

56604 – Leeds Building Services Glazing Repairs to Domestic and Civic Properties – Tender Evaluation and proposed Contract Award report

Date: 10th October 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

Brief summary

This report is on the tender evaluation of bids and seeks authority to award contracts following a procurement exercise in accordance with Contract Procedure Rule 3.1.7 to support Leeds Building Services (LBS) with glazing repair works to occupied and unoccupied (void) housing properties and civic buildings, and to ensure prevention of an increase in the backlog in the short to medium term. It is anticipated that annual expenditure of £150,000 will be incurred under these arrangements to award contracts for 2 years with the option to extend for up to 12 months.

Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to note the contents of this report and approve the award of contracts to Kevin Kelly Windows Limited and Crucial Engineering Ltd, for the period 7th November 2022 to 6th November 2024, with the option to extend for up to 12 months, with an estimated total contract value of £450,000 (including any extension).

What is this report about?

- 1 LBS has identified a need to maximise their strategy to engage several single trade based contractors to deliver glazing works within occupied and void domestic properties including civic buildings, located within the City of Leeds.
- 2 The purpose of this report is to report the results of the tender evaluation process and to obtain approval to award contracts, following conclusion of a below threshold restricted tender process utilising Constructionline approved contractors and contractors who have pre-qualified via completing a PAS 91 pre-qualification questionnaire.
- 3 Extensive works has been carried out to source interested specialist single trades contractors to work with LBS to support this important delivery programme and it 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 and have satisfied technical and financial due diligence requirements by completion of a PAS91 document.
- 4 Tenders were returned on the 12th September 2022 and 3 organisations submitted a tender for evaluation by the due deadline.
- 5 All 3 tenders were evaluated on a 100% price approach. The intention was to appoint, if possible, up to 6 of the highest scoring tenderers. Based on the tenders received it is proposed to award contracts to 2 tenderers to support LBS in delivery and to try to meet the demands of their clients including to help clear a large backlog of works.
- 6 The summary scores of the 3 tenders received are as follows. The total amount of points achievable was 1000.

Tenderer	Score	Rank
Kevin Kelly Windows Limited	1000	1
Crucial Engineering Ltd	967.80	2
Tenderer 3	0	3

- 7 It is proposed that the following 2 contractors who submitted the lowest priced tenders, are appointed:
 - (1) Kevin Kelly Windows Limited
 - (2) Crucial Engineering Ltd
- 8 It is not proposed to recommend the award of a contract to tenderer 3 due to their overall price being in excess of 300% higher than the two bids recommended for award.
- 9 The contract will utilise the M3 Housing NHF schedule of rates and specification with each contractor applying a % adjustment to these rates.
- 10 The intention is for LBS to maximise each contractor's available resources 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. Where possible attempts will be made to allocate works in a general area of the City, though this cannot be guaranteed but will be discussed in more detail with each contractor at the pre contract meetings. The key aim is to ensure all appointed contractors are utilised to their maximum available capacity to support LBS delivery.

What impact will this proposal have?

- 11 It's anticipated that there will be no significant impacts to the wards.
- 12 This contract will support LBS in their responsibility of delivering glazing repair works to housing and civic properties located throughout the City and contribute to meeting the needs of the Council's tenants/employees.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 13 Supporting growth and investment and Supporting businesses and residents to improve skills, helping people into work and into better jobs.
- 14 This contract 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.
- 15 This contract will improve the energy performance and efficiency of the homes and civic buildings leading to reduced carbon emissions and reduced fuel poverty.

What consultation and engagement has taken place?

Wards affected: City wide

Have ward members been consulted? Yes No

- 16 Consultation and engagement with Council stakeholders has taken place. This has involved Procurement & Commercial Services (PACS) and Leeds Building Services. When necessary legal advice has been sought from the PACS Commercial team.
- 17 The Chief Officer Civic Enterprise Leeds has been consulted throughout the development and implementation of the LBS procurement strategy which includes this proposed contract.
- 18 Key officers sitting on the Weekly Assurance Meeting (WAM) & Weekly Business Review (WBR) panels were consulted during the process including in obtaining the authority to procure the contract and the authority to award the contract.
- 19 Procurement and Commercial Services including the legal team have been consulted throughout the procurement process including contribution to any reports etc.
- 20 LBS officers have been involved throughout the procurement activity.

What are the resource implications?

- 21 The successful contractors have the specialist skills, technical expertise and knowledge that will ensure all works are completed with regards to Health and Safety and Environmental consideration.
- 22 The successful contractors will be required to provide the full service at the agreed tender price with clear costs and ways of working laid out from the tender process.
- 23 This contract will be managed by LBS, using a Contract Management Plan which will include performance reporting processes and how payments will be made.
- 24 The Head of 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 key risks and how are they being managed?

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

- 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.
- The Contract Manager will ensure that regular contract meetings take place throughout the duration of the contract, and they will monitor performance measures/Key Performance Indicators (KPIs) 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.
- Expenditure against budgets provision will be monitored regularly by the Contract Manager to ensure that contractors are on track with expected levels of spend.
- Although these contractors have been sourced from Constructionline and market engagement with local contractors, the proposed contractors recommended for award have also been checked for both technical references from previous delivery of works and financial checks and due diligence has taken place. Both contractors proposed for award are confirmed as financially stable prior to contract award. Records are stored on file for audit purposes.
- 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.
- If the contractor has capacity issues, the proposed contingency plan will be to utilise the other contractor and if this isn't possible, the LBS Tender Hub team will obtain a minimum of 3 quotes and offer the work to the lowest priced quote.

What are the legal implications?

26 The procurement has been undertaken in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.

27 This is a Significant Operational Decision to seek approval to the award of contracts and is as a direct consequence of the original Authority to Procure (Significant Operational Decision) attached in the background papers, taken on the 14th July 2022, to approve the procurement strategy and is therefore not subject to call-in.

Options, timescales and measuring success

What other options were considered?

28 The alternative option to approving this contract award, is to abort the procurement activity and rely on LBS' direct workforce for all glazing repair works in housing and civic properties. This is not recommended as a viable solution as LBS do not currently employ enough glazing operatives directly as part of their workforce and require external provision to support delivering any glazing repair works. Due to this, there will be a risk of high non-contract spend, and decreased quality and impact on delivery of service provision provided to tenants and customers/employees on behalf of housing and civic clients.

29 Consideration has been given to awarding all work to the lowest priced tender, however having a sole contractor for provision of this work would leave the authority at significant risk of not delivering the repair services should the selected organisation encounter financial instability or

capacity issues. Awarding the contract to more than one contractor ensures there are contingency measures in place should we encounter a contractor failure.

How will success be measured?

30 Each contractor will have a set of KPIs that must be met, and which are clearly set out in the contract. The KPI requirements are based on the targets set by Housing Leeds. LBS will manage the performance of the contractors to ensure the client's requirements are completed to their satisfaction.

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 and who will be responsible for implementation?

32 This contract is anticipated to start from 7th November 2022 for an initial 2-year period with the option to extend for up to a further 12 months.

Appendices

- None

Background papers

- Authority to Procure - [Glazing](#)