

Authority to Spend and to run a mini competition to call-off from the Re-Roofing and Associated Works Framework for 2023/24

Date: 17 May 2023

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 seeks approval to undertake a call-off from the Council's Re-Roofing and Associated Works Framework and to run a mini competition to appoint two contractors to deliver works in 2023/24 to the value of £3m (£1.5m per contractor).

Recommendations

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

- a) Authorise expenditure of £3.0m from the Housing Revenue Account (HRA).
- b) Approve the call-off from the Re-roofing and Associated Works framework 2023/24 (year three) based on a price only mini competition to appoint two contractors to carry out works to an approximate value of £3m (£1.5m per contractor).

What is this report about?

- 1 The need to undertake re-roofing works is considered necessary under the Council's repairs obligations to its tenants.
- 2 The programme of work is covered as part of the Housing Capital Programme for 2023-24 and the Re-Roofing and Associated Works framework is the established mechanism in place to deliver these works.
- 3 A Key Decision was taken by the Director of Resources and Housing in July 2020 to approve the procurement strategy and the overall scope and budgets for contracts to deliver planned investment to council housing stock. To take forward works from year two onwards, a subsequent Key Decision to call off from the framework is required. This complies with the requirements of Contract Procedure Rule 3.1.7.

- 4 The selection process for year one (2021/22 spend) under the framework specified that the contractors who scored 1st and 2nd as part of the competitive procurement activity for the framework would be appointed to carry out the works.
- 5 For years two to four (2022/23 to 2024/25) of the framework, all four contractors will be invited to tender in competition, with the two lowest priced tenderers being appointed contracts for those years.

What impact will this proposal have?

- 6 The approval of this report will add significant value to many of our residents across the city and will support the upgrade and modernisation of their homes.
- 7 An EDCI screening was carried out for these works and can be found in the key decision (see background documents). There are no equality, diversity, cohesion, and integration issues related specifically to the framework call-off for Re-Roofing and Associated Works.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 8 Investment in these works and the resulting activity contributes to all the Council's 3 Key Pillars as follows:

- The skills programmes, apprenticeships and employment support provided by the programme will help towards our Inclusive Growth target of supporting businesses and residents to improve skills, helping people into work and into better jobs.
- The programme will improve the living environments of our residents which will help towards our Health and Wellbeing target of reducing health inequalities and improving the health and wellbeing of our tenants.
- The proposed re-roofing programme will have a positive impact on the climate emergency as loft insulation is improved or installed as part of all new roof replacements. This will help to reduce carbon emissions. Properties will also be more energy efficient.
- Additionally, all materials used on the re-roofing scheme are locally resourced, helping reduce the environmental impact of emissions from the sourcing and transportation of materials.

What consultation and engagement has taken place?

Wards affected: City Wide

Have ward members been consulted? Yes No

- 9 Procurement and Commercial Services (PACS) and PACS Legal have been consulted in the development of this report.
- 10 The Strategy and Investment team will ensure full engagement with tenants throughout the period of re-roofing contract.
- 11 Leaseholder consultation will take place in accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended).

What are the resource implications?

- 12 The call-off from this framework will be carried out in an open and transparent manner in line with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015. It will ensure that competition is sought to identify best value for money.
- 13 The resources for delivery of these capital works are from within the Housing Revenue Account (HRA) and authority to spend is sought as part of this report.
- 14 To also achieve high quality works, the contractors will be required to comply with the technical requirements of the framework agreement.
- 15 The full 4-year term of the framework will expire on 31st March 2025 with no option to extend. This will ensure that the Council continues to achieve value for money for these works. Further information can be found in the background documents.

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

- 16 A risk register has been produced for the 2023/24 call-off. The project team will continue to monitor any identified risks and consider any new risks moving forward through contract award and mobilisation.
- 17 Notable Risks include:
 - **Housing ICT System** – The new Civica system is now operational and Housing ICT Project staff will continue to work with Housing Leeds officers and contractors to train on the functionality of the new system where appropriate.
 - **Financial vetting** – This was undertaken as part of the initial framework procurement; however, further financial vetting will continue to be undertaken and monitored throughout the framework term to ensure all contractors have the required financial standings, mitigating the risk of encountering financial challenges.

What are the legal implications?

- 18 This report is a Key Decision and is subject to call in. Regulations require that the Council publishes a notice at least 28 clear calendar days in advance of a key decision being taken. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 19 Following the call off process in competition, the contract award will be the subject of a separate report that will be a Significant Operational Decision.
- 20 A contract management plan will be in place for each successful contractor and will provide clear roles, responsibilities, and regular review points during the life of the framework agreement.

Options, timescales and measuring success

What other options were considered?

- 21 The alternative options were to:
 - Allocate the planned works for 2023/24 to our internal service provider Leeds Building Services (LBS). The 2020 procurement key decision set out that LBS would deliver £1m of roofing works per year, however they no longer have the internal resources to undertake these works and the full value of work will now be delivered via the framework. To support the LBS growth strategy, LBS have been allocated an additional £1m of kitchen and bathroom replacement work which they are resourced to deliver.

How will success be measured?

- 22 The programme directly contributes to the achievement of several of the key performance indicators which the Council will use to measure success including:
- a) Providing enough homes of a high standard by maintaining properties to the Leeds Homes Standard.
 - b) Supporting economic growth and access to economic opportunities, Employment and Skills targets for contractors helps create training and employment opportunities in Leeds.
 - c) Providing skills programmes and employment support – creating apprenticeships and other training and employment opportunities through our contracting activity.
 - d) All tenderers were required to complete social value plans for evaluation, including Employment and Skills targets when the Re-Roofing and Associated Works framework was originally tendered in 2021. The successful contractors for 2023/24 will be held to their social value commitments through contract management activity.

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

23 The proposed timetable for the delivery of this arrangement is:

Task/Milestone	Date
Mini competition amongst 4 contractors	June 2023
Assessment and evaluation	July 2023
Contract awarded	August 2023
Contract start date	August 2023
Contract end date	31 March 2024

Appendices

- Equality Assessment

Background papers

- 1 Equality, Diversity, Cohesion, and Integration Screening
- 2 [List of forthcoming key decisions](#)
- 3 [D52029 - Reroofing Framework Authority to Procure - Key Decision](#)
- 4 [D53998 - Reroofing Framework Contract Award](#)