

Authority to procure a framework for isolated rewires including kitchen and bathroom rewires for Leeds Building Services

Date: 1st June 2023

Report of: Chief Officer Civic Enterprise Leeds

Report to: Director of Strategy and Resources

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 authority under Contract Procedure Rules (CPRs) 3.1.7 to carry out a competitive tender to obtain contractors to carry out isolated rewires for Leeds Building Services (LBS) in housing properties across the City area.

This contract will contribute to the Council's ambition of improving housing standards for residents by providing essential improvement works to their properties including rewiring of entire properties or rewiring kitchens and bathrooms before essential upgrade works take place.

LBS will deliver works through their own direct workforce in the first instance so required resources will depend on their capacity.

Recommendations

- a) The Director of Strategy and Resources in line with CPR 3.1.7 is requested to approve the procurement strategy to competitively procure a framework agreement to carry out isolated rewires, including bathroom and kitchen rewires to housing properties across the Leeds city area. This framework agreement will be for a period of 2 years with the option to extend for up to a further 12 months and an estimated value of £1.5 million per annum. With a total spend of £4,500,000 including extensions.

What is this report about?

- 1 This report seeks to gain approval in line with CPR 3.1.7 to carry out a procurement to obtain a contract to carry out isolated rewires including kitchens and bathrooms in occupied housing properties Citywide.
- 2 This report will outline the tender strategy and works to be carried out by the contractors and why this contract is required by LBS.

What impact will this proposal have?

- 3 This proposal will require contractors to carry out isolated rewires including kitchen and bathroom rewires, upgrades to consumer units and additional circuits if required, and double pole isolators to be installed. This work will take place in occupied properties across the Leeds City region.
- 4 The contractors will be appointed to a framework agreement with works allocated on a Lot basis with works split as outlined below.
 - Lot 1 Kitchen and Bathroom rewires circa £1m per annum – award to one contractor.
 - Lot 2 Occupied Isolated rewires circa £500k per annum – award to one contractor.
- 5 Due to the nature of the works, there is no guarantee of any volumes of works throughout the framework agreement term.
- 6 First place contractor will be awarded Lot 1, Kitchen and Bathroom Rewires and second place will be awarded Lot 2 Occupied Isolated Rewires on the proviso that their pricing is within 5% of first placed bidder.
- 7 This will be outlined in the tender instructions with clarity that any prices above the 5% will be at the discretion of the LBS service whether they wish to appoint Lot 2 to second place.
- 8 In the circumstance of prices on excess of 5% higher than the ranked 1 contractor, the Council reserves the right to award all works to the Rank 1 provider, subject to due diligence pertaining to financial standing, and capacity.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 9 The proposed procurement will support Health & Wellbeing by providing rewires to housing properties, ensuring homes and residents are kept in good standard and have the correct wiring to support use of electrical items in properties. These works will also support the installation of upgraded kitchens and bathrooms by providing the correct level of wiring to support their installation.
- 10 The procurement will use social value themes measures and outcomes to support inclusive growth in the Leeds City region.
- 11 The procurement will support the zero-carbon policy through Social Value questions that the contractors will be required to answer on their plans during this contract to reduce their carbon emission and support Leeds City Council in its ambition towards zero carbon.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 12 Consultation has taken place with Procurement and Commercial Services to ensure the procurement strategy is compliant and Housing Leeds to ensure the specification and supporting documentation supports their requirements for letting standards.

What are the resource implications?

- 13 Leeds Building Services estimate the contract value per annum to be £1.5 million with £1 million being allocated to Kitchen and Bathroom rewires and £500k being allocated isolated rewires. The framework agreement is proposed to be for a period of 2 years with the option to extend for up to a further 12 months.
- 14 It is proposed that a restricted tender be carried out through the open market via YORtender. An expression of interest has been carried out to ensure there is enough interest in the upcoming tender. This expression of interest has resulted in 25 contractors registering their interest in being invited to tender. A PAS91, which will cover the contractor's insurance, financial standing, health and safety, safeguarding and references for similar works will also be carried out in the tender period.
- 15 The tender will follow a Restricted Procedure procurement and be carried out in two stages with the PAS91 being used to shortlist a number of contractors that are then invited to tender. Although this process will have a slightly longer timeframe for the two stages, this will reduce the number of contractors invited to tender to a manageable number and ensure those invited to the main tender are of a high standard.
- 16 As outlined above the PAS91 will also ensure those contractors invited to the main tender have the necessary documentation and references. The main tender will be scored on a price quality separated approach, this will require contractors to answer a number of quality questions. There will be a minimum quality threshold that bidders will be required to score. If they are successful in scoring above this threshold their price will be evaluated, with the lowest bidder being the winner.

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

- 17 Risk of procurement challenge are present in any procurement that is undertaken. To minimise this, a fully compliant and transparent tender process.
- 18 There is a risk that insufficient tenderers are received for the opportunity. To mitigate this risk an expression of interest to engage the market and obtain interest for the opportunity has been undertaken. This has resulted in 25 contractors being interested in this tender. This engagement will be carried out during the tender stage to ensure contractors are engaged throughout the process.

What are the legal implications?

- 19 The procurement for isolated rewires will be undertaken in line with the Councils Contract Procedure Rules and to ensure fairness, transparency and the achievement of value for money.

20 This is a key decision and as such is eligible for call in. There are no grounds for keeping the contents of this report confidential under Access to Information Rules. This procurement was added to the list of forthcoming key decision on 24th February 2023.

Options, timescales and measuring success

What other options were considered?

21 Several framework agreements were explored to see if these could support the contract required. However, no framework agreements available could deliver the requirements needed for this contract.

22 Therefore, the only option available is to carry out a restricted tender via the open market on YORtender.

How will success be measured?

23 KPI's will be in place which will contribute to measuring the success of this contract.

24 The contract will be delivered with a robust contract management plan in place.

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

25 Tender Published May / June 2023

26 Contract Award August 2023

27 Contract Start October 2023

28 The Head of Leeds Building Services and Service Managers in LBS will be responsible for the implementation.

Appendices

- N/A

Background papers

- N/A