

Authority to Spend and Procure a contract for Re-roofing works to Halliday Court, Garforth, Leeds.

Date: 18th November 2022

Report of: Head of Property Management

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 provides information and seeks approval to procure a contractor to undertake re-roofing works at Halliday Court, Garforth.

Halliday Court is a Sheltered Scheme providing housing for those aged over 55 years. The works will involve full specialist flat re-roof works using a specialist felting solution. A 20-year labour and materials warranty will be included, increasing insulation to the roof improving energy efficiency, improved drainage to reduce the risk of leaks and some small improvements to fire safety.

The improvement work will improve thermal comfort and reduce the likelihood of leaks from the roof.

The proposed contract value is circa £650,000 and the works are required to be completed by June 2023.

Recommendations

The Director of Communities, Housing & Environment is requested to:

- a) Authorise expenditure of £650,000 for construction to undertake and complete the required re-roofing works at Halliday Court, as referred to in section 13 of the report.
- b) Approve the Authority to Procure the proposed procurement strategy to source an external contractor to deliver the re-roofing works.

What is this report about?

- 1 The purpose of this report is to obtain the authority to procure in line with CPR 3.1.7 for the procurement of a contractor to deliver re-roofing works to a Council-owned sheltered housing scheme and gain authority to spend to the total of £650,000 to deliver the required works.
- 2 The roof requires a specialist flat roof replacement using a felting solution as the current roof is beyond its working lifecycle and is failing in areas and requires full re-roofing.
- 3 These works contribute to the Council's ongoing strategy to undertake repair and improvement works to the Council's housing stock, which includes improving energy efficiency as part of the climate emergency agenda and reducing fuel poverty through the improvement of rooftop insulation.

What impact will this proposal have?

- 4 The proposed works are expected to extend the lifecycle of this building and once carried out will provide a new roof with a 20-year labour and materials warranty.
- 5 This should provide peace of mind to the residents of Halliday Court who are elderly and vulnerable and ensure their accommodation is more comfortable.
- 6 An Equality, Diversity, Cohesion, and Integration (EDCI) impact assessment has been undertaken for this scheme and is attached as Appendix 1. There are not expected to be any negative impacts in relation to the service provision.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 This scheme helps support tackle the Climate Emergency through improving the current roofing insulation to the most up to date Building Regulation Standards. This will also contribute towards the Council's ambition to reduce fuel poverty.
- 8 Once the re-roofing is carried out, the residents will no longer suffer from the impact of leaks which can lead to unhealthy living conditions and possible breathing conditions which may prove fatal, particularly for the elderly.

What consultation and engagement has taken place?

Wards affected: Garforth & Swillington

Have ward members been consulted?

Yes

No

- 9 Residents of Halliday Court have recently raised concern about the leaking to the roof and the effect this is having on the building and quality of life. Commencing works as soon as possible is therefore a priority for the Council and residents of Halliday Court.
- 10 The Local Councillors to the Ward of Garforth & Swillington are supportive of the scheme and in agreement that the works are carried out. Engagement will continue at every stage of the process.
- 11 Consultation and engagement with Procurement and Commercial Services and Housing Strategy & Investment Team (S&I) has taken place when developing the procurement strategy as well as assessing tendering options.

What are the resource implications?

- 12 The pre-tender estimate of the proposed works is £650,000 over two financial years. This will be funded through the Capital Programme budget and the contract will be managed by the S&I Team.
- 13 The Capital Funding and cash flow table is shown below:

Authority to Spend required for this Approval	TOTAL £000's	FORECAST		
		2022/23 £000's	2023/24 £000's	2024/25 £000's
CONSTRUCTION (3)	650.0	200.0	450.0	
INTERNAL DESIGN FEES (6)	0.0			
OTHER FEES / COSTS (7)	0.0			
TOTALS	650.0	200.0	450.0	0.0
Total overall Funding (As per latest Capital Programme)				
	TOTAL	FORECAST		
	£000's	2022/23	2023/24	2024/25
		£000's	£000's	£000's
Housing Revenue Account	650.0	200.0	450.0	
Total Funding	650.0	200.0	450.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0

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

- 14 A risk register for the project is in place and will continue to be managed to monitor, mitigate, and identify any new risks as they arise. Once a contractor is in place, the Council will work with them to review risks regularly. Notable key risks include:

Low Number of Tender Returns – Due to current market conditions, we have been experiencing a low number of tender returns across procurement activity. In order to mitigate this, thorough supplier engagement has taken place and sufficient interest has been received. Supplier engagement will continue throughout procurement activity to ensure that a high number of returns are encouraged.

Health & Safety – The health and safety of residents, staff and its contractors are the Council's priority. In undertaking this scheme site visits or activity where entry to a resident's property is required, will be carried out in line with government guidance and site-specific risk assessments.

Timescales for delivery – The project team is working to deliver the re-roofing work to stop the leaks as quickly as possible. It is hoped the work can be completed no later than June 2023. The S&I Project Manager will work with the successful contractor to ensure works are delivered within the agreed timescales.

Supply Chain – Due to nationwide supply chain difficulties for building materials, there is a risk that this may cause delays in the construction or that construction may take longer than anticipated. This will be regularly reviewed with the contractor and mitigating action put in place where they are deemed appropriate.

Over budget – The risk of the project exceeding the allocated budget has been managed by the production of a pre-tender estimate by the Strategy and Investment QS team taking in to account the current construction market conditions.

What are the legal implications?

- 15 This report is to seek authority to procure a new contract as a key decision and is therefore eligible for a call-in. A request to add to the list of forthcoming decisions was published on 20 September 2022 and expired on 19 October 2022. There are no grounds for keeping the contents of this report confidential under the Access to Information rules.

- 16 The use of Constructionline, a Government approved database of contractors is in line with internal Contract Procedure Rules. The tender process will be conducted in an open, transparent, and competitive manner in line with regulatory requirements and allow for the use of roofing contractors who have the experience and knowledge to deliver these specialist re-roofing works to a high standard. Whilst an Expression of Interest has shown 9 interested contractors which provides sufficient interest for a tender to be undertaken, it should be noted that all contractors invited to tender will be fully vetted by the Council prior to contract award in order for it to satisfy itself that the contractors demonstrate their technical and financial ability and capacity to deliver this scheme. In making their final decision, the decision maker should note the above comments and be satisfied that the course of action chosen represents best value for the Council.
- 17 The procurement will be undertaken in line with the Council's Contract Procedure Rules and will be evaluated using a Price and Quality separated approach undertaken in a fair and transparent manner. The quality criteria will also be reviewed and approved in line with CPR 15.1.
- 18 The tender evaluation process and recommendation for contract award will be the subject of a further separate report prior to the award of any contract and will be a Significant Operational Decision as a consequence of this Key Decision.

Options, timescales and measuring success

What other options were considered?

19 Other procurement options have been considered, and these are set out below:

Option 1 - Do nothing - To keep the existing flat roof, which is beyond its working life, therefore this not a viable option and has been discounted.

Option 2 – ISP - Delivery by Internal Service Provider, Leeds Building Services (LBS). This option was discounted following a consultation with the Head of Leeds Building Services who indicated via email on 24 October 2022 that they do not have capacity to undertake the required works on the basis that the project is a design and build with a performance specification.

Option 3 – Framework Call Off – The use of a third-party framework to source potential contractors. The Efficiency North framework had been considered but has been discounted on the basis that we would incur additional fees associated with utilising the framework with little benefit, but also would potentially be working with contractors who specialise in general building as opposed to elemental contractors who are accustomed to this type of specialist re-roofing and thus likely incurring more costs through a main/sub-contractor relationship. The use of Constructionline will allow the targeting of roofing contractors who have the experience and knowledge to deliver the works and provide an opportunity to work with organisations within the area and who will act as the main contractor.

Option 4 – Find a Tender Service (FTS). This option was not considered as the contract value is well below the works threshold of £5,336.937 (including VAT).

How will success be measured?

20 Key benefits will include improved resident satisfaction with their environment as well as improved physical and mental wellbeing for the residents. These can be measured through the housing STAR tenant survey carried out every two years.

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

21 It is expected the contract duration is to be 12 weeks. All works must be completed no later than June 2023.

22 Indicative timescales for this construction project are shown within the table below:

Tender Published	Mid/Late November 2022
Tender In	December 2022 - January 2023
Tender Evaluation Period	January 2023
Award governance approval process	January 2023
Contract Award	February 2023
Contract Commencement	February 2023
Contract Completion	May/June 2023

Appendices

- Appendix 1 – Equality, Diversity, Cohesion and Integration (EDCI) impact assessment.

Background papers

- N/A.