

**Report of: Chief Officer Civic Enterprise Leeds**

**Report to: Director of Resources and Housing**

**Date: 8<sup>th</sup> March 2021**

**Subject: DN466502: Authority to procure specialist contractors to support LBS with Windows, Doors and Glazing works to Leeds City Council Housing and Non-Housing stock**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- Leeds Building Services (LBS) have a requirement for specialist contractors to support with the supply and installation of windows, doors and glazing to Leeds City Council housing and non-housing properties across the city.
- Under the new LBS strategy, this recommendation seeks to merge both housing, and non-housing contracts into a single contract to achieve best value through economies of scale, improving the contract management process through reducing resource requirements, eliminating duplication for both the authority and contractors in the market place and focussing on geographical delivery of services, as opposed to segregation of housing, and non-housing works.
- To align with the geographical management area split, LBS now has a need to procure up to 9 contractors to undertake windows doors and glazing works to housing and non-housing properties citywide. It is proposed to split the contract into 9 lots aligned to LBS Repairs Management areas for the East and South of the City.
- The existing individual LBS contracts for windows, doors and glazing will remain in place until July 2021 when it is anticipated this all-encompassing works contract will be established.

- The proposed contract structure including the number and size of lots along with the award arrangement has been carefully considered to allow the adoption of a mixed economy of contractors to support the LBS Works programme and to ensure that work is accessible, and fairly distributed to encourage competition and engagement from the widest spread of potential bidders including local Small Medium Enterprises, which in turn will support the local economy in line with Core Council Values.

## 2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- The procurement will align with the Best Council Plan by;
  - ensuring quality and accessible homes,
  - improving housing stock and leading to an overall improvement to the non-housing stock in the area around Leeds.
- This contract will support inclusive growth by providing regeneration to civic areas.
- This contract will give smaller organisation the opportunity to develop long term relationships and contribute to local employment and skills objectives.

## 3. Resource Implications

- A below threshold restricted procurement process will be carried out to establish this contract, utilising contractors registered with Constructionline which will ensure achieving value for money through engagement with the broader market.
- The service will operate on the agreed tender prices with clear costs and ways of working laid out during the tender process, utilising appropriate schedule of rates for both domestic, and commercial works.
- Transfer of Undertakings (Protection of Employment) Regulations (TUPE) may apply between contractor to contractor if a new contractor takes over work from an existing contractor. LCC will bear no TUPE responsibility as a result of re-tendering this contract.

## Recommendations

- a) In accordance with the Council's Contract Procedure Rules 3.1.6, the Director of Resources and Housing is recommended to approve the use of a below threshold restricted procurement process utilising contractors registered with Constructionline as a route to establish a term service contract with up to 9 contractors, valued at £350,000 per annum, commencing approximately July 2021 for a term of 4 years, with the option to extend for 4 x 12 months. The maximum value of the contract if all extensions are used will be £2,800,000.

### 1. Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Director of Resources & Housing to carry out a below threshold restricted procurement process utilising contractors registered with Constructionline to establish a term service contract

consisting of 9 lots for up to 9 contractors to undertake the supply and installation of windows, doors & glazing to the Council's housing and non-housing stock

## **2. Background information**

- 2.1. From the 1<sup>st</sup> of July 2021 the LBS Housing portfolio of works will include voids, responsive repairs and cyclical maintenance to around 31,000 domestic council properties across the South and East of Leeds, which is an increase of approximately 83% compared to last year.
- 2.2. LBS subcontract out certain elements where they do not have the labour resources to carry out the works internally. This may occur at peak times where internal resources are limited, where LBS do not have the skilled operatives, materials and additional resources required to undertake the nature of these works, or where support is needed on larger planned schemes.
- 2.3. Current individual contractual arrangements provide works for:
  - Windows Doors and Glazing – Housing
  - Windows Doors and Glazing – Non-Housing
- 2.4. The decision to combine both housing and non-housing work streams into 1 term service contract is anticipated to improve the contract management process, increase competition by creating a more attractive opportunity to the market and achieve best value through economies of scales.
- 2.5. It is proposed that this new term service contract will be split into 9 lots in line with the LBS Housing Responsive Repairs management areas.
- 2.6. LBS have continuously sub contracted out the services required for windows, doors, and glazing which may include the supply, installation/replacement of windows, doors and glazing. LBS manage delivery of works undertaken on behalf of departments across the authority to support both planned work and responsive repairs. This proposed procurement is therefore in line with this strategy.

## **3. Main issues**

- 3.1 In order to deliver a consistent and efficient service, a new combined arrangement (housing and non-housing) is required to manage the delivery of windows, doors and glazing works undertaken on behalf of departments across the authority.
- 3.2 An NEC4 Term Service Contract, valued at £350,000 per annum is proposed. The contract will be in place for a 4 year period from July 2021 with the option to extend for a further 4 x 12 months.
- 3.3 It is proposed that the tender be evaluated using a separated quality and price approach. Suppliers will be required to meet minimum quality thresholds in their quality submissions. Thereafter, contracts will be awarded to the suppliers that submitted the lowest price. Approval of the evaluation criteria will be sought from the Head of LBS in accordance with Contract Procedure Rules (CPRs) 15.1 and the relevant Director's sub delegation scheme.
- 3.4 A market engagement exercise has been carried out to generate sufficient interest for this contract – an expression of interest request was issued and we received 11

positive responses. This engagement shows that the market is reasonable but not vast and therefore we would expect to receive an adequate number of responses to cover all lots of the contract.

- 3.5 Based on the response to the market engagement and, following an assessment of procurement routes and timescales needed to establish this contract, it is proposed to use a restricted procurement route utilising contractors registered with Constructionline. This will lead to healthy competition, and allows fair opportunity to locally based incumbent providers.
- 3.6 There will be no guarantee of any volume of works throughout the contract term, as workload is dependent upon the level of work assigned to LBS from other departments across the authority.
- 3.7 The proposed timetable for delivery of this procurement is set out below:

<b>An indicative timetable for the proposed procurement process is set out below:</b>	
Issue Tender Documentation	March 2021
Tender Submission Deadline	April 2021
Tender Evaluation and Governance	April/May 2021
Contract Award	June 2021
Contract Start	July 2021

#### **4. Corporate consideration**

##### **4.1 Consultation and Engagement**

- 4.1.1 LBS have consulted with Housing Leeds colleagues, Corporate Property Management, LBS team managers and also Procurement and Commercial Services (Resources & Housing) in identifying this compliant procurement route.
- 4.1.2 A Privacy Impact Assessment was completed from which it was determined that the delivery contractors role would be that of a Data Processor. Assessment of how contractors respond to the requirements of the Data Protection Act 2018 is part of the quality evaluation criteria. The tender documentation will also include standard clauses in line with the UK Data Protection Legislation. We are currently working with Leeds City Council Information Governance Team in order to develop these.

##### **4.2 Equality and diversity / cohesion and integration (EDCI)**

- 4.2.1 An equality, diversity, cohesion and integration impact assessment has been undertaken which has indicated there are no negative impacts arising from undertaking this procurement.

##### **4.3 Council policies and the Best Council Plan**

- 4.3.1 This contract will support Inclusive Growth in the Best Council Plan by providing regeneration to civic areas. Contractors will be able to use the civic and housing works to improve workers skills and possibly help people into work.

4.3.2 The procurement of this contract will enable the delivery of windows, doors, and glazing across the city and therefore contribute to key objectives within the Best Council Plan by:

- Ensuring quality and accessible homes.
- Improving the housing stock.
- Overall improvements to Civic stock in the area around Leeds.

#### Climate Emergency

4.3.3 The Council declared a Climate Emergency in March 2019. In addition, the Leeds Climate Commission have proposed a series of science based carbon reduction targets for the city so that Leeds can play its part in keeping global average surface temperatures to no more than 1.5c.

4.3.4 As part of the tender evaluation criteria, contractors will be asked to provide plans on how they plan to reduce carbon emissions from carrying out this contract

#### **4.4 Resources and Value for Money**

4.4.1 The procurement will be carried out in line with CPRs whilst ensuring competition is sought to identify best value.

4.4.2 This contract will be managed by LBS who will develop and implement a Contract Management Plan which will detail how the contract will be managed, including performance reporting processes and how payments will be made.

#### **4.5 Legal Implication, access to information and call-in**

4.5.1 The procurement route will be undertaken in compliance with the Council's CPRs.

4.5.2 As the value of the proposed contract exceeds £500k, it is a Key Decision subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

#### **4.6 Risk Management**

4.6.1 A clear procurement project delivery plan has been developed to assist LBS management and colleagues to ensure that arrangements can be made to allow sufficient capacity to support procurement activity, monitor progress and highlight any risks in relation to delivering against tight timescales.

4.6.2 There are risks in using old scopes or specifications from previous contracts as standards may become outdated. Updating these are important in ensuring specifications are still fit for purpose. The use of the appropriate schedule of rates for both domestic, and commercial works and specifications will allow consistency across LBS contracts. Use of 'off-the-shelf' documents guarantees specifications with up to date standards and practices.

- 4.6.3 Suppliers must be provided with enough data to inform them of future work programmes so they can accurately plan workloads and price the contract to avoid capacity problems or disagreements further down the line.

## **5. Conclusions**

- 5.1 LBS require ongoing support to enable delivery of windows, doors, and glazing works to domestic and commercial stock citywide. Failure to establish such a contract could adversely affect the growth ambitions of LBS, result in non-contract spend or poor conditions in Leeds City Council's housing, non-housing properties, and civic areas.
- 5.2 LBS and Procurement Officers have reviewed all potential procurement options and have concluded that the preferred option would be to conduct a below threshold restricted procurement process utilising contractors registered with Constructionline to seek competitive bids

## **6. Recommendations**

- 6.1 In accordance with the Council's Contract Procedure Rules 3.1.6, the Director of Resources & Housing is recommended to approve the use of a below threshold restricted procurement process utilising contractors registered with Constructionline as a route to establish a term service contract with up to 9 contractors, valued at £350,000 per annum, commencing approximately July 2021 for a term of 4 years, with the option to extend for 4 x 12 months. The maximum value of the contract if all extensions are used will be £2,800,000.

## **7. Background documents**

- 7.1 None.