

Report seeking approval to implement the available extension of DN363660 – Asbestos Survey Contract by 12 months

Date: 6th January 2022

Report of: Compliance Manager

Report to: Chief Officer Housing

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 is to seek the approval of the Head of Property Management to extend the current Asbestos Survey Contract for a further 12 months.
- Asbestos Surveys are required for all potential works activities within domestic properties citywide
- The contract was originally procured and awarded in 2019 for a 3 year period starting on the 1st April 2019 and ending 31st March 2022 with an option to extend the contract for a further 12 months under the same terms and conditions
- The proposed contract extension will start on the 1st April 2022 for 12 months concluding 31st March 2023 with the current two incumbent contractors McHale Contracts & Plant Environmental LLP & Environtec Ltd.
- This extension will ensure available provision to keep using the incumbent contractors, whilst allowing time for the Asbestos team to review the needs of the business and enough time review the delivery strategy and potential expansion of either Leeds Building Services (LBS) Asbestos survey provision.
- This procurement will continue to meet the councils' 'Best City' objectives by:
 - 'Improving the quality of housing' through reducing the risk of asbestos in council homes

Recommendations

The Chief Officer Housing is requested approve the recommendation to extend the current Asbestos Survey contract for an additional 12 months for the period 1st April 2022 to 31st March 2023 with McHale Contracts & Plant Environmental LLP & Environtec Ltd.

The current estimated spend for this 12 month extension will be approximately £500,000 split on a 50/50 even split subject to satisfactory performance.

Why is the proposal being put forward?

- 1 A limited amount of asbestos surveying is carried out by our internal service provider Leeds Building Services (LBS) but there is a need for external contractors to handle any workload that LBS are unable to take on.
- 2 McHale Contracts & Plant Environmental LLP & Environtec Ltd have been delivering the contract since 1st April 2019 for a 3-year period ending 31st March 2022 with the option to extend for a further 12 months.
- 3 The performance level provided by both contractors have been satisfactory and have met the KPI of 96% of surveys being completed within time as set out in the Service Information Pack
- 4 During the proposed extension period this will allow time to establish whether LBS have the capacity to take on additional asbestos surveys responsibilities with internal resources and / or undertake a re-procurement exercise to ensure a compliant contract is in place to deliver surveys where LBS are unable to do so.
- 5 Should the extension not be approved then this would only have LBS available to undertake the surveys as there would not be a compliant contract in place for external contractors to undertake the work

What impact will this proposal have?

Wards affected: All

Have ward members been consulted?

Yes

No

- 6 Asbestos Surveys are required for all potential repairs / refurbishment works activities within domestic properties citywide, and therefore it is not anticipated that this provision will have a significant impact on any one ward.

What consultation and engagement has taken place?

- 7 Consultation has taken place between the Compliance Manager, the Asbestos team in Property Management, and the contractors. All parties were happy to extend the current contract by one year.
- 8 It has been determined that there is a need for this extension, so our incumbent contractors are able to deliver the service while the Asbestos team, LBS, and Housing Leeds have an opportunity to re-evaluate the needs of the business and potentially tender for a new contract starting on the 1st April 2023.

What are the resource implications?

- 9 This still demonstrates good value for money as our current incumbents are still performing well against the KPI of 96% surveys completed within the timescale as set out in the Service Information Pack. The KPI for 2022/23 will increase to 97% of surveys to be carried completed within the timescales as set out in the Service Information Pack.

- 10 Both contractors have agreed to use the same pricing schedule over the extended period.
- 11 The legislation is changing in February 2022 meaning that prices may need to be changed within the extension period. They will only know the impact once the legislation comes in and a period of that impact is measured afterwards. They said they are happy to stick to current prices until that review
- 12 The current estimated spend for this extension will be approximately £500,000 split on a 50/50 even split subject to satisfactory performance.

What are the legal implications?

- 13 The provision of an Asbestos service (surveys) is required to comply with Health and Safety and work Act (1974) and the Control of Asbestos Regulations (2012) legal requirements
- 14 There are no specific legal implications arising from this report. All activities relating to the proposed contract have been executed strictly in accordance with the Councils Contract Procedure Rules.
- 15 Extending the contract is a direct consequence of the initial contract award and should be treated as a significant operational decision, as such is not eligible for call in.

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

- 16 If the contract is not extended, then there is a risk that the Council will be relying on LBS to undertake all the survey work. This would have an impact on timescales and KPIs for delivering this service in that it would take longer due to the number of surveys carried out each year increasing voids, responsive and disrepair turnaround times as well as putting capital schemes at risk of non-completion.
- 17 If we were not to extend the current contract the provision would still be required, and therefore non-contract spend values would increase.
- 18 Extending the contract will allow the current incumbents to carry on with their current work and allow the Asbestos Team, Leeds Building Services and Procurement an opportunity to re-evaluate the needs of the business and seek approval to the delivery of a new strategy in early 2022 to ensure provision is in place for 1st April 2023.

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

Inclusive Growth Health and Wellbeing Climate Emergency

- 19 At Full Council on 27th March 2019, Leeds City Council passed a motion declaring a Climate Emergency. 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 temperature increases to no more than 1.5c
- 20 This will help with the health and well beings of the tenants and residents in Leeds as we are able to survey properties for the removal of this harmful material.

Options, timescales and measuring success

What other options were considered?

- 21 The option not to extend and retender was considered but it was felt that the team need more time to reevaluate the needs of the business and as the current incumbents are meeting all the

requirements of the contract it was best to extend the current contract giving more time for the re-tender as required.

How will success be measured?

- 22 The existing Contract Management Plan which has been in place since the start of the contract in April 2019 will be used in the proposed extension period, ensuring contractors adhere to the required KPIs
- 23 The contractors are meeting the current KPI of 96% of all surveys completed as laid down in the service information plan. The figure for 2022/23 KPI is 97% of all surveys to be completed as outlined in the Service Information Pack.
- 24 The Asbestos team regularly meet with the contractors to review these as well as deal with any ongoing issues. This will continue throughout the extended period.

What is the timetable for implementation?

- 25 The implementation of this contract extension is sought so that it can be implemented well before the end of the current contract at end March 2022 ensuring provision remains in place through until the 31st March 2023.

Appendices

- 26 N/A

Background papers

- 25 <https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=48327>