

Tender Evaluation Contract Award report for contractors to support Leeds Building Services' delivery of painting and decorating works to housing properties (48741)

Date: 18th May 2022

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

- Leeds Building Services (LBS) currently deliver painting and decorating works for new builds, minor and major refurbishments, full internal redecoration, and minor patch painting works to housing properties.
- To support LBS with the continued delivery of this work, this report seeks approval to award contracts to 2 external contractors.
- This report demonstrates the procurement process undertaken and the evaluation results from a tender exercise, utilising Constructionline, and seeks approval to award contracts to suitably skilled and experienced painting and decorating specialists to support LBS.
- 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'.
 - **Housing** – Housing of the right quality, type, tenure and affordability in the right places and will support inclusive growth by providing regeneration to housing areas.

Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to note the contents of this report and approve the award of contracts to Bell Decorating Group Limited and GME Painting Contractors Limited for painting and decorating services to housing properties for the period of 1st June 2022 to 31st May 2026 with 4 x 12 months possible extensions, with an estimated total expenditure of £2,400,000 over the full 8-year term at approx £300,000 per annum.
- b) The Chief Officer Civic Enterprise Leeds is recommended to note that GME Painting Contractors Limited will be responsible for delivery of works in void management areas 1, 2

& 3, and Bell Decorating Group Limited will be responsible for delivery of works in void management areas 4, 5, 6 & 7 including the west of the City for all planned works.

Why is the proposal being put forward?

- 1 The purpose of this report is to document the procurement process undertaken and tender evaluation results to seek approval to award contracts to the identified contractors that will carry out painting and decorating services to the Council's housing properties.
- 2 LBS require external contractors to support them with the following different work streams: responsive repairs and voids in the east and south areas of the City, and planned works in the east, south and west areas of the City.
- 3 The authority to procure report as required under CPR 3.1.7 in order to invite external competition was approved on the 6th January 2022, with an effective date of decision from 14th January 2022. The authority to procure report considered appropriate procurement options and approved the use of inviting contractors approved by Constructionline to tender. It also acted as the Key Decision under the Council's Constitution. Please see link to that report in para 35.
- 4 An expression of interest was issued, and 10 contractors responded positively to it and were subsequently invited to tender on the 19th January 2022. The tender closed on the 18th February 2022 and we received 6 tender responses.
- 5 The 6 tenders were evaluated using a quality/price separated approach, and upon conclusion of the quality assessment, only tenderers who had achieved the minimum quality thresholds outlined within the tender documentations were assessed further regards their tendered price.
- 6 Following conclusion of the quality assessment, only 1 tenderer failed to pass the minimum thresholds and didn't move forward to the pricing evaluation. The other 5 tenderers all passed the minimum thresholds and were then evaluated 100% on price.
- 7 The results of the evaluation are as follows:

Tenderer	Quality	Price	Total Score (out of 1000)	Rank
Bell Decorating Group Limited	PASS	1000	1000	1
GME Painting Contractors Limited	PASS	967.26	967.26	2
Contractor C	PASS	830.71	830.71	3
Contractor D	PASS	829.82	829.82	4
Contractor E	PASS	419.28	419.28	5
Contractor F	FAIL	Not Evaluated	-	-

- 8 The contractors that are recommended for the contract award are Bell Decorating Group Limited and GME Painting Contractors Limited.
- 9 The contract has been split into 7 management areas covering the east and south of the city for planned, responsive and voids work streams, and 1 management area covering the west for planned works only. Bell will be issued with 4 management areas within the east and south (areas 4 to 7), plus all planned works in the west, and GME will be issued with 3 management areas within the east and south (areas 1 to 3).

What impact will this proposal have?

Wards affected:

Have ward members been consulted?

Yes

No

- 10 There are no significant impacts to the affected wards anticipated.
- 11 An Equality, Diversity, Cohesion, and Integration impact assessment was undertaken for this scheme and there are not expected to be any negative impacts in relation to the planned works.
- 12 Social Value has been included as part of the tender process and the responses have been evaluated and reported on by the Social Values Portal team.
- 13 The Social Values Portal team will monitor the outcomes returned by each contractor and report on the outcomes on a quarterly basis.

What consultation and engagement has taken place?

- 14 Consultation and engagement with Council stakeholders has taken place when developing the procurement work stream as well as assessing the tenders when they were returned. This has involved Procurement and Commercial Services (PACS) and Leeds Building Services. When necessary, legal advice has been sought from the PACS Commercial Team.
- 15 Leaseholder consultation concluded on the 17th May 2022 in line with legislation to ensure all associated recharges can be made.
- 16 The Chief Officer, Civic Enterprise Leeds has been consulted throughout the development and implementation procurement strategy which includes this proposed contract.

What are the resource implications?

- 17 The contractors selected have specialist skills, technical expertise and knowledge that will ensure all works are delivered in accordance with our requirements and with regards to Health and Safety and Environmental consideration. LBS will manage this contract on site.
- 18 The successful contractors are required to provide the full service at the agreed tender price with clear costs and ways of working laid out from the tender process.
- 19 This contract will be managed by LBS, using a Contract Management Plan which will include performance reporting processes and how payments will be made.
- 20 The estimated contract value is approximately £300,000 per annum across all management areas, with estimated spend of £120,000 for responsive works, £110,000 for works in void properties, and £70,000 for planned works.
- 21 The Head of Leeds Building Services (LBS) has reviewed the price submissions and is satisfied with the rates submitted by the successful contractors which are comparable to the current market price.

What are the legal implications?

- 22 This is a Significant Operational Decision as a direct consequence of the original Authority to Procure (Key Decision D54558) taken on the 6th January 2022, 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.

- 23 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.
- 24 In making their final decision, the Chief Officer Civic Enterprise Leeds 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?

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

- a) 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.
- b) The Contract Manager from LBS will ensure that regular contract meetings take place throughout the duration of the contract, and they will monitor Performance Measures/KPI's 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.
- c) Budgets will be monitored regularly to ensure that contractors are on track with expected levels of spend.
- d) There is a risk that the contractor's financial position may be subject to change during the life of the contract. Financial checks and due diligence has already taken place and the proposed contractors are confirmed 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.

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

Inclusive Growth

Health and Wellbeing

Climate Emergency

26 **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.

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

28 **Climate Emergency** – All tenderers have committed to employing from Leeds locality to reduce excess travel, plan travel effectively, and have long term vision in place to implement alternative fuelled vehicles for their operatives and travelling workforce.

Options, timescales and measuring success

What other options were considered?

- 29 An alternative would be to deliver this service with 100% LBS operatives however LBS do not have the internal capacity to meet the demand, therefore require external contractor support. It is considered that this mixed approach of delivering works using both contractors and in-house provision provides best value and delivers efficiencies, while ensuring that the advertised works are attractive to local business and SME's, in turn supporting the local economy.
- 30 Consideration has been given to awarding all management areas to the lowest priced tender, however the strategy is to have a blended approach to ensure wide engagement with the local SME sector, in addition having a single contractor for provision of this work could leave the council at significant risk should the selected organisation encounter financial stability issues. Awarding a contract with multiple suppliers ensures there are contingency measures in place should we encounter a supplier failure.

How will success be measured?

- 31 Key Performance Indicators have been applied to this contract and will be monitored by the LBS service manager throughout its life. The KPIS include
- Completion of Works within agreed Target Time and Cost
 - Acceptance of jobs
 - Completed Works – Customer satisfaction
 - Quality of completed works
 - Appointments kept

What is the timetable for implementation?

- 32 This contract is anticipated to commence 1st June 2022 for an initial period of 4 years with the option to extend for a further 4 x 12 months periods, subject to satisfactory performance and mutual agreement.

Appendices

- 33 Confidential Appendix 1 – Tender Evaluation Matrix

Background papers

- 34 Authority to Procure: <https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=54558>