

# Authority to procure report to seek contractors to support LBS' delivery of plastering works to domestic and civic properties as part of responsive maintenance and repairs

Date: 28<sup>th</sup> June 2022

Report of: Head of Leeds Building Services

Report to: Director of Resources

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

- Leeds Building Services (LBS) request authority to undertake a procurement exercise with a current estimated annual value of up to £150,000 to seek to appoint in the region of up to 6 contractors (preferably direct plastering specialist contractors) to deliver plastering works to domestic and civic properties located throughout City.
- The contract duration will be two years with an option to extend for a further year.
- The plastering works are required to ensure the Council's housing and civic portfolios are maintained to the highest standards for its tenants and building users.
- LBS currently has no long-term contract in place to deliver these works and are therefore seeking to undertake a competitive procurement exercise.
- This scheme will maintain/improve the quality of homes and civic buildings that we as a Council provide to tenants and the public.

## Recommendations

- a) In accordance with the Council's Contract Procedure Rules 3.1.7, this report requests the Director of Resources to approve the use of the below threshold restricted procurement process via Constructionline as the procurement route to seek to appoint up to 6 contractors to support the delivery of plastering works to domestic and civic properties as part of responsive maintenance and repairs.
- b) The Director of Resources is requested to note that the tender will be evaluated as a price only tender the contract is proposed for a period of 2 years, with the option to extend by a further year, with an estimated total contract value of up to £450,000 including any extension.

## What is this report about?

- 1 This report advises the Director of Resources of the options available and seeks approval for the recommended procurement approach to be pursued for the appointment of up to 6 contractors to undertake plastering works to domestic and civic properties.
- 2 The types of jobs that the contractors will be undertaking are as follows:
  - a) Walls – patch repairs, repair cracks, replace wall tiles, float and set to walls, plaster vents, plasterboard walls - skimming/two coat finish.
  - b) Ceilings – patch repairs, repair cracks, repair water damaged ceilings, plasterboard walls – skimming/two coat finish.
- 3 To deliver these plastering works, LBS are required to engage contractors through a competitive procurement exercise to support their direct workforce, who will be included within an approved list of contractors for these works.
- 4 LBS do not have sufficient directly employed internal resources to deliver plastering works required by Housing Leeds and Corporate Property Management, therefore LBS require external contractor support.
- 5 LBS are seeking to appoint up to 6 contractors to support the delivery of these works. Subject to submitted tender rates it is proposed to maximise the use and availability of all contractors across the city, as opposed to ordering works on a ranked basis or through individual call offs per scheme. This is felt to be the best way to maintain interest of a wide pool of contractor resources.
- 6 Extensive works has been carried out to source interested specialist single trades contractors to work with LBS to support the important delivery programme, this has entailed extensive sourcing and publicity of opportunities across social media and Constructionline - all successful organisations before award of any contract will be required to be a member of Constructionline or have satisfied technical and financial due diligence requirements by completion of a PAS91 document
- 7 The contract will utilise the M3 Housing NHF schedule of rates and specification. The contractors invited to tender will apply a % adjustment to these rates.
- 8 It is proposed that the tender will be evaluated on 100% price.
- 9 A separate report seeking authorisation to award a contract to the successful contractors will be forthcoming once the tender evaluation has been completed.
- 10 Procurement Options
  - a) **Do Nothing** - As LBS do not have sufficient internal capacity to undertake all plastering works directly, the services will be procured via a competitive procurement exercise to get external contractor support. This is in accordance with the Contract Procedure Rules.
  - b) **Below threshold procurement via Constructionline (Recommended)** - This route would provide an opportunity to seek to engage the plastering specialist contractor marketplace through a competitive exercise, reducing timescales from not having to conduct a PAS91 and allowing the Council to procure these works compliantly.

An expression of interest (EOI) with contractors who can carry out plastering works was issued, and 16 contractors have confirmed interested in tendering for these works. The use of Constructionline allows the Council to select suppliers that have already been through a validation and vetting process to ensure they have completed a PAS91 and have provided the necessary financial and insurance information. This would give the Council assurance that the contractors selected to tender from Constructionline are able to satisfy the technical and financial requirements and due diligence sought by the Council. Those

contractors who are not registered on Constructionline will need to complete a PAS91 as part of the ITT process.

### What impact will this proposal have?

- 11 It's anticipated that there will be no significant impacts to the wards.
- 12 An equality, diversity, cohesion, and integration screening has been undertaken which has indicated that there are no negative impacts arising from undertaking this procurement exercise.
- 13 This contract will support LBS with their responsibility of delivering plastering works to occupied and void domestic and civic properties across the City.

### How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 14 Supporting growth and investment and Supporting businesses and residents to improve skills, helping people into work and into better jobs. Successful contractors will demonstrate a commitment to deliver local recruitment, employment, and establish local supply chains to support their business in delivering these works for LBS.
- 15 This scheme will support the council's ambition for Leeds to be a compassionate and caring city that tackles poverty and reduces inequality, by making sure that our tenants, including some of the most vulnerable people in our city, are able to live in safe, accessible, and well-maintained homes.

### What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted?       Yes       No

- 16 LBS have consulted with the Chief Officer Civic Enterprise Leeds, Civic Enterprise Leeds Senior Management Team, Head of LBS, LBS stakeholders and trade unions along with the Procurement & PACS Legal Team. All parties are supportive of the proposal.
- 17 The structure of this contract is in line with the LBS Procurement Strategy approach which has been developed through consultation between senior procurement colleagues, and the Head of Leeds Building Services. This strategy provides an overarching framework which is applied to all LBS contracts to align the way that contracts are managed and monitored which ensures the best possible output to support LBS' Growth Strategy. Further, it enables LBS to provide an efficient and value for money responsive repairs service across the City to both domestic, unoccupied, and corporate maintained properties.
- 18 The strategy has been developed to focus on achieving fit for purpose contracts which will be established with a strong focus on:
  - Achieving value for money through effective market engagement to encourage greater levels of competition
  - Identifying and enabling cost savings
  - Consistent approach to terms of service and contract across housing, and non-housing, to enable improved contract management

Adoption of a mixed economy of contractors to support the LBS Works programme (including repairs, maintenance, and planned works) which will in turn support the local economy and SMEs in line with Core Council Values

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

- 19 The contractors to be invited to tender will have skill, expertise and knowledge that will ensure all works are completed with regards to Health and Safety and Environmental consideration.
- 20 The evaluation approach to be implemented is a price only tender.
- 21 The service will operate on the agreed tender prices with clear costs and ways of working laid out during the tender process, utilising the M3 Housing NHF Schedule of Rates.
- 22 This report seeks authority for LBS to procure up to 6 contractors to deliver the works that will have an estimated annual value of £150,000 on a 2 years + 1 year contract basis, giving a potential total contract value of £450,000.
- 23 The form of contract will be a JCT Minor Works contract.

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

- 24 The contract will be managed and monitored by the appointed contract manager within LBS to ensure the benefits of the services are maximised to meet Client's requirements. In addition, the contractor's performance will be measured over the life of the contract.
- 25 A contract management plan will be developed that will clearly identify roles and responsibilities of officers with contract ordering and performance management & monitoring activities. This plan will also emphasise the perceived aims and objectives of the contract and how their realisation and contract success will be received and managed, in addition to the plan clearly stating the responsibilities of the contractor.
- 26 Due diligence checks of the preferred contractors will be done to ascertain and verify their financial positions prior to contract award and thereafter they will be reviewed / monitored throughout the contract period. This will ensure we are contracting with financially stable organisations to limit the impact on the Council and allow for early notification to us if they are at risk of falling into financial difficulty which could affect the delivery of the project.
- 27 Due to current market conditions, there is a risk of low number of tender returns. The procurement team will continuously engage with contractors before and during the tender, ensuring they are fully supported in the process to maximise the number of bids received.

### **What are the legal implications?**

- 28 The procurement will be carried out in an open and transparent manner in line with the Council's Contract Procedure Rules, ensuring competition is sought to identify best value.
- 29 Given the costs related to this contract, this decision is a Significant Operational Decision and is not eligible for call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 30 In making their final decision, the Director of Resources should note the above comments and be satisfied that the course of action chosen represents best value for money.

## Options, timescales and measuring success

### What other options were considered?

31 The alternative option to approving this authority to procure is to abort the procurement activity and rely on LBS' direct workforce for all plastering requirements. Unfortunately, LBS do not have sufficient directly employed internal resource to deliver these works, therefore they require external contractor support.

### How will success be measured?

32 Each contractor will have a set of KPIs that must be met. The KPI requirements are based on the targets set by the Client. LBS will manage the performance of the contractors to ensure the client's requirements are completed to their satisfaction.

33 The contract management plan will emphasise the perceived aims and objectives of the contract and how their realisation and contract success will be received and managed, in addition to the plan clearly stating the responsibilities of the contractor.

### What is the timetable and who will be responsible for implementation?

34 The proposed timetable for the delivery of this arrangement is:

An indicative timetable for the proposed procurement process is set out below:	
Issue Tender Documentation	July 2022
Tender return date	August 2022
Tender evaluation (inc. governance reporting, and contract award prep)	August to September 2022
Contract Award	September 2022
Contract Start	September 2022

### Appendices

- None

### Background papers

- Equality, Diversity, Cohesion, and Integration Screening