

# Tender Evaluation Results and Proposed Award of a Contract for Gable Stabilisation Works to Twenty BITMO Properties

Date: January 2022

Report of: Head of Repairs, Maintenance, and Investment – Belle Isle Tenant Management Organisation

Report to: 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

- The purpose of this report is to document the procurement process undertaken and report the results of the evaluation of bids received and to seek approval to award the contract of Gable Stabilisation Works to BITMO properties to Bermar Building Company Ltd.
- This contract when awarded will contribute to key objectives within the Best Council Plan by:
  - Ensuring quality and accessible homes, improving housing stock and will lead to an overall improvement to housing in the area around Leeds.
  - Ensuring the Council is being responsible to the local needs of the tenants.

## Recommendations

- The Director of Communities, Housing and Environment is recommended to note the contents of the report and approve the award of the contract to Bermar Building Company Ltd in the sum of £262,45.09 for the Gable Stabilisation Works to BITMO properties, and to note that its planned that the works will commence in February 2022 and conclude in October 2022 with an expenditure of £262,453.09.
- To recognise that Appendix 1 should be exempt from publication

## Why is the proposal being put forward?

- 1 Belle Isle Tenant Management Organisation (BITMO) has a legal obligation to undertake repairs to the stock and ensure the stability of its properties. The works required are key to ensuring structural integrity to the twenty identified properties. Therefore, this proposal is to appoint Bermar Building Company Ltd to carry out these works from February 2022.
- 2 The authority to procure procurement strategy report as required under CPR 3.1.7 to approve a strategy to invite external competition on 19<sup>th</sup> July 2021. The authority to procure report considered appropriate procurement options and approved the use of inviting contractors approved by Constructionline to tender in a competition process.
- 3 Following approval, a competitive tender exercise was undertaken in order to identify a preferred contractor to undertake the required works. This was carried out via YORTender using a Constructionline restricted tender process. The tender was issued as a price only tender on 18<sup>th</sup> August 2021 with a tender deadline of 8<sup>th</sup> October 2021. Out of the six contractors that were invited to tender via Constructionline, four contractors submitted a tender. The two that did not submit a tender stated that this was due to insufficient resources and being unable to meet the tender timescales. The contractors that submitted tenders were:
  - Aspect Building Solutions Ltd
  - Bermar Building Company Ltd
  - C D Potter and Sons Ltd
  - JP Developers Limited
- 4 The tender pricing submissions were evaluated by Quantity Surveyors (QS) from NPS Leeds who were appointed to act as QS on this scheme by BITMO and Leeds City Council. The tender submission from the winning bidder is 0.31% under NPS' Pre-Tender Estimate for the construction works. The results and QS report are detailed in confidential Appendix 1 attached.
- 5 As part of the tender process, contractors submitted their social value commitments to Social Value Portal, and these were evaluated by Social Value Portal and have been scored accordingly.
- 6 As this was a price only tender there was no quality submission to evaluate.
- 7 The results were as follows:

<b>Tenderer</b>	<b>Rank</b>	<b>Points</b>
Bermar Building Company Ltd	1 <sup>st</sup>	1000
C D Potter and Sons Ltd	2 <sup>nd</sup>	775.50
Aspect Building Solutions Ltd	3 <sup>rd</sup>	715.25
J P Developers Ltd	4 <sup>th</sup>	452.12

- 8 Full details of the pricing evaluation can be found in Confidential Appendix 1 – NPS Tender Report.

- 9 The contractor that is recommended for the contract award is Bermar Building Company Ltd who submitted the lowest feasible / compliant price and is 0.31% under NPS' Pre-Tender Estimate for the construction works.
- 10 Prior to award, financial checks have been undertaken for the recommended contractor to ensure there is no risk to the Council. The results confirm that there are no issues with the contractor. These results will be kept on file.

### What impact will this proposal have?

**Wards affected: Middleton Park**

Have ward members been consulted?       Yes       No

- 11 There are no significant impacts to the affected wards anticipated.
- 12 An EDCI assessment was carried out and completed when the Authority to Procure report was submitted and approved. This indicated that there were no expected impacts and therefore it was not applicable to do an EDCI impact assessment at this stage.
- 13 As part of this contract there will be a requirement to achieve additional social value benefits. The contract manager will work with the Social Value Portal team and the appointed contractor to ensure the commitments submitted as part of their tender are delivered. The contractor will report to the Social Value Portal regularly on their social value delivery during the life of the contract.

### What consultation and engagement has taken place?

- 14 The results of this tender evaluation were presented to the BITMO board on 25<sup>th</sup> November 2021 and the agreement was made there that this contract should be awarded to the winning bidder. Consultation with key stakeholders was also undertaken when the particular procurement route was chosen.

### What are the resource implications?

- 15 The procurement process has been carried out in an open and transparent manner in line with the requirements of Contract Procedure Rules and has ensured best value was achieved in terms of service delivery and cost.
- 16 The monetary benefits of this procurement exercise ensures that with competition and the ability to test price, this contract will maximise efficiency and gain value for money.
- 17 The contractors have the skills and expertise to ensure that all works are completed with regards to health and safety and environmental considerations.

### What are the legal implications?

- 18 This is a Significant Operational Decision as a direct consequence of the original Authority to Procure 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.
- 19 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 individual companies.
- 20 The tenders have been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, provided the works are still required and affordable the preferred contractor should be appointed.

21 In making their final decision, the Director of Communities, Housing and Environment should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

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

22 Key areas to monitor and potential areas of risk are:

- Ensuring the contract is managed and monitored by the appointed contract manager with BITMO and NPS to ensure the benefits of the services are maximised to meet the Clients requirements.
- Budgets will be monitored regularly to ensure that contractors are on track with expected levels of spend.
- There is a risk that the contractor could fall into financial difficulty during the contract. Financial checks have taken place to mitigate this risk and the proposed contractor is confirmed financially stable prior to contract award.
- Health and Safety – Following the outbreak of Covid-19, the health and safety of residents, staff and it's contractors is the Council's priority. As part of this scheme activity where entry to a residents' property is required, will be carried out in line with Government guidance and site specific risk assessments.

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

Inclusive Growth

Health and Wellbeing

Climate Emergency

23 **Inclusive Growth:** Supporting growth and investment, helping everyone benefit from the economy to their full potential: Social Value Portal will be involved throughout the life of contract to ensure social value benefits are delivered which will contribute to Inclusive Growth.

24 **Climate Emergency:** Works will be scheduled to reduce emissions from journeys round the area and Berman Building Company Ltd have committed through their Social Value Portal submission to use local suppliers and for their operatives to use local shops.

### **Options, timescales and measuring success**

#### **What other options were considered?**

25 Alternative procurement options were considered in the Authority to Procure Report approved on 19<sup>th</sup> July 2021.

#### **How will success be measured?**

26 The contract will be managed on site by NPS Leeds throughout all stages of construction. As part of this role, contractor performance will be monitored and managed in line with the contract terms.

27 Social Value success will be measured and monitored by the Social Value Portal. The contractor will report their social value delivery to the Social Value Portal every quarter and Social Value Portal will provide an end of project summary report detailing the Social Value benefits delivered on this contract.

#### **What is the timetable for implementation?**

28 The contract is anticipated to commence in February 2022 for a duration of 8 months, ending in October 2022.

## **Appendices**

29 Confidential Appendix 1.

## **Background papers**

30 Authority to Procure: [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk)