

DN559021: Call off from the Kitchens Bathrooms and Rewires framework for 2021/22 Housing Planned works

Date: 6th August 2021

Report of: Head of Strategy and Investment

Report to: The Director of Communities, Housing and Environment

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 to undertake a call off from the Council's Kitchens, Bathrooms and Rewires framework and run a price only mini competition to appoint a single contractor to undertake the works in 2021-22 (year 4) for a total approximate value of £1.4m.
- The Kitchens, Bathrooms and Rewires framework was initially procured in 2017 and contracts were awarded to three contractors for works that are unable to be delivered by Leeds Building Services. During 2018/19 £7.7m of works were delivered and in 2019/20 £6.7m of works were delivered by the 3 external contractors.

Recommendations

The Director of Communities, Housing and Environment is requested to: -

- a) Approve the call off from the Kitchens, Bathrooms and Rewires framework 2021/22 (year 4) on the basis of a price only mini competition to appoint a single contractor after a competition process from the framework to carry out works to an approximate value of £1.4m.

Why is the proposal being put forward?

- 1 Kitchens, Bathrooms and Rewires programme 2021/22 is part of the Housing Capital programme. A Key Decision was taken by the Director of Resources and Housing in October 2016 to approve the procurement strategy and the overall scope and budgets for contracts to deliver planned investment to council housing stock. To take forward works each year a further Key Decision to call off from each framework is required.
- 2 The framework selection process for year 1 (2018/19) and year 2 (2019/20) specified that the bidders ranked first, second and third place according to the competitive framework award process would be selected to deliver the works. The evaluation process was based on both price and quality considerations. The three contractors are: Engie Regeneration Limited, Kier Services Limited and Mears Limited. These contractors have delivered works that were unable to be delivered by the internal service provider (LBS).

- 3 Leeds Building Services have delivered work in the three previous years and will deliver a similar amount of work in year 4. The Head of Leeds Building Services has stated that LBS do not have sufficient resources / capacity to deliver all the work planned in 2021/22. This would require work to the approximate value of £1.4m to be delivered by an external contractor under the existing framework agreement.
- 4 For 2021/22 (year 4), as we are only seeking to award £1.4m to external contractors the Council is looking to achieve greater cost savings through appointing a single contractor after competition from the framework via a price only mini competition. All organisations have agreed to this approach

What impact will this proposal have?

Wards Affected: City wide

Have ward members been consulted? Yes No

- 5 The approval of this framework call-off will add significant value to many of our residents across the city and will concentrate on referrals from the repairs team in relation to items that are beyond repair, thus support the upgrade and modernisation of their homes.
- 6 There are no equality, diversity, cohesion, and integration issues related specifically to the framework call-off for Kitchens, Bathrooms and Rewires.

What consultation and engagement has taken place?

- 7 Legal and Procurement colleagues have been consulted in the development of this report.

What are the resource implications?

- 8 The resources for delivery of these capital works are from within the Housing Revenue Account (HRA). The 2021/22 Capital Programme was given Authority to spend on 21st June 2021 and £1.2m of this was for Kitchen, Bathrooms and Rewires. If further ATS is required, this will be requested at contract award stage.
- 9 The framework agreements were competitively tendered during 2017 to provide value for money alongside quality considerations and this call off for year 4 will be through further competition between 3 contractors.

What are the legal implications?

- 10 As a call-off from an existing framework, to comply with the Council's Contracts Procedure Rules 3.1.7, this report is a Key Decision and is therefore subject to call in.
- 11 A tender evaluation report and proposal to award a contract will be brought for approval in late September 2021.

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

- 12 The procurement of the framework agreements was undertaken in accordance with the Regulations and the Council's Contracts Procedure Rules, with full guidance and support from the Procurement and Commercial teams.

- 13 There is a risk of receiving no tenders back from the three contractors, this has been mitigated through ensuring the contractors are informed of the work and all have already confirmed that they intend to bid for this work in competition.
- 14 Financial vetting has already been undertaken as part of the initial framework procurement, however further financial vetting will continue to be monitored throughout the framework term to ensure all contractors have the required financial standings, mitigating the risk of encountering financial challenges.

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

Inclusive Growth Health and Wellbeing Climate Emergency

- 15 Investment in these works and the resulting activity contributes to two of the Council's 3 Key Pillars as follows:
- The skills programmes, apprenticeships and employment support provided by the programme will help towards our Inclusive Growth target of supporting businesses and residents to improve skills, helping people into work and into better jobs.
 - The programme will improve the living environments of our residents which will help towards our Health and Wellbeing target of reducing health inequalities and improving the health and wellbeing of our tenants.

Options, timescales and measuring success

a) What other options were considered?

- 16 The alternative options were to:
- Allocate the planned works for 2021/22 to our internal service provider Leeds Building Services. Although LBS are in the process of delivering a programme of works in 21/22 the Head of LBS has confirmed that they cannot deliver these works of approx. £1.4m.
 - Allocate the planned works to the three contractors on the Kitchens, Bathrooms and Rewires framework on a 40%/30%/30% basis as had been done in previous years. This option was discounted as potential cost savings could be achieved by selecting a single contractor through a mini competition on a price only basis. To split the amount of £1.4m between 3 contractors would not be cost effective for such items as 3 sets/ costs of preliminaries, site set etc for little overall value of works. In addition, all 3 contractors have agreed to tender in competition for these works.

b) How will success be measured?

- 17 The programme directly contributes to the achievement of several key performance indicators which the Council uses to measure success including:
- a) Providing enough homes of a high standard by maintaining properties to the Leeds Homes Standard.
 - b) Supporting economic growth and access to economic opportunities, Employment and Skills targets for contractors helps create training and employment opportunities in Leeds.
 - c) Providing skills programmes and employment support – creating apprenticeships and other training and employment opportunities through our contracting activity.

- d) All tenderers were required to complete social value plans for evaluation, including Employment and Skills targets when the Kitchens Bathrooms and Rewires framework was originally tendered in 2017.

c) What is the timetable for implementation?

18 The timetable for implementation is as follows:

Task/Milestone	Date
Tenderers invited to tender and issued with tender documents	20 th September 2021
Last date for tenderers to submit tender clarification queries	27 th September 2021
Tender submission date (Appendices 1 and 2)	4 th October 2021
Assessment and evaluation	October 2021
Tenderers notified of outcome	Mid October 2021
Contract awarded	Mid October 2021
Mobilisation period to contract start date	Late October 2021
Contract end date (excluding extensions)	31 March 2022

Appendices

19 N/A

Background papers

20 [Background Documents - Report Housing Leeds Planned Works.pdf](#)

21 [KBR - Delegated Decision Notification - DDN.doc](#)