

Authority to Award contracts for Fire Stopping and Passive Fire Protection Works (Civic Estate) 2023-24/2024-25

Date: 1st November 2023

Report of: Senior Project Manager

Report to: Chief Officer, Climate, Energy and Green Spaces

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 award construction contracts to five contractors to deliver approximately £2m of Fire Stopping and Passive Fire Protection works across the Council's Civic Estate for one year covering the remainder of 2023/24 and into 2024/25.

There will be an option to extend the contract by two further periods of up to 12 months.

Recommendations

The Chief Officer, Climate, Energy and Green Spaces is requested to: -

- a) Approve the award of contracts for an estimated value of £2m following a Quality/Price Separated competitive tender for Fire Stopping and Passive Fire Protection Works (Civic Estate) to be completed in 2023-24 and 2024-25 to the following five contractors:
 1. Open View Security Solutions Ltd
 2. Aspect Building Solutions Ltd
 3. CLC Contractors Ltd
 4. Walter West Builders Ltd
 5. Nidd Vale Construction Ltd
- b) The contracts shall commence on 13th November 2023 and shall terminate on 12th November 2024 with the option to extend for a further 2 periods of 12 months.

What is this report about?

- 1 This report outlines the results of a recent tender exercise and seeks approval to award contracts to five contractors to undertake Fire Stopping and Passive Fire Protection Works (Civic Estate) for one year in 2023-24 and 2024-25, following the evaluation of a Quality/Price Separated competitive procedure.
- 2 Fire safety legislation amalgamated within the Regulator Reform (Fire Safety) Order 2005 requires that the Council is responsible for the management of fire safety in all civic buildings. One of the significant duties placed upon organisations by the legislation is for fire risk assessments to be undertaken with any remedial work identified, prioritised and completed within reasonable timescales.
- 3 A Key Decision was originally taken by the then Director of Resources on 21st December 2021, to approve expenditure of £2m for capital Fire Risk Prevention works on the civic estate in 2022/23. This expenditure has now been approved for the 2023/24 and 2024-25 Financial Years.
- 4 A Significant Operational Decision was published on 30th March 2023 to approve the procurement strategy to undertake a competitive tender on a Quality/Price Separated basis with quality assessments being carried out first, with bidders meeting the minimum score threshold then having their pricing assessed. This approach was selected to help ensure value for money as contracts would be awarded to tenderers meeting the minimum quality thresholds and submitting the lowest prices.
- 5 A total of twelve compliant bids were received by the tender submission deadline of 16th June 2023. A PAS91 stage was included as part of the tender exercise with tenderers being evaluated on their technical ability and experience in undertaking the work. Tenderers had to score a minimum overall score of 70% to be considered for shortlisting. A total of eight bidders were successful in the PAS91 stage and had their tenders evaluated on a Quality/Price Separated basis.
- 6 Following completion of the Quality/Price Separated evaluation, from the eight that passed the PAS 91 stage, on evaluation of the quality part of the tender, the following seven tenderers met the minimum quality thresholds and had their prices evaluated: Aspect Building Solutions Ltd, CLC Contractors Ltd, Nidd Vale Construction Ltd, Open View Security Solutions Ltd, Thermal Engineering Contracts Ltd, Ventro Ltd and Walter West Builders Ltd.
- 7 After the conclusion of the price evaluation and in line with the tender documents it is proposed to proceed to award contracts the five lowest and compliant scoring price submissions from those 7 referred to in para 6 who had passed the required quality threshold These are Open View Security Solutions Ltd Aspect Building Solutions Ltd, CLC Contractors Ltd, Walter West Builders Ltd and Nidd Vale Construction Ltd, and.

Works orders and packages will be awarded as follows, smaller works packages up to £100k will be allocated on a rotational basis with the first works package being allocated to the first ranked contractor and the second works package being allocated to be the second ranked contractor and so on. For larger works packages over £100k, all five contractors will be invited to participate in a price only mini-competition in line with CPR 9.1 in order to seek to maximise competition and to ensure best value for money. This is in line with the Authority to Procure Report and the Tender Documents. The Council will enter into NEC3 Engineering and Construction Contracts (ECC) with each successful tenderer up to a total value of £2m.

What impact will this proposal have?

- 8 As part of the tender evaluation the due diligence process on technical and financial issues has not identified any significant risks in terms of awarding the contracts to the five successful contractors. All five contractors have the capacity, resources and experience within this operational field of work considered necessary to deliver the service requirement.
- 9 Financial due diligence has taken place against the each of the proposed successful contractors who will undertake the work, with no issues of concern.
- 10 A contract management plan will be ready for implementation in October 2023. It is expected that the mobilisation period will require a lead time of 4 – 6 weeks, with contractors commencing work in December 2023/January 2024.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 11 The completion of the works will support the Council's Health and Wellbeing ambition by making our civic estate safer for visitors and staff.
- 12 This proposal supports Inclusive Growth through the implementation of Social Value requirements which the successful contractors will be expected to deliver. This includes commitments against the following national Social Value TOM:
 - LCC18/NT18 – Contractors are required to provide a breakdown of pounds spent on the contract with the local supply chain. Contractors will be measured on specific targets and these will be monitored throughout the contract.
- 13 This proposal supports the Zero Carbon as contractors are required to deliver commitments against the following national Social Value TOMs:
 - LCC31/NT31 – Evidence of a reduction in CO² emissions when working on the contract.
 - LCC49/NT49 – Providing training climate change and carbon reduction training for staff of SMEs in their supply chain.

What consultation and engagement has taken place?

Wards affected: n/a

Have ward members been consulted?

Yes

No

- 14 Procurement and Commercial Services (PACS) and PACS Legal have been consulted in the development of this report.

What are the resource implications?

- 15 The resources for the delivery of these works, with an estimated value of £2m will be funded from the 2023-24 and 2024-25 contingencies of the capital programme.
- 16 This competitive tender has been carried out in an open and transparent manner in line with the Council's Contract Procedure Rules and the competition has ensured that the Council has obtained best value.
- 17 The contract value is approximate and is more around spending an approved budget for the delivery of these works, and a minimum value is not guaranteed to any of the contractors.

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

- 18 A contract management plan will be in place for each contractor and will provide clear roles, responsibilities and regular review points during the life of the contract
- 19 A risk register will be produced, and the project team will continue to identify and monitor risks through all stages of the contract, including contract award and mobilisation.
- 20 Notable Risks include:
- a) Due to current market conditions, there are challenges with supply chains and materials. To mitigate these risks, we will work closely with contractors to ensure that our works programme is sufficiently resourced and that alternative supply chains can be sourced if necessary.
 - b) There is a risk in the current economic climate that contractors could experience financial distress and be unable to discharge their obligations under the contract. To mitigate this, tenderers were required to complete a PAS91 pre-qualification questionnaire as part of their tender response. Financial checks and receipt of technical references will be carried out on the proposed successful contractors prior to award, ensuring we are contracting with financially sound organisations whilst limiting the risk of works not being completed.
 - c) There is a risk that contractors may underperform on the contract. This risk will be mitigated through the inclusion of several Key Performance Indicators (KPIs) which contractors will be measured against on a quarterly basis to ensure that quality standards are maintained throughout the duration of the contract.

What are the legal implications?

- 21 This procurement exercise was carried out through a compliant open competitive procedure.
- 22 The recommendations set out in this report are a direct consequence of a previous Key Decision ref D54707 taken on 21st December 2021 and is, therefore, a Significant Operational Decision which is not subjected to call in.

Options, timescales and measuring success

What other options were considered?

- Other procurement options were considered but discounted. Please refer to the Authority To Procure Report published 30th March 2023.

How will success be measured?

- 23 By the successful completion of the programme of works and regulatory compliance, and contractors meeting KPIs.

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

- 24 The Senior Project Manager, Communities, Housing and Environment will be responsible for implementation.
- 25 The timetable for implementation is as follows:

Task/Milestone	Date
Contract awarded	17 th November 2023

Mobilisation period to contract start date	November 2023
Contract start date	December 2023

Appendices

- FRA Evaluation – Sample Pricing Comparison Table (REV A) – FINAL (confidential)

Background papers

- [Civic Estate Fire Prevention Works – Council and democracy \(leeds.gov.uk\)](https://www.leeds.gov.uk/civic-estate-fire-prevention-works-council-and-democracy)