

# Approval to procure a Contract for the Supply and installation (including groundworks) of Bin Frames and bespoke metal works.

Date: 30<sup>th</sup> November 2022

Report of: Chief Officer Housing

Report to: Director of Communities, Housing & Environment

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

- The previous contract for the manufacture and installation of bin frames has expired (in April 2022), therefore procurement of a new contract is required.
- The contract will be used by Housing and other council departments and will include provision of any groundworks.
- The anticipated expenditure and therefore budget requirement is £120,000 per annum over a 3-year period with the option to extend for a further 12 months, so £480,000 over 4 years.

## Recommendations

- a) The Director of Communities, Housing & Environment is recommended to approve the proposed procurement strategy methodology and the commencement of a competitive tender process which will subsequently lead to the award of a contract for the manufacture and installation (including groundworks) of Bin Frames and bespoke metal works.

## What is this report about?

- 1 The report is to provide the Chief Officer with information for the proposed procurement strategy in connection with a Bin Frames and bespoke metalworks manufacture and installation contract, including groundworks. The report also ensures compliance with CPR 3.1.7 by formally authorising the procurement strategy to engage with the external market and approval of the evaluation methodology.
- 2 Upon conclusion of the tender exercise and subsequent evaluation a separate report on the tender evaluation process will seek approval to award the contract.

### What impact will this proposal have?

- 3 The procurement will enable the Council to deliver a programme to manufacture and install of Bin Frames and bespoke metalworks across the city of Leeds.
- 4 The works will provide external bin containment to minimise fire risk in properties that have communal waste facilities.
- 5 As part of the contract, there will be a requirement to achieve additional social value benefits. Social value success will be measured and monitored by the Social Value Engine. The Contractor will make social value commitments during the tender stage which will be recorded in the Social Value Engine. During the life of the contract adherence to the Contractor's social value commitments will be monitored by the contract manager, to ensure that social value is delivered.

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

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 6 Having appropriate, safe, and accessible containment of bins will minimise the fire risk for residents.

### What consultation and engagement has taken place?

Wards affected: All Wards

Have ward members been consulted?       Yes       No

- 7 Consultation has taken place between Housing Senior management, Procurement and PACS legal team. All parties are supportive of the proposal.
- 8 Colleagues within Housing have been approached for consultation with regards to the specification and contract documents and have also addressed any issues or problems in the current service.

### What are the resource implications?

- 9 The procurement will be carried out in line with the provisions of the Council's Contract Procedure Rules and seeks approval to a procurement strategy in line with CPR 3.1.7 to engage with the external market to undertake a procurement in competition to identify best value. The evaluation approach to be implemented is the Quality & Price separated methodology in line with Contracts Procedure Rule 15.2(a), this means contractors will be required to meet the prescribed minimum threshold on the quality submission. Following this assessment those who pass the set threshold will be evaluated on a price only basis.

- 10 The project team will utilise lessons learned from the previous contract to identify where potential efficiencies can be made. Including groundworks within the contract will generate efficiencies in officer time and resource.
- 11 It is proposed to use a NEC short contract.
- 12 It is recommended that the tender opportunity will be advertised externally on Yortender as it would allow the Council with maximum exposure to the market. This route is the recommended route as it provides the maximum opportunity to reach the widest range of contractors including the incumbent to offer competition for this tender process
- 13 Upon conclusion of the tender exercise and subsequent evaluation a separate report on the tender evaluation process will seek approval to award the contract.
- 14 The estimated contract value will be approximately £120,000 per annum for 3 years with the potential to extend for 1 year. The total value including any extension circa £480,000.

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

- 15 A risk register has been developed and will continue to be monitored through the life of the contract.
- 16 Due diligence checks of the preferred contractor will be done to ascertain their financial position prior to contract award and throughout the contract period. This will ensure we are contracting with a financially stable organisation which will limit the risk of the successful contractor falling into financial trouble which could affect the delivery of the project.
- 17 If the recommendation to tender as described within this report is not approved, then the Council will risk being in a position where no formal contractual arrangements are in place for this requirement.
- 18 The contract, including contractor performance will be effectively managed and monitored to ensure the works are delivered to the contract specification and in a timely manner. Social value benefits will be monitored by the Social Value Portal in collaboration with the Housing.
- 19 There is an ongoing risk of potential labour and materials shortages. The team will continue to monitor this and work with a successful contractor to mitigate this risk where possible.
- 20 Due to the current market conditions, there is a risk of small 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.
- 21 There is no current formal arrangement in place. The Council would also be at risk of the quality of service being reduced and being without the protection and means of redress that a formalised arrangement provides.

22 The appointed contractor will have specialist skill, technical expertise and knowledge that will be assessed and evaluated using quality criteria during the procurement. This will ensure all works are completed with regards to Health and Safety and Environmental consideration.

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

23 Officers from the Procurement Legal Team will be consulted throughout this tendering exercise and as such all legislative requirements surrounding Public Procurements will be adhered to.

24 Given the costs related to this contract this decision will be a Significant Operational Decision and will not be eligible for call in. There are no grounds for keeping the contents of this report confidential under Access to Information Rules.

25 The Director of Communities, Housing & Environment 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?**

26 **Do Nothing** – This option was discounted as there would be no procurement activity and therefore no contractor to deliver the programme resulting in either in non-compliant spend and activity, or the council being unable to deliver essential services.

27 **Internal Service Provider (ISP)** – This would be a very quick option since there would be no procurement activity and work could be awarded directly to the ISP. Due to current work commitments and not having specialist knowledge neither Leeds Building Services, Parks and Countryside and Waste management are unable to undertake this work as confirmed by the respective Head of Services.

28 **External Frameworks** – External Frameworks have been considered however there are no specific frameworks in place that will provide the nature of the works required by this contract, and therefore this option could not be recommended.

29 **Constructionline** – This is a government database of various construction and fabrication suppliers but after consultation this was thought not be ideal as it would only target a small number of potential contractors

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

30 Success will be measured as part of the contract management process. Through achievement of better prices, service and environmental impact considerations demonstrated through the evaluation criteria.

31 Social value success will be measured and monitored by the Social Value Engine. The Contractor will make social value commitments during the tender stage which will be recorded in the Social Value Engine. During the life of the contract adherence to the Contractor's social value commitments will be monitored by the contract manager, to ensure that social value is delivered

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

32 This contract is anticipated to commence in April 2023 for an initial period of 3 years with the option to extend for a further 1 x 12 months periods, subject to mutual agreement

33 The proposed timetable is as follows

Milestone	Date
Invitation to Tender	January 2023
Tender period	Late January – Early February 2023
Evaluation	Mid February 2023
Governance	Mid - Late February 2023
Contact Award	Late February 2023
Mobilisation / Pre-Contract Meeting	March 2023
Contract Start	April 2023

**Appendices**

- None

**Background papers**

- None