

Approval to Extend the Supply of Precast Concrete Kerbs and Flags Contract 2021 to 2022

Date: 13 July 2021

Report to: The Chief Officer (Highways & Transportation)

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

- This report seeks approval from the Chief Officer (Highways & Transportation) to extend the Supply of Precast Concrete Kerbs and Flags Contract 2019-2021 for a further 12 months to 11th August 2022.
- This includes an Annual Price Change Mechanism, as per the contract, the appointed contractors have the opportunity to review their rates and any increase shall not exceed the percentage offered. This is currently: 1.57% but subject to change when August's CPI figures are released.
- The contract was originally awarded in 2019 for a 2 year period. Under Clause 3.2 which was included in the contract, we have the option to extend the contract for a further 12 months under the same terms and conditions.
- This is the first of 2 possible 12 month extensions in the contract. The second extension would take the contract to 2023 and take the total contract period to 4 years.
- The contract extension will start from 12th August 2021 for a one year period until the 11th August 2022 with the incumbent contractors Aggregate Industries UK LTD T/A Charcon Hard Landscaping, Keyline Builders Merchants Limited and Marshall Mono who have all agreed to the proposed extension.
- The extension will allow us to keep using the compliant suppliers we procured at the first time of tendering under the same terms and conditions. Retendering is not expected to bring any further savings and would incur costs associated with a new tender process.
- The proposed extension of this contract will provide an efficient method of procuring these materials and the approach is consistent with the aims contained within the Council's Spending Money Wisely Policy.

Recommendations

- a) The Chief Officer (Highways & Transportation) is asked to approve the recommendation to extend the Supply of Precast Concrete Kerbs and Flags Contract 2019-2021 for an additional 12 months to 11 August 2022 with Aggregate Industries UK LTD T/A Charcon Hard Landscaping, Keyline Builders Merchants Limited and Marshall Mono. The estimated annual spend is around £500,000.00

Why is the proposal being put forward?

- 1 The DLO (Direct Labour Organisation) use the contract to carry out a variety of essential statutory duties maintaining highway infrastructure.
- 2 This contract is necessary to ensure Leeds City Council's ability to procure kerbs and flags used on the highway.
- 3 Without the contract, we have no compliant way of procuring these essential materials.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted? Yes No

- 4 The proposals requested in this report have no direct impact on any of the equality characteristics as it is purely an administrative function and therefore it is not applicable to carry out an equality, diversity, cohesion and integration screening at this time.
- 5 During the original tender of this contract it was also considered not applicable for an equality, diversity, cohesion and integration screening assessment to be undertaken.

What consultation and engagement has taken place?

- 6 Consultation has taken place with the DLO who have confirmed their need for this contract to be able to deliver their service and are satisfied with the performance of the incumbent contractors.

What are the resource implications?

- 7 The proposal to extend the contract is judged to be value for money and is an effective use of council resources.
- 8 The estimated annual spend is around £500,000.00. This is a schedule of rates contract with no guarantee of any orders being placed.
- 9 It has been considered and confirmed that appropriate funding provision is available from both capital and revenue budgets as and when the service is required.

What are the legal implications?

- 10 There are no specific legal implications arising from this report. All activities relating to the proposed contract extension have been executed strictly in accordance with the Council's Contract Procedure Rules.
- 11 Extending the contract is a direct consequence of the initial authority to procure and should be treated as a signification operational decision, as such it is not eligible for call in.

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

- 12 This contract is necessary to maintain continuity on the ability to procure these types of materials, it is essential that this contract is extended before the existing arrangement expires.

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

Inclusive Growth

Health and Wellbeing

Climate Emergency

- 13 Well planned maintenance of the highway infrastructure will enable people to easily move around the city encouraging health and wellbeing and inclusive growth.
- 14 This contract is to provide materials for highway and footway repairs across all Yorkshire Highway Alliance Areas. Continuing to maintain the highway infrastructure is essential to providing highway users with efficient and safe transport links to drive, walk and cycle on.

Options, timescales and measuring success

a) What other options were considered?

- 15 The extension of this contract is an efficient use of council resources and is judged to be value for money in comparison to tendering individual orders or contracts.
- 16 The extension will allow us to keep using the compliant contractors we procured at the first time of tendering on the same terms and conditions and retendering is unlikely to result in any additional savings.

b) How will success be measured?

- 17 This collaborative contract is a new version of a previous supply contract which was considered to be a successful joint venture with the other Local Authorities, now known as the YHA. It saved procurement staff time and offered contracted suppliers the opportunity to offer rates based on the anticipation of receiving larger orders than if each Council tendered individual contracts.

c) What is the timetable for implementation?

- 18 The contract extension needs to be in place before the contract expires 11th August 2021.

Appendices

- 19 N/A

Background papers

- 20 N/A