

## DN530222 – LBS' delivery of planned roofing improvements to housing properties – Contract Award

Date: 31<sup>st</sup> August 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 the recently tendered Leeds Building Services' (LBS) contract for the delivery of roofing improvement works to housing properties located throughout the City. This contract will provide key sub-contractor support to LBS in the delivery of their work programme.
- 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 Civic Enterprise Leeds is recommended to note the contents of this report and approve the award of contracts to the following contractors;
- City West Works Limited t/a Liberty Group
  - Houston Group of Companies Limited

For the period of 20<sup>th</sup> September 2021 to 31<sup>st</sup> March 2022, with an estimated total expenditure of £600,000.

- 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 Roofing Improvement Works to Housing Properties following conclusion of a below threshold restricted tender opportunity utilising Constructionline registered contractors.
- 2 The procurement was evaluated using a price only approach in line with CPR 15.2(d). The financial assessment was undertaken on a price only basis, with the 2 lowest priced submissions being considered for award. The recommendation is to award to 2 contractors to ensure LBS can meet the demand to complete all required works within this financial year.
- 3 It is proposed that we appoint the following 2 contractors who submitted the lowest prices:
  - City West Works Limited t/a Liberty Group
  - Houston Group of Companies Limited
- 4 The works will be allocated on a 60%/40% split with the lowest priced contractor receiving 60% and the next lowest priced contractor receiving 40%. Liberty Group will receive approximately £360,000 of work orders during the contract period, and Houston Group will receive approximately £240,000.
- 5 The rates submitted by the ranked 1 and 2 contractors were within 8% of each other. Also, the tendered rates were much lower than our pre-tender estimate for delivering a scheme of this nature; therefore, this will generate a saving for the Council.

### What impact will this proposal have?

**Wards Affected:** City wide

Have ward members been consulted? ☐ Yes ☒ No

- 6 It's anticipated that there will be no significant impacts to the wards.
- 7 This contract will support LBS in their responsibility of delivering roofing improvement works to housing properties on behalf of Housing Leeds located across the City and contribute to the delivery and expenditure of the capital programme.

### What consultation and engagement has taken place?

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

- 12 The Section 21 leaseholder consultation process has not been conducted due to no leaseholders living in the affected properties.

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

- 13 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.
- 14 The successful contractors 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?**

- 15 The procurement has been undertaken in compliance with the Council's Contract Procedure Rules.
- 16 This is a Significant Operational Decision as a direct consequence of the original Authority to Procure (Key Decision) attached in the background papers, taken on the 31<sup>st</sup> March 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.
- 17 The information in Appendix 1 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?**

- 18 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 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 other contractor and if this isn't possible, the Tender Hub team will obtain a minimum of 3 quotes and offer the work to the lowest priced quote.

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

☒ Inclusive Growth

☒ Health and Wellbeing

☐ Climate Emergency

- 19 **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.

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

## Options, timescales and measuring success

### a) What other options were considered?

- 21 The alternative option to approving this contract award, is to abort the procurement activity and rely on LBS' direct workforce for all 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.
- 22 Consideration has been given to awarding all work to the lowest priced tender, however having a sole contractor for provision of this work would leave the authority at significant risk of delivering of the proposed work programme in 21/22 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?

- 23 LBS are the internal service provider for their client, Housing Leeds. They are required to deliver this current programme in the current financial year so before the 31<sup>st</sup> March 2022, in order to meet spend targets as part of capital programme delivery.
- 24 Each contractor will have a set of KPIs that must be met. The KPI requirements are based on the targets set by Housing Leeds. LBS will manage the performance of the contractors to ensure the client's requirements are completed to their satisfaction.
- 25 Key Performance Indicators have been applied to this contract and will be monitored throughout its life. The KPIS include:
- Works completed within agreed target time.
  - To measure the Satisfaction levels of Customers.
  - Compliance of Health and Safety Site Inspection.

### c) What is the timetable for implementation?

- 26 This contract is anticipated to commence 20<sup>th</sup> September 2021 with all works completed by the 31<sup>st</sup> March 2022.

## **Appendices**

27 Confidential Appendix 1 – Tender Analysis Report

## **Background papers**

28 Authority to Procure:

<https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?id=52915&LLL=0>

<https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=54245>