

Authority to Procure Civic & Commercial Multi Trade Framework

Date: 8th September 2023

Report of: Chief Officer Civic Enterprise Leeds

Report to: Director of Strategy & 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) currently undertake a programme of work for Multi Trades Works to the Council's Civic Estate stock and are supported as and when required by a range of subcontractors.

LBS also utilises subcontractors to deliver at times of peak volumes of work. This will be for supporting peak demand responsive repairs and small works where internal resources are limited, as well as for larger planned schemes (e.g. summer school works).

LBS will deliver works through their own direct workforce in the first instance. However, this framework is to be put in place in order to provide additional capacity of general building contractors when resource demand is at a peak.

Following a full scoping exercise including extensive market engagement it has been identified that a framework of multi-trade contractors would benefit LBS in ensuring additional subcontractor capacity is available to support inhouse resources.

Recommendations

- a) The Director of Strategy & Resources is requested to approve the procurement activity to put in place a framework of contractors through a restricted competitive procedure, estimated at £4m per annum for a period of 2 years with the option to extend for a further 2 x 12 months (total estimated spend of £16m with extensions). The framework contract will be awarded in lots in the following manner:
- Lot 1 – Reactive / Responsive works up to £5k – with estimated annual spend up to £500kpa (up to 2 contractors)
 - Lot 2 – Low value projects £5k up to £100k – with estimated annual spend up to £2,000,000 (up to 3 contractors)
 - Lot 3 – Medium/Major Project above £100k – with estimated annual spend up to £1,500,000 (up to 3 contractors)

What is this report about?

- 1 The purpose of this report is to seek approval to a procurement strategy in accordance with Contracts Procedure Rule (CPR) 3.1.7 to carry out a compliant and competitive procurement exercise to establish a 2-year framework contract (plus 2 x 12 months optional extensions) divided into 3 lots, with up to a specified number of contractors to support multi trade works in civic and commercial properties.
- 2 In March 2023 several Meet the Buyer events took place. This enabled contractors who were interested to find out more details about the proposed strategy and opportunity to work with LBS. Over the 4 separate sessions 37 contractors attended and provided positive feedback and expressed interest in working for LBS as a multi trade contractor. Consequently, the structure of this proposed framework has been developed in taking on board feedback from these sessions.
- 3 Following this exercise it is now proposed that work will be allocated in the following methods:
 - a) Lot 1: Responsive works up to £5k – up to 2 contractors, works to be allocated on a ranked basis. This lot will be priced on a time and materials basis to ensure efficient access to contractors on a reactive basis.
 - b) Lot 2: Works £5k up to £100k – up to 3 contractors - works to be allocated on a rotational basis, commencing with the highest-ranking contractor following appointment to the framework, the 2nd ranked contractor will then be allocated the second call off, etc on a rotational basis. This lot will be priced using schedule of works, at evaluation stage these will be indicative/historic schemes. With specific schedule of works issued for each scheme during the term of the framework.
 - c) Lot 3: Works above £100k – up to 3 contractors – each call off will be subject to mini-competition across all appointed contractors to demonstrate value for money throughout the term of the framework. This lot will be priced using schedule of works, at evaluation stage these will be indicative/historic schemes. With specific schedule of works issued for each scheme during the term of the framework.
- 4 There will be no guarantee of any volume of works throughout the framework term, as workload is dependent upon LBS being commissioned by departments, and capacity of internal delivery.
- 5 It is proposed that the tender evaluation methodology will be based on the quality/price separated approach. Contractors will be required to meet minimum quality thresholds in their

quality submissions. Thereafter, contracts will be awarded to the contractors that submitted the lowest prices, subject to viability and affordability of the priced submissions. This ensures contractors are providing the minimum quality standard that LBS expects whilst achieving the best value for money for the Council. Approval of the evaluation criteria will be sought from the Head of LBS in accordance with Contract Procedure Rule 15.1 and the sub delegation scheme of the Director.

What impact will this proposal have?

- 6 Ensuring access to a range of contractors for LBS to deliver varying works across commercial properties will reduce timescales for works commencement and ensure compliant spend with suppliers who have been vetted and meet minimum quality standards.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 7 The procurement and resulting work will contribute to the Best Council Plan Objectives including:

- a) **Growing the economy-** creating jobs, improving skills & promoting a vibrant City.
- i. The Market Sounding Exercise already undertaken targeted a range of local SME providers, the feedback from such organisations informed the structure of the framework to assure their interest in the opportunity.
 - ii. The procurement process will include 10% of the quality assessment assigned to social value, requiring contractors to demonstrate commitment to LCC TOMS associated with employment & Skills.
- b) **Child-friendly city** - Keeping children safe, supporting families, raising aspirations and educational attainment - All contractors appointed will have demonstrated adherence to safeguarding policies and procedures to support vulnerable children within the city and vicinity of their work delivery.
- i. This framework will provide an avenue for LBS to deliver construction projects relating to a range of commercial buildings within the city including schools, museums and community hubs. Supporting the authority in providing key services to residents of Leeds.
- c) **Low carbon** – Reducing emissions, tackling fuel poverty, delivering efficient and secure energy. - Maintaining and improving assets is key in ensuring properties are efficient.
- i. The procurement process will include 10% of the quality assessment assigned to social value, requiring contractors to demonstrate commitment to LCC TOMS associated with carbon efficiency.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 8 LBS have consulted with the Corporate Property Management , Chief Officer Civic Enterprise Leeds, members of CEL Weekly Assurance Meetings, Head of LBS, LBS stakeholders along

with the Procurement & Commercial Services (PACS) team. All parties are supportive of the proposal.

What are the resource implications?

- 9 Through the selection evaluation the team will ensure that contractors that will be invited to tender will have the specialist skill, technical expertise and the knowledge that will ensure that all works are completed in line with Health and Safety and Environmental considerations.
- 10 The low value project works to be delivered through this framework will be subject to thorough price reviews by both Estimators and Quantity Surveyors ensuring effective value for money.
- 11 The high value project works to be delivered through this framework will be subject to competition therefore ensuring effective value for money.

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

- 12 The contract will be managed and monitored by the appointed contract manager within LBS to ensure the benefits of the services are maximised to meet the client's requirements. In addition, the contractor's performance will be measured over the life of the contract.
- 13 Ensuring contractors have the capacity and capability to undertake the works. Effective selection criteria will be applied during the shortlisting stages, in addition to post tender due diligence vetting to ensure appointed contractors are suitably qualified and stable to move forward.
- 14 A contract management plan will be developed that will clearly identify roles and responsibilities of officers with contract ordering and performance management & monitoring activities. This plan will also emphasise the perceived aims and objectives of the contract and how their realisation and contract success will be received and managed, in addition to the plan clearly stating the responsibilities of the contractor.

What are the legal implications?

- 15 The procurement route FTS (Find a Tender Service) Restricted Procedure will be undertaken in compliance with Public Contract Regulations 2015 and the Council's internal CPRs (Contract Procedure Rules) and carried out in an open and transparent manner, ensuring competition is sought to identify best value.
- 16 As the value of the proposed contract exceeds £500k, this report is the subject of a Key Decision linked to the Forward plan notification published on 19th April 2023, which is required to be taken by the Director of Strategy & Resources and therefore will be subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 17 Due diligence checks of the preferred contractor(s) will be done to ascertain their financial position prior to contract award. This will ensure we are contracting with a financially sound organisation limiting the risk of works not being completed.
- 18 A separate tender evaluation report and proposal to award the framework contracts to each lot will be submitted for approval following the completion of the tender evaluation process.

Options, timescales and measuring success

What other options were considered?

- 19 **Option 1 – Do Nothing:** This has been discounted due to the level of responsive maintenance and low value works requirements which are regular and ongoing.
- 20 **Option 2 – use an external Framework Call-off:** There are no existing frameworks which meet the needs of this provision, as well as ensuring local supplier engagement.
- 21 **Recommended - Option 3 – FTS Restricted Procedure –** ensuring open advert to engage with a wide number of applicants, engaging existing supply chain and operators new to the Authority.

How will success be measured?

- 22 Success will be measured by the successful delivery of small and larger projects over the contract term, with vetted contractors demonstrating the appropriate levels of capabilities and experience.
- 23 Each contract will have a separate set of KPIs which must be met. The KPIs are based on targets set by LBS and are there to ensure that contractor performance meets the Council's satisfaction.
- 24 The contract management plan will emphasise the aims and objectives of the contract and how their realisation and contract success will be received and managed, in addition to the plan clearly stating the responsibilities of the contractor.

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

- 25 The timescales for delivering this procurement activity are currently:
 - a) PAS91 Publication – October 2023
 - b) Tender Publication – December 2023
 - c) Contract Award – February 2024
 - d) Contract Commencement – April 2024

Appendices

- EDCI (Equality, Diversity, Cohesion, and Integration)

Background papers

- None