- notes that a subsequent report seeking approval to award contracts for the first year works as a call off from this framework agreement is expected to require a decision in April 2021.

7. Background documents¹

- 7.1 [Key Decision Report – Authority to Procure for this scheme](#)

8. Appendices

- 8.1 Appendix 1 - Tender Analysis Report (Confidential)

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.