

# Authority to procure a contract for the supply and delivery of flooring materials for commercial and housing planned works

Date: 27<sup>th</sup> March 2023

Report of: Chief Officer Civic Enterprise Leeds

Report to: Director of Resources

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief Summary

- Leeds Building Services (LBS) have a requirement to purchase a wide range of flooring materials to deliver an efficient and effective service across the city for planned commercial and housing works.
- LBS requests authority to undertake a procurement exercise to establish a multi-supplier contract for the supply and delivery of flooring materials. The estimated spend is up to £200,000 per annum equating to £800,000 over a 4-year contract period.
- The contract will cover a variety of different types of flooring materials and sundry items. Suppliers will be required to have a local trade counter to allow operatives to collect goods daily as and when needed.

## Recommendations

- a) In accordance with the Council's Contracts Procedure Rule 3.1.7, this report requests that the Director of Resources approves a procurement strategy to competitively procure a supplies contract through an open procurement procedure to establish a contract for the supply and delivery of flooring materials with up to 5 suppliers, for a 4-year contract period, with a total contract value of up to £800,000.
- b) This report requests the approval that the tender is evaluated using the quality-price separated approach.

## What is this report about?

- 1 This report seeks the Director of Resources approval to utilise the proposed procurement route to establish a contract with up to 5 suppliers, for the supply and delivery of flooring materials.
- 2 This contract will allow LBS to continue delivering flooring services to Council departments as the Council's Internal Service Provider (ISP) for construction services. It will ensure that supplies are provided in a timely manner thereby facilitating LBS's ability to deliver these services effectively. The materials will be used for planned works to housing and commercial properties.
- 3 It is proposed that the contract will cover 3 specific areas;
  - a) Supply of carpet materials that includes carpet tiles, full rolls and cuts.
  - b) Supply of vinyl material including tiles, full rolls and cuts.
  - c) Supply of sundry items and associated products such as carpet trim, vinyl trim, carpet grips, concrete levellers and adhesives for carpets and vinyl.
- 4 It is proposed that LBS will spend up to £200,000 per annum. The contract will run for a period of 4 years with an estimated contract start date from August/September 2023.
- 5 It is proposed that the tender evaluation methodology will be based on the quality-price separated approach. Tenderers will be required to meet minimum quality thresholds in their quality submissions and only those that pass these thresholds will be evaluated 100% on price. Thereafter, contracts will be awarded to up to 5 suppliers that submitted the lowest prices. This ensures suppliers are providing the minimum quality standard that LBS expects whilst achieving the best value for money for the Council.
- 6 In discussion with the Procurement Officers within the Procurement & Commercial Services (PACS), the following procurement options have been considered in line with the Council's Contract Procedure Rules;
  - a) **Do Nothing** – LBS require flooring supplies to allow them to install new floors within Council properties. Without supplies, the service cannot properly function and without procuring the contract, the authority would incur significant levels of off-contract spend as the supplies would still be required. Therefore, this is not a viable option.
  - b) **Frameworks** – Through researching, only 2 externally managed frameworks were identified as being potentially suitable for use however it was felt that the frameworks would not represent best value as we can approach a larger number of suppliers in the flooring supplies market through conducting our own procurement to encourage greater levels of competition. The supplier market for this service is extensive and therefore it is felt that best value would be most likely achieved by offering an opportunity across the entire market rather than the constraints of these frameworks which only have a limited number of suppliers available. Therefore, this is not the recommended option.
  - c) **Conduct an open above threshold tender (Recommended option)** – The project team have agreed that the best route to market would be to use the open procedure in accordance with the Public Contracts Regulations 2015. We would issue a standard selection questionnaire (SSQ) with the tender pack and tenderers would be required to pass the pre-qualification stage (the SSQ) before their tender is evaluated.

## What impact will this proposal have?

- 7 It's anticipated that there will be no significant impacts to the wards.
- 8 There is no requirement to undertake an equality, diversity, cohesion and integration screening due to there being no impact arising from undertaking this procurement exercise on the public.

- 9 This contract will support LBS with their responsibility of delivering flooring services to their internal clients.

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

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 10 The inclusion of the supply of flooring materials to support housing and non-housing related activity will allow LBS to support the community in maintaining properties such as tenant homes, schools, nursing homes, leisure centres, museums and other public attractions ensuring the facilities are safe and available to the public of Leeds, linking to cultural elements of the Best Council Plan. The requirement for local trade counters will assist in reducing emissions where supplies need to be collected and aid productivity.

### What consultation and engagement has taken place?

Wards affected: None

Have ward members been consulted?       Yes       No

- 11 LBS have consulted with the Chief Officer Civic Enterprise Leeds, Civic Enterprise Leeds Senior Management Team, Head of LBS, LBS stakeholders along with the Procurement & Commercial Services Legal Team. All parties are supportive of the proposal.
- 12 The structure of this contract is in line with the LBS Procurement Strategy approach which has been developed through consultation between senior procurement colleagues, and the Head of Leeds Building Services. This strategy provides an overarching framework which is applied to all LBS contracts to align the way that contracts are managed and monitored which ensures the best possible output to support LBS's Growth Strategy. Further, it enables LBS to provide an efficient and value for money responsive repairs service across the City to both domestic, unoccupied, and corporate maintained properties.
- 13 The strategy has been developed to focus on achieving fit for purpose contracts which will be established with a strong focus on:
- a) Achieving value for money through effective market engagement to encourage greater levels of competition
  - b) Identifying and enabling cost savings
  - c) Consistent approach to terms of service and contract across housing, and non-housing, to enable improved contract management
  - d) Adoption of a mixed economy of contractors to support the LBS Works programme (including repairs, maintenance and planned works) which will in turn support the local economy and SMEs in line with Core Council Values.

### What are the resource implications?

- 14 This contract will support the LBS direct delivery workforce with the provision of materials required to complete their housing and non-housing planned works schemes.
- 15 The service will operate on the agreed tender prices with clear costs and ways of working formalised during the tender process and through the contract.

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

- 16 The contract will be managed and monitored regularly by service representatives to ensure the benefits of the services are maximised and the supplier performance will be measured over the life of the contract.
- 17 A contract management plan will be developed that will clearly identify roles and responsibilities of officers with contract ordering and performance management and monitoring activities.

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

- 18 The procurement will be carried out in an open and transparent manner in line with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules, ensuring competition is sought to identify best value.
- 19 Due diligence checks of the preferred suppliers will be done to ascertain their financial position prior to contract award. This will ensure we are contracting with financially sound organisations, limiting the risk of materials not being available/received when requested.
- 20 Given the costs related to this contract, this decision is a Key Decision and is eligible for call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 21 There other options considered are detailed at paragraph 6 above.

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

- 22 Each supplier will have a set of KPIs that must be met. LBS will set the KPI requirements and targets and will manage the performance of the suppliers to ensure the requirements are completed to their satisfaction.
- 23 The contract management plan will emphasise the aims and objectives of the contract and how their realisation and success will be received and managed, in addition to the plan clearly stating the responsibilities of the supplier.

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

- 24 The proposed timetable for the delivery of this arrangement is:

|  |                       |
|--|-----------------------|
| An indicative timetable for the proposed procurement process is set out below: |                       |
| Place contract notice and Issue SSQ and Tender Documentation                   | May 2023              |
| Tender return date (min tender period of 6 weeks)                              | June 2023             |
| Tender evaluation (inc. governance reporting, and contract award prep)         | June to July 2023     |
| Contract Award and start date  | August/September 2023 |

## **Appendices**

- None

## **Background papers**

- None