

# Report seeking to implement extension option for Rewiring including both isolated rewires and rewires associated with Kitchen and/or Bathroom Installation

Date: 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

- This is to seek the approval from the Chief Officer of Civic Enterprise Leeds to implement the available option to extend the current isolated rewires contract.
- The contract was awarded in October 2019 for a 3-year period with the option to extend for a further 12 months. The proposed contract extension will start on the 1<sup>st</sup> October 2022 for 12 months concluding the 30<sup>th</sup> September 2023 with the current contractors.
- The extension will enable the delivery of kitchen/bathroom rewires, and/or isolated works within the city and contribute to key objectives within the best council plan by:
  - Ensuring high quality health and wellbeing – improving quality, efficiency and involving people in shaping their city. With a focus on, improving housing and ensuring the wiring is complaint and safe to good workmanship standards.
  - Delivery of Better Lives programme – helping local people with care and support needs to enjoy better lives. With a focus on, helping people to stay living at home and creating the right housing, care, and support.

## Recommendations

- a) The Chief Officer of Civic Enterprise Leeds is recommended to approve the extension of the current contract with the three contractors, listed below by 12 months starting 1<sup>st</sup> October 2022 and concluding 30<sup>th</sup> September 2023:
- A Coole Electrical Limited
  - Palm Yorkshire Ltd
  - Enerveo Limited
- b) The estimated cost of works to be delivered during the 12 months extension will be approximately £1,050,000 split on 60%/20%/20% basis. If the first placed bidder A Coole Limited is to decline the increase in work, the remaining percentage of the work will be allocated equally to Palm Yorkshire the second and Enerveo Limited
- c) , third place bidders

## Why is the proposal being put forward?

- 1 Leeds Building Services (LBS) have been undertaking rewiring works to domestic occupied and unoccupied properties per annum across the city on behalf of Housing Leeds from 2019.
- 2 There is still a need for these works to be carried out and LBS do not have the internal capacity to deliver the works directly and so are proposing to extend the current contract to the current incumbents for an extra 12 months.
- 3 A Coole Electrical Limited, Palm Yorkshire Ltd & Enerveo Limited
- 4 have been delivering the work since 1<sup>st</sup> October 2019 for a 3-year period ending 30<sup>th</sup> September 2022 with the option to extend for a further 12 months.
- 5 Due to the nature of the works, there is no guarantee of any volumes of works throughout the contract term.
- 6 During the proposed extension period this will allow time for LBS to review their strategy and approach in terms of in-house delivery or the need for a new external -procurement exercise for rewiring including both isolated rewires and rewires associated with Kitchen and/or Bathroom installation from October 2023.
- 7 Should the extension not be approved then this would leave Housing Leeds and LBS without a contractor to undertake this work as there would not be a compliant contract in place for external contractors to undertake the work.

### Wards affected: All

Have ward members been consulted?  Yes  No

## What impact will this proposal have?

- 8 It is anticipated that this will not have any significant impact on any one single ward.

## What consultation and engagement has taken place?

- 9 Consultation has taken place between Housing Leeds, LBS, the Commercial team, and the current contractors. All parties are happy to extend the current contract by one year. A price

uplift in-line with the BCIS BMI Local Authority Maintenance Cost Indices has been applied in accordance with the extension provision in the contract.

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

- 10 This still demonstrates good value for money and due to the market pressures at present we feel there is no benefit to re-tender at this time. The performance level provided by all the contractors has been satisfactory.
- 11 The current estimated spend for this extension will be approximately £1,050,000 split on a 60/20/20% basis.

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

- 12 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.
- 13 Extending the contract is a direct consequence of the initial contract award (ref D50191) and should be treated as a significant operational decision, as such is not eligible for call in. The original key decision to procure ref D49836 was taken on 12/09/19

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

- 14 If we were not to extend the current contract the provision would still be required, and therefore non-contract spend values would increase.
- 15 There is a risk that it would impact on tenants in that electrical rewires would not be up to standard and therefore the homes would not meet the minimum rental standard and unsuitable for use.
- 16 Extending the contract will allow the current incumbents to carry on with their current work and allow the Housing Leeds, LBS and Procurement an opportunity to re-evaluate the needs of the business and seek approval to the delivery of a new strategy in early 2023 to ensure provision is in place for 1st October 2023

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

Inclusive Growth       Health and Wellbeing       Climate Emergency

- 17 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
- 18 This will help with the health and wellbeing of the tenants and residents in Leeds as we are able to upgrade the electrical wiring to a more energy efficient system using less electricity

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

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

- 19 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 the preferred option to extend the current contract in line with the contract conditions.

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

20 It is proposed to use the current Contract Management Plan during the extension, ensuring that the current contractors adhere to the KPIs which were set out at the start.

**What is the timetable for implementation?**

21 The implementation of this contract extension is sought so it can be implemented well before the end of the current contract at end September 2022 ensuring provision remains in place through until the 30<sup>th</sup> September 2023.

**Appendices**

22 N/A

**Background papers**

23 [Contract Award Report](#)