

**Report of Head of Strategy & Investment**

**Report to Director of Communities, Housing and Environment**

**Date: 19 May 2021**

**Subject: Call off and contract award from the Re-roofing and Associated Works framework, for 2021/2022**

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: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- The new housing Re-Roofing and Associated Works framework agreement commenced on the 1st May 2021, for a four year period. Re-roofing works are needed for the first year (2021/22), and so a call-off to award contracts to two of the four contractors is needed.
- The key decision to procure the framework was taken in July 2020. This clearly set out how the framework would be used, and noted that the contractors who scored 1<sup>st</sup> and 2<sup>nd</sup> as part of the competitive procurement activity for the framework would be appointed to carry out the works in year one.
- This report therefore seeks approval to award the first call off of works under the new framework agreement to those contractors.
- It should be noted that for years two to four of the framework all four contractors will be invited to tender in competition, with the two lowest priced tenderers being appointed contracts for that year.

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

- This work is strongly aligned to the Best Council Plan Housing Priorities by:

- Supporting communities and tackling poverty, improving housing quality and standards.
- Promoting sustainable and inclusive economic growth.

### **3. Resource implications**

- The estimated expenditure through the framework in 2020/21, funded by the Housing Revenue Account, is £2.5million to be split between the 2 contractors.
- Authority to spend for this work will be sought as part of the 2021/22 Capital Investment Programme key decision which is due in May 2021 (see section seven, background documents).

### **4. Recommendations**

The Director of Communities, Housing and Environment is requested to:

- Approved the call off and contract award from the Re-roofing and Associated Works framework contract for a total of £2.5m for the financial year 2021/22 (year one) work, to start 1<sup>st</sup> June 2021 and end on the 31<sup>st</sup> March 2021. Award to the contractors ranked first and second in the tender evaluation in line with the agreed selection process for year one works:
  - Houston Roofing (Houston Group of Companies Ltd, formerly Houston Roofing Limited)
  - A Connolly Limited
- Note that the planned spend for the works will be split equally between the two contractors, each receiving a contract for approximately £1.25 million of work.

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

- 1.1. This report seeks approval to the award of the call off from the new framework agreement 2021 to 2025 for contractors to deliver the annual works for re-roofing and associated works under the housing capital programme for 2021/2022 (year one).

## **2. Background information**

- 2.1. The need to undertake re-roofing works is considered necessary under the council's repairing obligations to its tenants.
- 2.2. Re-roofing and associated works was undertaken through a framework agreement with four contractors between 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2021. This achieved good value for money and high quality works for the council. Following a key decision in July 2020 (see section seven, background documents), regarding the procurement strategy for these works, it was decided to enter into a similar framework agreement to deliver the works for the next four years.
- 2.3. The Director of Communities, Housing and Environment previously approved a significant operational decision report to allow the framework agreement to be established with the four contractors listed below:
  - Houston Roofing (Houston Group of Companies Ltd, formerly Houston Roofing Limited)
  - A Connolly Limited
  - DLP Services (Northern) Ltd
  - City West Works Ltd T/A Liberty Group
- 2.4. This report seeks to enter a contractual agreement for the first year of works, with the two contractors referenced in section 3.3 of this report.
- 2.5. To maintain competition the framework has been set up to anticipate that two of the four appointed contractors under will deliver works each year, of an estimated £1.25m each (in total £2.5m), with works starting in May 2021 for year one.
- 2.6. There is also provision for any works to be awarded under the frameworks via a mini competition e.g. where works to one or more properties that fall outside of the standard designs and styles or archetypes priced.
- 2.7. Leeds Building Services (LBS) also deliver approximately re-roofing works across the city to the value of £1m.

## **3. Main issues**

- 3.1. Housing Leeds Re-Roofing and Associated Works framework agreement commenced on the 1st May 2021 for a four year period.
- 3.2. The selection procedure for year one works (2021/22 spend) under the framework specified that the bidders ranked first and second place following the tender evaluation will be selected to deliver the works.
- 3.3. For this framework, as set out in the tender award report (see section seven, background documents), these are:
  - Houston Group of Companies Ltd (formerly Houston Roofing Ltd)
  - A Connolly Limited

- 3.4. The recommended contractors for year one works will subsequently be asked to price the specific works to be undertaken to addresses (based on the rates and prices submitted in competition to get on the framework) and submit this with their delivery plans for agreement prior to the approval and award of their annual contracts.
- 3.5. To take forward works from year two onwards a subsequent key decision to call off from the framework will be required. This complies with the requirements of Contract Procedure Rule 3.1.6. This is expected to be around autumn 2021.
- 3.6. For years two, three and four, the tenders are to be evaluated on a price only basis, with those ranked first and second named as the successful contractors for that year.

#### **4. Corporate considerations**

##### **4.1 Consultation and engagement**

- 4.1.1 This report has been developed by the Strategy & Investment lead and colleagues from Legal, Procurement and Finance have all been consulted and participated in the development of this report.
- 4.1.2 TUPE information from the current contractors was shared as part of the tender process for the framework agreement and should a TUPE transfer occur, it would be contractor to contractor.
- 4.1.3 Residents will be fully engaged and given adequate notice by the Strategy and Investment team when re-roofing work is planned for their property. Adequate consultation and engagement was made part of the framework contract documentation and all communications will be approved by the council prior to issuing.
- 4.1.4 Where leaseholders will be receiving specific works to their properties in 2021/22 by the agreed contractors, detailed costs associated with any works will be provided. Leaseholders have already been consulted during the procurement activity and have been made aware of the contractors who have entered the framework agreement.

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

- 4.2.1 An EDCI screening was carried out for these works and can be found in the key decision (see section seven, background documents). No issues for equality, diversity, cohesion and integration were found.

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

- 4.3.1 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
- 4.3.2 One of the quality evaluation criteria as part of the procurement activity for the framework was in relation to the bidder's social value offer. This included the contractor's commitments to employment and skills and supporting the local economy. The successful contractors for 2021/2022 will be held to their social value commitments through contract management activity.

## 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.
- 4.3.5 Additionally all materials to be used on the re-roofing scheme are to be locally sourced, helping reduce the environmental impact of emissions from the sourcing and transportation of materials.

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

- 4.4.1 The procurement activity and call-off from this framework have 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 Resources for delivery of these capital works are from within the Housing Revenue Account (HRA). Executive Board of 21<sup>st</sup> February 2020 and Full Council of 26<sup>th</sup> 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. A total of £2.5m will be contracted from this framework agreement.
- 4.4.4 In order to also achieve high quality works, the contractors will be required to comply with the technical requirements of the framework agreement.
- 4.4.5 The framework agreement will run for four years until 31<sup>st</sup> March 2025. This will ensure the council continues to achieve value for money for these works. More information can be found in the background documents (see section seven).

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

- 4.5.1 This report is a Significant Operational Decision, resulting from the June 2020 key decision, and therefore is not subject to call in.
- 4.5.2. Each year's work for each contractor requires a separate contract award in line with the framework approach. Also a key decision will be required for each year two to four to seek approval to call off from the framework
- 4.5.3 A contract management plan has been finalised and will be in place for each contractor, and will provide clear roles, responsibilities and regular review points with the contractors during the framework agreement.

## **4.6 Risk management**

- 4.6.1 A risk register has been produced for the 2021/22 call off. The project team continue to monitor the identified risks and consider any new risks moving forward through the contract award and mobilisation.
- 4.6.2 Notable Risks include:

Health & Safety - Following the outbreak COVID19, the health and safety of residents, staff and its contractors is the council's priority. All work will be carried out in the line with government guidelines and site 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.

## **5 Conclusions**

- 5.1 This call off and award to contractors will enable the delivery of planned re-roofing and associated works under the housing capital programme for 2021/2022, funded by the Housing Revenue Account (HRA).
- 5.2 The call off from the framework is in line with the selection process of the frameworks and follows the Council's Procurement Rules.
- 5.3 Delivering re-roofing works this way will deliver a range of benefits for the council, including a range of contracted providers carrying out the works, reducing the reliance on a single contractor, and creating a mixed economy with the internal service provider; a citywide consistent approach and increased value for money.

## **6 Recommendations**

The Director of Communities, Housing and Environment is requested to:

- Approved the call off and contract award from the Re-roofing and Associated Works framework contract for a total of £2.5m for the financial year 2021/22 (year one) work, to start 1<sup>st</sup> June 2021 and end on the 31<sup>st</sup> March 2021. Award to the contractors ranked first and second in the tender evaluation in line with the agreed selection process for year one works:
  - Houston Roofing (Houston Group of Companies Ltd, formerly Houston Roofing Limited)
  - A Connolly Limited
- Note that the planned spend for the works will be split equally between the two contractors, each receiving a contract for approximately £1.25 million of work.

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

- 7.1 [Key Decision Report – Authority to Procure](#)
- 7.2 [Framework Contract Award Report](#)
- 7.3 [List of Forthcoming Key Decisions – Authority to Spend for the 2021/22 Capital Investment Programme](#)

## **8. Appendices**

---

<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.

8.1 None