

Authority to Award a Contract for Re-Roofing and Associated Works

Date: 30th August 2022

Report of: Chief Officer Housing

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

Brief summary

This report seeks approval to award construction contracts to two contractors to deliver approximately £2m of roofing work between now and March 2023 to council owned homes across the City.

Recommendations

The Director of Communities, Housing and Environment is requested to: -

- a) Approve the award of contracts following the call-off carried out as a price only mini-competition for Re-Roofing and Associated Works 2022-23 to Houston Group of Companies Ltd and A Connolly Ltd.

What is this report about?

- 1 This report outlines the results of a recent tender exercise to call off from this established framework and seeks approval to award contracts to Houston Group of Companies Ltd and A Connolly Ltd following the evaluation of the mini-competition for the Re-Roofing and Associated Works for 2022/23 year 2.
- 2 Re-Roofing and Associated Works are an ongoing part of the Housing Capital Investment Programme and are funded by the Housing Revenue Account (HRA).
- 3 To ensure value, the framework agreement was set up to enable price competitions between the four appointed contractors – either for annual work packages, or for any additional work packages if needed.
- 4 A Key Decision was taken by the Director of Communities, Housing and the Environment on 1 July 2022 to approve the undertaking of a price only mini competition through the framework to enable the Council to achieve greater cost savings. All organisations on the framework agreed to this approach.
- 5 All four contractors on the framework tendered for the work for year 2 and a price only evaluation was undertaken by the Commercial Team within Strategy and Investment. For the price evaluation, contractors were requested to complete an Activity Schedule based on a sample of roofing types with sundry requirements for different pre-works surveys. This formed 100% of the price evaluation. The Quantity Surveyor has confirmed that all four submissions are arithmetically correct. Full details of the price evaluation of the four tender submissions can be found in the confidential Appendix 1 prepared by the Commercial Team.
- 6 Following completion of the price only evaluation, a summary of the results is listed below:

	Organisation	Total Score
1	Houston Group of Companies Ltd	1,000
2	A Connolly Ltd	907.99
3	DLP Services Northern Ltd	447.10
4	City West Works Ltd (t/a Liberty Group)	0

What impact will this proposal have?

- 7 The overall evaluation/due diligence process has not identified any significant risks in terms of awarding the contracts to the successful bidders. Both have the capacity, resources, and experience within this operational field of work considered necessary to deliver the service requirement.
- 8 Financial due diligence has taken place against the successful contractors who will undertake the work.
- 9 Contract management plans are being reviewed and will be ready for implementation in September 2022. It is expected that the mobilisation period will require a lead time of 4 to– 6 weeks so the contractors will begin work in October 2022.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 10 This work is strongly aligned to the three pillars at the centre of the Leeds Best City Ambition and will:
- Support communities and tackle fuel poverty, improve housing quality and standards.
 - Promote sustainable and inclusive economic growth.
- 11 Investment in these works and the resulting activity contributes to the Council's 3 Key pillars as follows:
- The re-roofing programme will improve the quality of council housing by reducing the likelihood of water ingress which can result in housing disrepair, improving the living environments for tenants and contributing to improved Health and Wellbeing.
 - The skills programmes, apprenticeships and employment support provided by the programme will help towards our Inclusive Growth target of supporting businesses and residents to improve skills, helping them into work and into better jobs.
 - The re-roofing programme will contribute to achieving the Council's Zero Carbon target by installing or improving loft insulation where required to make properties more energy efficient and help to reduce carbon emissions.

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted?

Yes

No

- 12 A Key Decision for the Re-Roofing and Associated Works framework call-off was approved by the Director of Communities, Housing and Environment on 1 July 2022 and Legal and Procurement colleagues have been consulted in the development of this report.
- 13 The Strategy and Investment team will ensure full engagement with tenants throughout the re-roofing contracts.
- 14 Leaseholder engagement will take place in accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended).

What are the resource implications?

- 15 A due diligence exercise has been undertaken on pricing to ensure that it is viable, comprehensive, realistic, sustainable and offers value for money.
- 16 The call-off from this framework has been carried out in an open and transparent manner in line with Contract Procedure Rules and the competition has ensured that the Council has obtained best value.
- 17 The contract value is approximate, and a minimum value is not guaranteed to the contractors.
- 18 This work, estimated at £2.0m, will be funded from within the existing 22/23 Housing Capital Investment Programme and will be split between the two successful contractors.

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

- 19 A contract management plan will be in place for each successful contractor and will provide clear roles, responsibilities, and regular review points during the life of the framework agreements.
- 20 A risk register has been produced and the project team will continue to identify and monitor risks through all stages of the contract, including contract award and mobilisation.
- 21 Notable Risks include:
- a) Contractor is unable to deliver the works due to financial stress. To mitigate this risk, contractors' will be subjected to financial checks prior to the award of contract.
 - b) Contractor is unable to deliver works due to challenges with the supply chain and materials. To mitigate these risks, we will work closely with the contractors to ensure that our works programme is sufficiently resourced and that alternative supply chains can be sourced if necessary.
 - c) Contractor does not perform to expected standards. Framework contractors were provided with clear and detailed performance specifications and understand the requirements of the Council. Contract managers will work with the contractors to ensure that they are ready to deliver to the expected standards from day one of the new call-off order.

What are the legal implications?

- 22 This report is a subsequent decision of a previous Key Decision of 1 July 2022 and is, therefore, a Significant Operational Decision which is not subject to call-in.
- 23 The tenders have been evaluated in accordance with the evaluation criteria set out in the tender documents of the mini-competition, in that the call-off has been based on price only.
- 24 Appendix 1 has been identified as exempt/confidential under the Access to Information rules 10.4(3). The public interest in maintaining the exemption outweighs the public interest in disclosing the information and financial details which, could adversely affect the business of the Council and the business affairs of several individual other companies.

Options, timescales and measuring success

What other options were considered?

- 25 The alternative options were to:
- a) Do nothing. This was disregarded as the work must be undertaken to ensure Council properties are wind and watertight in line with landlord obligations.
 - b) Allocate the work to Leeds Building Services (LBS) as the Internal Service Provider. This option was discounted as LBS have already committed to delivering a programme of roofing work in 2022/23 and the Head of LBS has confirmed that they do not have the capacity to undertake an additional £2m of re-roofing work.

How will success be measured?

- 26 The programme directly contributes to the achievement of a number of key performance indicators which the Council will use to measure success including:
- a) Providing enough homes of a high standard.
 - b) Supporting economic growth and access to economic opportunities. Employment and Skills targets for contractors helps create training and employment opportunities in Leeds.

- c) Providing skills programmes and employment support - creating apprenticeships and other training and employment opportunities through our contracting activity.
- d) All tenderers were required to complete social value plans for evaluation, including Employment and Skills targets when the Re-Roofing and Associated Works framework was originally tendered in 2021. The successful contractors for 2022/23 will be held to their social value commitments through the contract management activity.

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

27 The estimated timetable for implementation is as follows:

Task/Milestone	Date
Contract awarded	August 2022
Mobilisation period	Late August/September 2022
Contract Start date	October 2022

Appendices

- Appendix 1 (confidential)

Background papers

- [D53998 – Reroofing Framework Contract Award](#)
- [D55393 – Re-Roofing Framework Call-off Key Decision](#)