



Public Bathing Adaptations – Authority to Procure contractors for the supply and installation of Bathing Facilities to domestic properties

Date: 31st July 2023

Report of: Chief Officer of 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 approval to undertake an open competitive procurement exercise to appoint up to four contractors to deliver Public Bathing Adaptation works for 2023/26 with an estimated value of £850,000 per annum, or £2.55m over 3 years with the option to extend by two periods of 12 months each (£4.25m including extensions).

It is proposed that works will be awarded to the first ranked contractor on a first refusal basis. Where the first ranked contractor is unable to undertake the work, this will be offered to the second ranked contractor and so on.

The current contract expires on 11th October 2023. Based on the timetable below It is intended that the new contract will run as soon as possible from December 2023.

Recommendations

The Director of Strategy and Resources is requested to: -

- a) Approve the procurement of up to 4 contractors through an open competitive procedure to carry out Public Bathing Adaptations works for 2023/26. It is intended for the new contract to run from December 2023 to November 2026 with an option to extend the contract for 2 further periods of 12 months. The approximate value of the contract is £2.55m, or £4.25m including extensions.

What is this report about?

- 1 Leeds Building Services (LBS) currently delivers approximately £1,950,000 of works per annum in relation to bathing adaptations across the city utilising internal resources and external

contractors to supplement delivery. The use of external contractors is a key mechanism to support delivery of this workstream and achieve this level of expenditure.

- 2 The works consist of bathroom adaptations: Wet Floor Showers, Bath Replacement Trays and Over Bath Showers.
- 3 This report seeks approval to undertake an open competitive procedure to appoint up to 4 contractors to deliver works throughout 2023/26 for an approximate total value of £2.55m (£4.25m including extensions). Work will be assigned on a job-by-job basis, allowing LBS to book in work with internal resources in the first instance. If LBS does not have capacity, then the first ranked contractor will receive first refusal on any of the remaining work. If the first ranked contractor does not have capacity to undertake the work, or is unable to meet the timescales, the job will then be offered to the second ranked contractor and so on.
- 4 The evaluation criteria for this tender will be based on a Quality / Price separated basis. Quality assessments will be carried out first and only those bidders who meet the minimum overall quality score threshold of 60% will have their prices assessed. Therefore, contracts will be awarded to the contractors who meet the minimum quality thresholds and submit the lowest prices. Leeds Building Services reserve the right to exclude organisations where their price submission is 5% more expensive than the highest ranked organisation following financial assessment.
- 5 The current allocation mechanism of splitting works at 40% to the winning contractor and 20% to each contractor ranked 2nd to 4th has not been successful, hence although an extension option remains it is considered to be of no benefit to take this up. The proposed new procurement with works being allocated on a job-by-job basis as detailed in Section 3 above will hopefully ensure all appointed contractors are engaged and involved in the delivery removing any major resourcing issues.
- 6 An Expression of Interest Exercise was carried out in March 2023 based on the above proposal. 12 positive responses were received which demonstrates that there is sufficient appetite in the market to bid for these works.

What impact will this proposal have?

- 7 The approval of this procurement will add significant value to residents across the city through the upgrade and modernisation of their homes.
- 8 An Equality, Diversity, Cohesion and Integration (ECDI) screening has been carried out which has indicated that there are no negative impacts arising from undertaking this procurement.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 9 This work is strongly aligned to two of the three pillars at the centre of the Council's Best City Ambition and will:
 - Support communities and tackle fuel poverty, improve housing quality and standards.
 - Promote sustainable and inclusive economic growth

10 Investment in these works and the resulting activity contributes to 2 of the Council's 3 Key Pillars as follows:

- The programme will improve the living environment of our residents which will help towards our Health and Wellbeing target of reducing health inequalities by improving the health and wellbeing of our tenants.
- The skills programmes, apprenticeships and employment support provided through the Council's Social Value programme will help our Inclusive Growth target of supporting businesses and residents to improve skills, helping them into work and into better jobs.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

11 Colleagues from LBS and Procurement and Commercial Services have been consulted in the development of this report.

12 Residents will be fully engaged and given adequate notice when bathing adaptations are planned for their property.

13 A Privacy Impact Assessment was completed from which it was determined that the delivery contractors role would be that of Data Processors. Assessment of how contractors respond to the requirements of the Data Protection Act 2018 is part of the quality evaluation criteria. The tender documentation will also include standard clauses in line with the Data Protection Act 2018 we are currently working with the Leeds City Council Information Governance Team in order to develop these.

What are the resource implications?

14 The procurement will be an open competitive procedure and will be carried out in an open and transparent manner in line with the Contracts Procedure Rules. It will ensure that competition is sought from the widest pool of contractors to demonstrate best value for the Council.

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

15 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 contract.

16 A risk register has been produced and the project team will continue to identify and monitor risks through all stages of the contract life cycle including contract award and mobilisation.

17 Notable Risks include:

Expiry of current contract – With the current contract expiring on 11th October 2023, there is a risk that any new works will not be delivered until the new contract is fully mobilised in January 2024. This risk should be mitigated as all new jobs are submitted to contractors in advance with target delivery dates of between 1 and 3 months. The Council will, therefore, continue to allocate jobs right up until the contract end date, which will mean that outstanding works will still be undertaken after 11th October 2023. In addition to this, LBS operatives also complete this work and will deliver any new urgent orders.

Resourcing - A contractor may be unable to undertake the work due to resourcing issues. This will be mitigated by appointing up to 4 contractors to carry out works. If the first ranked contractor is unable to carry out the works, they will be offered to the next ranked contractor and so on.

Financial vetting – With current financial challenges across the construction sector, there is a risk that contractors may be unable to fulfil their contracts due to financial distress. To mitigate potential financial challenges contractors will need to declare their financial standing by completing a PAS91 as part of the tender process. Successful contractors will also undergo a financial vetting process prior to contract award to ensure they have the required financial standings.

What are the legal implications?

18 The contract value of this procurement is £2.55m over 3 years (£4.25m including extensions), therefore, this approval will be a Key Decision which will be eligible for call in. The procurement was published on the List of Forthcoming Key Decisions on 27th March 2023 and expired of 25th April 2023. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

19 Subsequently a separate tender evaluation report and proposal to award contracts to up to 4 contractors will be submitted for approval following the completion of the tender evaluation process which will be undertaken in line with the Contract Procedure Rules.

Options, timescales and measuring success

What other options were considered?

20 Other procurement options were as follows:

- **Extend the existing contract** – Although this is an option, as the current set-up of awarding work to the 4 contractors on a 40% - 20% - 20% - 20% basis has not worked due to resourcing issues, this is not proposed to be a viable option.
- **Allow the current contract to run out on 11th October 2023** – This is not an option as there are approximately £850,000 of works which need to be carried out each year to ensure that residents have the bathing facilities which meet their needs.
- **Allocate the works to LBS as our Internal Service Provider** – Leeds Building Services undertake this work utilising direct resources and require this contract as a support in delivering this workstream.

How will success be measured?

21 The programme directly contributes to the achievement of a number of key performance indicators which the Council will use to measure success including:

- a) Providing enough homes of a high standard to our residents.
- b) Supporting economic growth and access to economic opportunities, Employment and Skills and Social Value targets for contractors helps create training and employment opportunities in Leeds.
- c) All tenderers will be required to complete a Social Value Offer as part of the evaluation criteria within the tender. The successful contractors will be held to their social value commitments throughout the life of the contract.

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

22 The estimated timetable for implementation is as follows:

Task/Milestone	Date
Tenderers invited to tender and issued with tender documents	Monday 14 th August 2023
Last date for tenderers to submit PAS91 tender clarification queries	Tuesday 5 th September 2023
PAS91 submission date	Tuesday 12 th September 2023
PAS91 assessment and evaluation	Wednesday 13 th September Friday 29 th September 2023
Invitation for successful bidders from PAS91 stage to submit their tender	Monday 2 nd October 2023
Last date for tenderers to submit tender clarification queries	Tuesday 24 th October 2023
Tender submission date	Tuesday 31 st October 2023
Assessment and evaluation	Wednesday 1 st November to Friday 24 th November 2023
Tenderers notified of outcome	W/C Monday 4 th December 2023
Contract awarded	Friday 15 th December 2023
Mobilisation period to contract start date	January 2024
Contract end date (excluding extensions)	31 st December 2026

Appendices

- None

Background papers

- None