

DN522508 - LBS Responsive Roofing Works – Contract Award

Date: 14th June 2021

Report of: Head of Leeds Building Services

Report to: Director of Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- To seek approval to award the recently tendered Leeds Building Services (LBS) responsive roofing works for housing properties to 3 contractors who will be responsible for delivering roofing works to housing properties located in the east and south areas of the City.
- This contract contributes to the Best Council Plan in a number of areas:
 - **Inclusive Growth** – ‘Supporting growth and investment’ and ‘Supporting businesses and residents to improve skills, helping people into work and into better jobs’.
 - **Safe, Strong Communities** – ‘Keeping people safe from harm, protecting the most vulnerable’ and ‘Being responsive to local needs, building thriving, resilient communities’.
 - **Housing** – ‘Housing of the right quality, type, tenure and affordability in the right places’ and ‘Improving energy performance in homes, reducing fuel poverty’.

Recommendations

- a) The Chief Officer for Civic Enterprise Leeds is recommended to note the contents of this report and approve the award of contracts to the following contractors and management areas;
- Marcher Roofing Ltd – Repair Management Areas 1, 2 & 3
 - Houston Group of Companies Ltd – Repair Management Areas 4, 5 & 6
 - City West Works Ltd t/a Liberty Group – Repair Management Areas 7, 8 & 9

For the period of 1st July 2021 to 30th June 2025 with the option to extend for a further 4 x 12 months, with an estimated total expenditure of £11,200,000 (annual value of £1,400,000).

- b) Recognise that Appendix 1 should be designated exempt from publication in accordance with information procedure rule 10.4(3).

Why is the proposal being put forward?

- 1 The purpose of this report is to report the results of the tender evaluation process and to obtain approval to award contracts for Responsive Roofing Works for Housing Properties to Marcher Roofing Ltd, Houston Group of Companies Ltd and City West Works Ltd t/a Liberty Group, following conclusion of an above threshold compliant tender opportunity advertised via 'Find-a-Tender' service.
- 2 The procurement was evaluated using the Quality / Price separated approach in line with CPR 15.2(a). Upon conclusion of the quality assessment, only tenderers who had achieved the minimum quality thresholds outlined within the tender documentations were assessed further. The subsequent financial assessment was undertaken on a price only basis, with only the lowest price submissions being considered for award.
- 3 Following conclusion of the quality assessment 4 organisations failed to achieve the minimum thresholds for quality and were subsequently excluded from the financial review.
- 4 In an effort to ensure a mixed economy, it is proposed that we appoint the 3 organisations with lowest price:
 - Marcher Roofing Ltd – 3 repairs management areas
 - Houston Group of Companies Ltd – 3 repairs management areas
 - City West Works Ltd t/a Liberty Group – 3 repairs management areas
- 5 Each contractor will receive approximately £466,665 of work orders per year; this equates to £155,555 for each repairs management area.
- 6 The rates submitted by the ranked 2 and 3 contractors were within 10% of the lowest priced, rank 1 contractor.

What impact will this proposal have?

Wards Affected: Alwoodley, Harewood West, Wetherby, Moortown, Roundhay, Chapel Allerton, Gipton, Harehills, Killingbeck, Seacroft, Crossgates, Whinmoor, Burmantofts, Richmond Hill, Temple Newsam, Beeston, Holbeck, Hunslet, Riverside, Morley North, Morley South, Middleton Park, Ardsley, Robin Hood, Rothwell, Garforth, Swillington, Kippax and Methley.

Have ward members been consulted? Yes No

- 7 It's anticipated that there will be no significant impacts to the wards.
- 8 This contract will support LBS in their responsibility of delivering responsive roofing works to housing properties on behalf of Housing Leeds within the east and south areas of the City and contribute to the delivery and expenditure of the revenue programme.

What consultation and engagement has taken place?

- 9 The Chief Officer of Civic Enterprise Leeds has been consulted throughout the development and implementation of the LBS procurement strategy which includes this proposed contract.
- 10 WAM & WBR were consulted in obtaining Authority to Procure.
- 11 Procurement and Commercial Services have been consulted throughout the procurement process.

- 12 Leeds Building Services have been involved throughout the procurement activity.
- 13 Leaseholder consultation has been conducted in line with Section 20 legislation to ensure all associated recharged can be made. This process concluded on 21st June 2021.

What are the resource implications?

- 14 The contractors selected have specialist skill, technical expertise and knowledge that will ensure all works are completed with regards to Health and Safety and Environmental consideration.
- 15 The successful contractor's will be required to provide the full service at the agreed tender price with clear costs and ways of working laid out from the tender process.

What are the legal implications?

- 16 The procurement has been undertaken in compliance with Public Contract Regulations 2015 and the Council's Contract Procedure Rules.
- 17 This procurement exceeds the threshold for high value activity and has therefore been advertised via the 'Find a Tender' service in accordance with regulations.
- 18 This is a Significant Operational Decision as a direct consequence of the original Authority to Procure (Key Decision) taken on the 5th January 2021, and is therefore not subject to call-in. Other than confidential Appendix 1, there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 19 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.

What are the key risks and how are they being managed?

- 20 Key areas to monitor and potential areas of risk are:
 - 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.
 - The Contract Manager will ensure that regular contract meetings take place throughout the duration of the contract and they will monitor performance measures/KPIs 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.
 - Expenditure against budgets provision will be monitored regularly by the Contract Manager to ensure that contractors are on track with expected levels of spend.
 - Financial checks have already taken place and the proposed contractors are confirmed as 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.

- If the contractor has capacity issues, the proposed contingency plan will be to utilise the Tender Hub team and obtain a minimum of 3 quotes.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

21 **Inclusive Growth** – ‘Supporting growth and investment’ and ‘Supporting businesses and residents to improve skills, helping people into work and into better jobs’.

Successful contractors have demonstrated a commitment to deliver local recruitment, employment, and establish local supply chains to support their business in delivering works for LBS.

22 **Health & Wellbeing** – Safe, Strong Communities – ‘Keeping people safe from harm, protecting the most vulnerable’ and ‘Being responsive to local needs, building thriving, resilient communities’.

23 **Climate Emergency** – All tenderers have committed to employing from Leeds locality to reduce excess travel, plan travel effectively, and have long term vision in place to implement alternative fuelled vehicles for their operatives and travelling workforce.

Options, timescales and measuring success

a) What other options were considered?

24 The alternative option to approving this contract award, is to abort the procurement activity and rely on LBS' direct workforce for all responsive roofing works in housing properties; this is not recommended. LBS do not currently employ roofing operatives and require external provision to support delivering any roofing works. Due to this, there will be a risk of high non-contract spend, and decreased quality and impact on delivery of service provision provided to tenants on behalf of Housing Leeds.

25 Consideration has been given to awarding all management areas to the lowest priced tender, however having a sole contractor for provision of this work would leave the authority at significant risk should the selected organisation encounter financial stability or capacity issues. Awarding a contract with multiple contractors ensures there are contingency measures in place should we encounter a contractor failure.

b) How will success be measured?

26 LBS are the internal service provider for their client, Housing Leeds. They are required to meet Service Level Agreements (SLAs) for responsive roofing repairs and emergencies. Each type of repair is categorised with a set time performance Key Performance Indicators (KPIs) applied to them. LBS must perform and complete all repairs within target timescales in order to successfully meet these KPIs.

27 Each contractor will have a set of KPIs that must be met. The KPI requirements are based on the SLAs set by Housing Leeds. LBS will manage the performance of the contractors to ensure the client's requirements are completed to their satisfaction.

28 Key Performance Indicators have been applied to this contract, and will be monitored throughout its life. The KPIS include:

- Managing Property Turnaround Times
- First Time Fix Rate (Responsive Repairs)

- Responsive Repairs Completed Within Target
- Responsive Repairs – Appointment Kept
- Responsive Repairs – Customer Satisfaction
- Compliance of H&S Site Inspection
- H&S Non-Compliance Resolved Within Target

c) What is the timetable for implementation?

29 This contract is anticipated to commence 1st July 2021 for an initial period of 4 years with the option to extend for a further 4 x 12 months periods, subject to mutual agreement.

Appendices

30 Confidential Appendix 1 – Tender Analysis Report

Background papers

31 Authority to Procure: <https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=52593>