



Report of Head of Leeds Building Services

Report to Chief Officer Civic Enterprise Leeds

Date: 10th May 2021

Subject: DN461184 - Contract Award for contractors to support Leeds Building Services' delivery of painting and decorating works to Civic properties

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s):	
All wards	
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: 10.4(3)	
Appendix number:	
Appendix 1 – Confidential Tender Analysis	
Appendix 2 – Confidential Evaluation Matrix	

Summary

1. Main issues

- Leeds Building Services (LBS) currently deliver painting and decorating works for new builds, major refurbishments, full internal redecoration, minor refurbishments and minor patch painting works to Civic properties.
- To support LBS with the continued delivery of this work this report seeks approval to award framework contracts to 4 external contractors.
- This report demonstrates the procurement process undertaken and the evaluation results from a tender exercise, utilising Constructionline, and seeks approval to award framework contracts to suitably skilled and experienced painting and decorating specialists to support LBS.

2. Best Council Plan implications

- This procurement will impact on the Best Council Plan by; enhancing the image of Leeds through major events and attractions, by keeping the Civic buildings around Leeds in a good upkeep and condition.

- This framework contract will support inclusive growth by providing regeneration to Civic buildings.

3. Resource implications

- The monetary benefits of this procurement exercise ensure that with competition and the ability to test price and quality, it will maximise efficiency and gain value for money.
- This framework contract will support LBS's direct workforce, providing additional resource where LBS staff do not have enough capacity, ensuring that outputs can be delivered.
- The contractors have the skills, expertise and knowledge evidenced through robust evaluation of tender responses which will ensure all works are completed with regards to health and safety and environmental considerations.
- The service will operate on the agreed tender prices with clear costs and ways of working laid out during the tender process.

Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to note the contents of this report and approve the award of framework contracts to Alfred Bagnall & Sons (Leeds) Ltd, Greens (Decorating) Contractors Ltd, GME Painting Contractors Ltd and Wharfedale Decorations Ltd for painting and decorating services to Civic properties for the period of 1st July 2021 to 30th June 2025 with an estimated total expenditure of £2,800,000.
- b) Recognise that Appendix 1 and Appendix 2 should be designated exempt from publication.

1. Purpose of this report

- 1.1 The purpose of this report is to document the procurement process undertaken and tender evaluation results to seek approval to award framework contracts to the identified contractors that will carry out painting and decorating services to the Council's Civic properties.

2. Background information

- 2.1 The authority to procure report as required under CPR 3.1.6 in order to invite external competition was approved on the 22nd July 2020, with an effective date of decision from 30th July 2020. The authority to procure report considered appropriate procurement options and approved the use of inviting contractors approved by Constructionline to tender. The authority to procure report also acted as the Key Decision under the Council's Constitution.
- 2.2 LBS currently deliver painting and decorating works covering new builds, major refurbishments, full internal redecoration, minor refurbishments, and minor patch painting works to Civic properties. LBS require external specialists to support and

deliver these works for a period of 4 years. The framework contract will cover all civic buildings across the City.

- 2.3 In accordance with the tender documents, the framework contract will have 2 methods of allocating work to the contractors appointed on the framework contract depending on the value of the orders. The first method is for any orders below £20,000, orders will be allocated on a ranked basis. This means the highest scoring tenderer will be deemed contractor 1; the second highest scoring tenderer will be deemed contractor 2, and so on. Contractor 1 will be offered the order first and if this is rejected where capacity is an issue, contractor 2 will then be offered the order, and so on, until the order is accepted.
- 2.4 The ranked order is as follows;
- 2.4.1 Rank 1 – Alfred Bagnall & Sons (Leeds) Ltd
- 2.4.2 Rank 2 – Greens (Decorating) Contractors Ltd
- 2.4.3 Rank 3 – Wharfedale Decorations Ltd
- 2.4.4 Rank 4 – GME Painting Contractors Ltd
- 2.5 The second method is for orders above £20,000, orders will be allocated on a mini competition basis. All 4 contractors appointed on the framework contract will be offered the option to bid for the order and the lowest priced bid will be offered the order.

3. Main issues

- 3.1 The proposal to establish a framework contract for 4 years, starting in July 2021 to June 2025 will help support the LBS works programme.
- 3.2 An expression of interest inviting contractors from Constructionline was issued in October 2020 and 10 contractors were subsequently invited to tender. By the tender return date, out of the 10 contractors invited, 6 submitted tenders, 1 opted out citing that other painting contractors are better suited to delivering these types of works and 3 provided no tender response/no reasons for not responding.
- 3.3 The 6 contractors that submitted a bid were assessed on an 80% price, 20% quality basis. The evaluation team comprised of 2 service managers and 1 team manager from the LBS planned service team.
- 3.4 The Council's Commercial Quantity Surveyor (QS) team within Housing Leeds were responsible for evaluation of priced submissions to verify completeness and compliance. Tenderers were required to complete a schedule of rates for the works with indicative quantities.
- 3.5 The results are as follows:

Tenderer	Quality	Price	Total Score	Rank
Alfred Bagnall & Sons (Leeds) Ltd	175.00	800.00	975.00	1
Greens (Decorating) Contractors Ltd	139.00	332.20	471.20	2
Wharfedale Decorations Ltd	172.00	255.26	427.26	3

GME Painting Contractors Ltd	164.00	0.00	164.00	4
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- 3.6 Full details of both the quality and pricing review can be found in Appendix 1 – Confidential Tender Analysis and Appendix 2 – Confidential Evaluation Matrix.
- 3.7 2 tenderers failed to achieve the minimum 100 points overall threshold that was set against the quality criteria, therefore their pricing submission was not evaluated as per the evaluation methodology set out within the tender.
- 3.8 GME Painting Contractors Ltd submitted a compliant tender however received a total price score of zero points due to their tender price being over 100% more expensive than Alfred Bagnalls & Sons. Although GME were the most expensive for price, they are deemed contractor 4, therefore their likelihood of receiving any orders under £20,000 is reduced/minimal, thereby value for money is still ensured.
- 3.9 The contractors who we are recommending for the contract award are Alfred Bagnall & Sons (Leeds) Ltd, Greens (Decorating) Contractors Ltd, GME Painting Contractors Ltd and Wharfedale Decorations Ltd.
- 3.10 Prior to award, financial and reference checks have been undertaken for the contractors to ensure there is no risk to the Council. The results confirm that there are no issues with any of the 4 contractors. These results will be kept on file.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation and engagement with Council stakeholders have taken place when developing the procurement work stream as well as assessing the tenders when they were returned. This has involved Procurement and Commercial Services (PACS), Housing Leeds QS Team, and LBS. When necessary, legal advice has been sought from the PACS Commercial Team.
- 4.1.2 The Tender Analysis report at confidential Appendix 1 produced by the Housing QS Team which supports this recommendation has been reviewed and agreed by the Council's Procurement Manager within PACS.

4.2 Equality and diversity / cohesion and integration (EDCI)

- 4.2.1 An Equality and Diversity Screening was carried out and completed when we asked for the procurement strategy to be approved on the 22nd July 2020. This indicated that there were no expected impacts on the protected characteristics of individuals and therefore it was not applicable to do an EDCI impact assessment.

4.3 Council policies and the Best Council Plan

- 4.3.1 The procurement was undertaken with a view to ensure openness, transparency and fairness and was procured in line with the Council's Contract Procedure Rules (CPRs).
- 4.3.2 The service contributes to key objectives within the Best Council Plan by;

- Enhancing the image of Leeds through major events and attractions, by keeping the Civic buildings around Leeds in a good upkeep and condition.
- This framework contract will support inclusive growth by providing regeneration to Civic buildings.

Climate Emergency

- 4.3.3 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 increases to no more than 1.5c.
- 4.3.4 In order to try and reduce carbon emissions, works will be scheduled so that sites nearby are worked on at similar times. Through shared travelling, this will reduce the impact on each area and help to reduce the frequent travelling of staff and delivery of materials.

4.4 Resources, procurement and value for money

- 4.4.1 The procurement was carried out in an open and transparent manner in line with the Council's CPRs in order to ensure competition was sought to achieve best value.
- 4.4.2 This framework contract will be managed by LBS, using a Contract Management Plan which will include performance reporting processes and how payments will be made.

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

- 4.5.1 This is a Significant Operational Decision as a direct consequence of the original Authority to Procure (Key Decision) taken on the 22nd July 2020, and is therefore not subject to call-in. Other than confidential Appendix 1 and Appendix 2, there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 The information in Appendix 1 and 2 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 Appendices outweighs the public interest in disclosing the information and financial details which, if disclosed would adversely affect the business of the Council and the business affairs of a number of individual companies.
- 4.5.3 In making their final decision, the Chief Officer of Civic Enterprise Leeds should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

4.6 Risk management

- 4.6.1 Key areas to monitor and potential areas of risk are:

- 4.6.1.1 Ensuring the contract is managed and monitored by the appointed contract manager within LBS to ensure the benefits of the services are maximised to meet the Client's requirements.
- 4.6.1.2 The Contract Manager from LBS will ensure that regular contract meetings take place throughout the duration of the contract and they will monitor Performance Measures/KPI's that are included within the specification and Contract Management Plan. The Contract Manager will ensure performance standards are met by the contractors and if they are found to be underperforming and failing to meet minimum standards, appropriate action will be taken to rectify the cause of failure.
- 4.6.1.3 Budgets will be monitored regularly to ensure that contractors are on track with expected levels of spend.
- 4.6.1.4 There is a risk that the contractors may fall into financial difficulty during the life of the framework contract. Financial checks have already taken place and the proposed contractors are confirmed financially stable prior to contract award. If any contractor rejects any work from LBS, the Contract Manager will closely monitor the contractor and identify the reasons for the rejection, as it could be an early sign of financial difficulty.

5. Conclusions

- 5.1 There is a requirement for LBS to deliver painting and decorating services to Civic properties with an approximate annual spend of £700,000 and a total contract value of £2,800,000 (there will be no guarantee of any volumes of works throughout the framework contract term).
- 5.2 We therefore undertook a procurement process in accordance with the Council's CPRs with guidance and support from the LBS Team, in order to meet this requirement.
- 5.3 The requirement has now been through a robust tender process in accordance with the evaluation criteria set out in the tender documents and 4 contractors have been successful in their tender submissions.

6. Recommendations

- 6.1 The Chief Officer Civic Enterprise Leeds is recommended to note the contents of this report and approve the award of framework contracts to Alfred Bagnall & Sons (Leeds) Ltd, Greens (Decorating) Contractors Ltd, GME Painting Contractors Ltd and Wharfedale Decorations Ltd for painting and decorating services to Civic properties for the period of 1st July 2021 to 30th June 2025 with an estimated total expenditure of £2,800,000.
- 6.2 Recognise that Appendix 1 and Appendix 2 should be designated exempt from publication.

7. Background documents¹

- 7.1 None.

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.