

## LBS Housing Multi-trade – Contract Award

Date: June 2021

Report of: Head of Leeds Building Services

Report to: Chief Officer Civic Enterprise Leeds

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 contracts for Housing multi trade requirements to 4 contractors who will be responsible for delivering multi-trade works in housing properties where LBS do not have the internal capacity to do so.
- 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 of CEL is recommended to approve the award of the Housing Multi-trade contract to commence 1<sup>st</sup> July 2021 for a period of 4 years, with the option to extend for a further 4 x 12 month periods, with an estimated value of £3,000,000 per annum. The suppliers and lot allocations are indicated below:
  - a. John Rodriguez Plastering Ltd– Void Management Areas 2 & 5
  - b. Evolve Construction Services Yorkshire Limited – Void Management Areas 6 & 7
  - c. Palm Yorkshire – Void Management Areas 1 & 3
  - d. Cambridge Construction Northern Limited – Void Management Area 4

## Why is the proposal being put forward?

- 1 The purpose of this report is to obtain approval to award the Housing Multi-trade contract to John Rodriguez Plastering Ltd, Evolve Construction Services Yorkshire Limited, Palm Yorkshire and Cambridge Construction Northern Limited, 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, 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 2 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 and it is proposed to appoint the 4 organisation with as listed below based on lowest price:
  - a) John Rodriguez Plastering Ltd– Void Management Areas 2 & 5
  - b) Evolve Construction Services Yorkshire Limited – Void Management Areas 6 & 7
  - c) Palm Yorkshire – Void Management Areas 1 & 3
  - d) Cambridge Construction Northern Limited – Void Management Area 4
- 5 This strategy in addition also achieves one of the key aims of the procurement strategy to encourage engagement with the local market and SMEs
- 6 It is anticipated that expenditure with each of the proposed contractors to be awarded work will be broadly comparable in value / volume per lot.

## 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 There are no significant impacts to the wards anticipated.
- 8 This contract will support LBS in their responsibilities delivering Responsive Repairs, Voids & Cyclical Maintenance to domestic properties on behalf of Housing Leeds within the East & South of the City.

## What consultation and engagement has taken place?

- 9 The Chief Officer of CEL 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 Trade Unions are consulted regularly with regards to all LBS procurement activity, and subcontracting arrangements.
- 12 Procurement and Commercial Services have been consulted throughout the procurement process.

13 LBS have been involved throughout the procurement activity.

14 Leaseholder consultation has been conducted in line with legislation to ensure all associated recharges can be made. The consultation period concluded on 30<sup>th</sup> June 2021.

### **What are the resource implications?**

15 LBS will deliver works through their own direct workforce in the first instance so required resources will be dependent upon their capacity. There is no guarantee of works through this contract.

16 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.

17 The successful contractor's are 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?**

18 This procurement will be undertaken in compliance with Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

19 This procurement exceeds the threshold for high value activity, and has therefore been advertised via the 'find a tender service' in accordance with regulations.

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

**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.

**1.2** 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.

**1.3** Expenditure against budgets provision will be monitored regularly by the Contract Manager to ensure that contractors are on track with expected levels of spend.

**1.4** 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.

**1.5** 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 three Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

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

a) 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.

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

**22 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**

### **What other options were considered?**

- 23 The alternative option to approving this contract award, is to abort the procurement activity and rely on LBS direct workforce for all multi-trade works in domestic properties. This is not recommended, due to the risk of high non-contract spend, and decreased quality of service provision provided to tenants on behalf of Housing Leeds.
- 24 Consideration has been given to awarding all management areas to the lowest priced tender, however the strategy is to have a blended approach to ensure wide engagement with the local SME sector, in addition having a sole contractor for provision of this work would leave the authority at significant risk should the selected organisation encounter financial stability issues. Awarding a contract with multiple suppliers ensures there are contingency measures in place should we encounter a supplier failure.

### **How will success be measured?**

- 25 Key Performance Indicators have been applied to this contract, and will be monitored throughout its life. The KPIS include:
- a) Managing Property Turnaround Times
  - b) Meeting Letting Standards
  - c) First Time Fix Rate (Responsive Repairs)
  - d) Responsive Repairs Completed Within Target
  - e) Responsive Repairs – Appointment Kept
  - f) Responsive Repairs – Customer Satisfaction
  - g) Compliance of H&S Site Inspection
  - h) H&S Non-Compliance Resolved Within Target

### **What is the timetable for implementation?**

- 26 This contract is anticipated to commence 1<sup>st</sup> 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**

- 27 Confidential Appendix 1 – HMT Tender Evaluation Matrix

## **Background papers**

- 28 Authority to Procure: [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk)

