

Approval to Extend the Ground Investigation Contract to 2022

Date: August 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 Ground Investigation Contract for a period of 7 months to 05th April 2022, in accordance with Contract Procedure Rule 21 and utilising Clause 79 incorporated within the Contract.
- The current contract expires on the 05th September 2021 and this will be the second and final extension possible on this contract. After this period, the contract will be subject to re-tender.
- The extension includes an Annual Price Change Mechanism: Appointed contractors have been given the opportunity to review their rates. They have submitted new schedules of rates which will result in the best possible prices for the Council.
- The Ground Investigation Contract is utilised by the Geotechnical Section to procure ground investigations which it carries out for Highways & Transportation, other Directorates in Leeds City Council and several Local Authorities in the Yorkshire Highway Alliance.
- The Geotechnical Section generates income from the collaborative work they undertake for the other Local Authorities and external clients using the contract.
- The proposed extension of the contract will provide an efficient method of procuring these essential Geotechnics works and ensure 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 Ground Investigation 2018 Contract for an additional 7 months to 05th April 2022 with Allied Exploration and Geotechnics Ltd. CC Geotechnical Ltd. Concept Engineering Consultants Ltd. Dunelm Geotechnical and Environmental Ltd. Geotechnics Ltd. Soil Engineering Geoservices Ltd. Structural Soils Ltd. The estimated cost of the 7-month extension is around £270,000.00

Why is the proposal being put forward?

- 1 The contract was originally awarded to eight contractors in September 2018 for an initial period of 2 years with a provision therein to be able to extend the contract up to a total contract period of 4 years.
- 2 By extending for only 7 months, the total period contract period will be 3 years and 7 months. After this period, the contract will be subject to re-tender.

- 3 The contract extension was offered to all eight contractors, with seven accepting the extension and one declining.
- 4 The seven current contractors who have agreed to extend the contract for a further 7-month period are: Allied Exploration and Geotechnics Ltd. CC Geotechnical Ltd. Concept Engineering Consultants Ltd. Dunelm Geotechnical and Environmental Ltd. Geotechnics Ltd. Soil Engineering Geoservices Ltd. Structural Soils Ltd.
- 5 The one contractor who declined to extend is: Strata Geotechnics (Division of Van Elle Ltd.)
- 6 The extension will allow us to keep using the compliant contractors we procured at the first time of tendering. There are seven accredited contractors on the framework which ensures the availability of alternative specialist resource should the preferred contractor be unable to carry out the works.
- 7 Over the years, the contract has proved to be an efficient and cost-effective way of procuring ground investigation works. Works orders are issued on an individual basis from the priced schedule of rates in the framework contract.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted? Yes No

- 8 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.

What consultation and engagement has taken place?

- 9 Consultation has taken place with the Highways Geotechnical Team who have confirmed their need for this contract to be able to deliver the service.

What are the resource implications?

- 10 The proposal to extend the contract is judged to be value for money and is an effective use of council resources. Re-tendering is not expected to bring any further savings and would incur costs associated with a new tender process.
- 11 This is a schedule of rates contract with no guarantee of any orders being placed.
- 12 The estimated spend over the 7-month extension is around £270,000.00
- 13 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.
- 14 If the contract is not extended, we have no compliant alternative in place and would therefore be unable to carry out ground investigation works.

What are the legal implications?

- 15 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.
- 16 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?

- 17 To maintain continuity on the ability to purchase these works for service delivery, it is essential that this contract is extended before the existing arrangement expires.

- 18 The incumbent contractors have already submitted competitive rates and a new tender exercise is not expected to bring any further savings and would incur costs associated with a new tender process.

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

Inclusive Growth Health and Wellbeing Climate Emergency

- 19 The incumbent contractors are aware of Leeds City Council's Climate Emergency agenda and any emission savings that can be made during the contract period have been actively encouraged.
- 20 Contractors have started to use electric vehicles whilst others use biofuel.
- 21 Ground investigation plays an integral part of inclusive growth by establishing if the soil and rock profile in the ground is suitable for highway construction. The highway includes the pavement for pedestrians and cycle lanes for cyclists which supports health and wellbeing.
- 22 The new ground investigation contract, which will be in place in April 2022, aims to procure suppliers who produce fewer carbon emissions and can offer environmentally friendly solutions that provide a sustainable future for Leeds.

Options, timescales and measuring success

a) What other options were considered?

- 23 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.
- 24 The extension will allow us to keep using the current contractors on the same terms and conditions, and re-tendering is unlikely to result in any additional savings.

b) How will success be measured?

- 25 Success will be measured by the Geotechnical Section and how the contractors perform.

c) What is the timetable for implementation?

- 26 The contract extension needs to be in place before the contract expires 05th September 2021.

Appendices

- 27 N/A

Background papers

- 28 N/A