

Contract award for the supply and installation (including groundworks) of bin frames and bespoke metal works.

Date: June 2023

Report of: Head of Property Management

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

Please refer to appendix 1 confidential under Access to Information rule 10.4 (3)

Brief summary

- Leeds City Council have sub-contracted out the works for the supply and installation (including groundworks) of bin frames and bespoke metal works. The contract expired in April 2022 and a new procurement exercise has been undertaken.
- This report demonstrates the procurement process undertaken, and the evaluation results from the tender exercise and seeks the approval to award a contract.

Recommendations

- a) The Director of Communities, Housing and Environment is recommended to approve the contract award to Aspect Building Solutions Limited for a period of 3 years starting 17th July 2023 and concluding 16th July 2026 with the option to extend for a further 12 months. The estimated total expenditure including the extension is £480,000.
- b) Recognise that Appendix 1, Tender Analysis Report, should be designated exempt from publication in accordance with access to information procedure rule 10.4.3

What is this report about?

- 1 The purpose of this report is to set out the procurement process undertaken, report the results of the tender evaluation and to seek approval for the contract award.
- 2 The previous contract to supply and install metal bin frames has expired. A new procurement exercise has been undertaken to also include groundworks. This work will primarily be managed by Strategy and Investment within Housing Leeds.
- 3 The Authority to Procure report as required under CPR 3.1.7 to invite external competition was approved on the 15th December 2022 and considered appropriate procurement routes and it was agreed that an open below threshold tender was the most suitable option

- 4 The procurement opportunity was published on Yortender and the application period closed on the 29th March 2023. There were 2 tenders submitted. These tenders were evaluated as per the criteria in the tender using the quality and price separated methodology in line with Contracts Procedure Rule 15.2(a). Contractors were required to meet the prescribed minimum threshold on both specific questions and the overall quality submission. Only those who passed the set threshold for quality would be evaluated on price.
- 5 The quality assessment was undertaken by a Project Manager and a Senior Project Officer within Strategy and Investment and a Business Officer from Waste Management. One tender passed the minimum threshold in the quality assessment and was taken forward to price evaluation.

| Bidder | Quality Points (Total 1000) | Pass / Fail |
|-------------------------------|-----------------------------|--|
| Aspect Building Solutions Ltd | 595 | Pass |
| Contractor B | 350 | Fail to achieve required 50% threshold |

- 6 The tender price evaluation was undertaken by the Commercial Team within Strategy and Investment, who were satisfied with the costs and recommended the contract be awarded.
- 7 Following the tender evaluation, Aspect Building Solutions Ltd met the criteria and are the recommended as the contractor to be awarded these works.

What impact will this proposal have?

- 8 As part of the original Authority to Procure report an Equality, Diversity, Cohesion and Integration impact assessment was undertaken. Contractors and colleagues will work with affected residents if any issues arise over the course of the contract.
- 9 Social Value submissions have been evaluated as part of the tender. Strategy and Investment and the Social Values team within Procurement & Commercial Services will monitor the outcomes during the life of the contract.

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

Health and Wellbeing
 Inclusive Growth
 Zero Carbon

- 10 This will contribute toward Leeds Best City plan by providing external bin containment to minimise fire risk in Housing properties that have communal waste management facilities.

What consultation and engagement has taken place?

Wards affected: All Wards

Have ward members been consulted? Yes No

- 11 Consultation and engagement with internal stakeholders have taken place during the procurement process with involvement from Strategy & Investment, Housing Management, Procurement, Waste Management and Legal Services.

What are the resource implications?

12 The contract will be managed by Strategy and Investment with the majority of funding coming from the Housing Revenue Account (HRA).

13 The cost of the contract is £120,000 per annum for 3 years with the option to extend for a further one year. The total cost including the extension would be £480,000.

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

14 The contract will be managed by Strategy and Investment and will be monitored through the risk register. Any risks will be identified, and mitigation put in place.

- a) There is a risk of underperformance by the contractor. Regular contract meetings will take place throughout the duration of the contract to monitor performance measures and KPI's and appropriate action will be taken to rectify any issues.
- b) There is a risk of supply chain issues for the materials required and/or increase in material costs over the course of the contract. This will be regularly reviewed with the contractor and mitigating action put in place when deemed appropriate.
- c) There is a risk that the contractor's financial position may be subject to change during the life of the contract. Financial checks and due diligence have already taken place and the proposed contractors are confirmed financially stable prior to contract award. If the contractor rejects any work, this will be closely monitored to identify the reasons for the rejection, as it could be an early sign of financial difficulty. Budgets will be monitored regularly to ensure that contractors are on track with expected levels of spend.

What are the legal implications?

15 This is a Significant Operational Decision and is therefore not subject to call-in. Other than confidential Appendix 1, there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

16 The information in Appendix 1 of this report has been identified as exempt/confidential under the Access to Information Rules 10.4 (3). The public interest in maintaining the exemption in relation to the confidential Appendices outweighs the public interest in disclosing the information and financial details which, if disclosed would adversely affect the business of the Council and the business affairs of a number of individual companies

17 In making their final decision, the Director of Communities, Housing & Environment should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

Options, timescales and measuring success

What other options were considered?

18 Other alternative procurement mechanisms were contained the in the Authority to Procure report that was approved in December 2022.

How will success be measured?

19 Key Performance Indicators for time, cost and quality have been applied to this contract and will be monitored by Strategy and Investment.

20 The contractor will be required to meet their Social Value commitments as part of the delivery.

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

21 The contract is anticipated to commence 17th July 2023 for an initial period of 3 years with an option to extend for a further 1 x 12-month period, subject to satisfactory performance and mutual agreement.

22 This decision will be implemented by Strategy and Investment.

Appendices

- Tender analysis report - Confidential

Background papers

- Authority to Procure - [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk)