

Approval to Extend the Underwater Inspections Framework Agreement (formerly extended) to 2024

Date: 14 December 2022

Report of: Megan Chamberlain, Assistant Procurement Engineer, Highways & Transportation

Report to: The Chief Officer, Highways & Transportation

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 from the Chief Officer (Highways & Transportation) to extend the Underwater Inspections Framework Agreement from 11th January 2023 until the 10th January 2024 with two incumbent contractors: Diving, Survey and Marine Contracting Ltd (DSMC) and Structural Investigation Services Ltd who have each agreed to the proposed extension.

Recommendations

- a) The Chief Officer (Highways & Transportation) is requested to approve the recommendation to extend the Underwater Inspections Agreement for a further 12 months to 10th January 2024 with Diving, Survey and Marine Contracting Ltd (DSMC) and Structural Investigation Services Ltd. The estimated cost of the 12-month extension for Leeds City Council is approximately £100,000.00.

What is this report about?

- 1 The Underwater Inspections Framework Agreement was awarded to four contractors in January 2021 for an initial period of 12 months, with a facility to be able to extend the contract three times up to a total contract period of four years.
- 2 The extension includes an Annual Price Change Mechanism, whereby appointed contractors can submit revised rates annually. There is no clause in place whereby a maximum percentage cap is applied to the contract. The average increase between the two contractors is 6.1%.
- 3 This is the second of the three possible extensions. It is undertaken in accordance with Contract Procedure Rule 21, and utilised Clause 27 in the existing Framework Agreement.
- 4 The proposed extension will allow the Council to keep using the two remaining compliant contractors under the same terms and conditions. Retendering is not expected to bring any savings but would incur staff costs with a new tender process, which would not be in line with the Council's Spending Money Wisely policy.

- 5 The Framework Agreement itself exists to ensure that the Council can continue to carry out inspections of bridges and structures alongside water hazards, obtaining assessments of their condition. This minimises the risk of severe damage rendering the structures unusable, and early detection avoids lengthy repair works.

What impact will this proposal have?

- 6 The proposals requested in this report have no direct impact on any of the equality characteristics as it is purely an administrative function and therefore it is not applicable to carry out an equality, diversity, cohesion and integration screening at this time

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 7 This contract is to inspect Leeds City Council maintained bridges and culverts on an emergency or managed basis for structural damage or any obstructions.
- 8 This could prevent the need for costly, lengthy repair works that will impact and inconvenience the City's residents, visitors and commuters.
- 9 The Inspections of bridges and culverts links with the Best City Ambition objectives to continue the resilience of the City's infrastructure, particularly bridges adjacent to waterways from potential flood events which may increase due to climate change.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 10 Consultation has taken place with the Bridges team who have confirmed their need for this contract to be able to deliver the services and that they are satisfied with the performance of the incumbent contractors.

What are the resource implications?

- 11 The proposal to extend the Contract is judged to be value for money and is an effective use of Council resources. Re-tendering is not expected to bring any further savings and would incur costs associated with a new tender process.
- 12 The estimated annual contract is £100,000.00.
- 13 It has been considered and confirmed that the appropriate funding provision is available from revenue budgets as and when the service is required.

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

- 14 Should the contract not be extended, the Bridges Section would have to obtain quotations to carry out underwater inspections of highways structures, using staff time inefficiently. This contract also enables urgent underwater inspections to be carried out at short notice which is occasionally required for post flood damage inspections.

What are the legal implications?

- 15 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 Council's Contract Procedure Rules.
- 16 The contract can be extended for a further 12 months in accordance with CPR 21 and utilising Clause Z7 incorporated within the contract.
- 17 Extending the contract is a direct consequence of the initial authority to procure and should be treated as a significant operational decision; as such it is not eligible for call in.

Options, timescales and measuring success

What other options were considered?

- 18 The extension of this contract is an efficient use of Council resources and is judged to be value for money in comparison to inviting companies to submit quotes for batches of inspections.
- 19 The extension will allow Leeds City Council to keep using the compliant contractors procured at the first time of tendering on the same terms and conditions and retendering is unlikely to result in any additional savings.
- 20 The proposed extension to this contract will maintain an efficient method of procuring this essential service.

How will success be measured?

- 21 Success will be measured by the delivery of the underwater inspection reports.

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

- 22 The contract extension needs to be in place before the contract expired on 10th January 2023. The PACs team will formally extend the contract via Yortender.

Appendices

- None.

Background papers

- None.