

Authority to procure contractors to support Leeds Building Services with the delivery of civic and commercial roofing responsive repairs and low value planned schemes

Date: 15th January 2024

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) request authority to undertake a new procurement exercise to put in place a framework agreement for responsive roofing repairs and low value planned schemes to the Council's civic and commercial property portfolio located throughout the city.

The proposed framework will have an estimated spend of £600,000 per annum. It will run for an initial period of 2 years starting in approximately July 2024, with the option to extend for up to 24 months.

Recommendations

- a) In accordance with the Council's Contract Procedure Rule (CPR) 3.1.7, this report requests the Director of Strategy & Resources to approve a procurement strategy based on an estimated annual contract spend of £600,000 to appoint up to 3 contractors for the delivery of responsive roofing repairs and low value planned schemes to the Council's civic and commercial property portfolio located throughout the city, for an initial 2-year period with an option to extend for up to 24 months, and with an estimated total contract value of up to £2,400,000.
- b) The Director of Strategy & Resources is requested to note that the approval of the selection and award criteria will be sought from the Head of Leeds Building Services as required under CPR 15.1.

What is this report about?

- 1 The purpose of this report is to seek approval to carry out a below threshold compliant procurement exercise in competition to establish a framework agreement containing up to 3 external contractors to support LBS with roofing repairs, low value planned roof works and maintenance works to civic and commercial related property.
- 2 The contractors will be required to repair or supply and install roofing consisting of the following materials and nature - slate, tile, built up felt, system approved flat roofing, sheet, and asphalt, to a varied range of Council buildings within its civic and commercial portfolio.
- 3 The question as to whether to bring housing and civic streams under one contract has been discussed with the LBS Senior Service managers and the decision has been taken to keep the two contracts separate. This is due to the different nature and types of works under each stream which require different specialisms in relation to the types of materials used, and specific tasks to be undertaken for each specific portfolio of properties. In addition, by taking this approach it is anticipated that it will attract different contractors for these work streams thus also therefore this would increase capacity and add resilience collectively.
- 4 In September/October 2023 two Meet the Buyer events took place. This enabled contractors who were interested to find out more details about the proposed strategy and the opportunity to work with LBS. Over the two sessions 15 contractors attended and provided positive feedback on these proposals including expressing their interest in working for LBS as a roofing contractor. Consequently, the structure of this proposed framework has been developed from market engagement and outcomes from feedback from these sessions.
- 5 It is proposed that the total spend will be approximately £600,000 per annum and will be for an initial 2-year period with an option to extend for up to 24 months, with an estimated total contract value of up to £2,400,000. The framework is expected to commence in September 2024.
- 6 The framework will be structured with 2 lots:
 - a) Lot 1 – responsive works up to £5,000 - Work will be allocated on a ranked basis between the top 2 tenderers.
 - b) Lot 2 – low valued planned works between £5,000 and £30,000 – The same contractors appointed to Lot 1 will be also appointed to Lot 2 including an additional contractor who scored 3rd in the tender. Given the limited requirement for works within this value band, all 3 contractors will be invited to quote at the time of requirement for any such work.
- 7 The rationale for this approach is that the historical data from the last 4 years has shown that 70% of the value of the orders are below £5,000 with the remaining 30% between £5,000 to £30,000. For Lot 1, the responsive works given the nature and variables of the various sites all prices submitted by contractors will be subject to thorough price reviews by both Estimators and Quantity Surveyors ensuring effective value for money. For Lot 2, although these are generally repair works, given the potential size of the repair works involved, LBS will be seeking competition amongst the 3 contractors on the framework therefore ensuring best value for money.
- 8 Any works above £30,000 will not be covered by this framework and tendered separately.
- 9 There will be no guarantee of any volume of works throughout the framework term as workload is dependent upon LBS being commissioned by various internal departments.
- 10 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 up to 3 contractors that have

submitted the lowest rates, subject to viability and affordability of the priced submissions. Lot 1 will be evaluated on Time and Materials, with lot 2 being evaluated on various sample schemes covering a variety of different property types and job requirements. The pricing schedule will be robust and comparable in line with the estimated contract spend. 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 selection and award criteria will be sought from the Head of LBS in accordance with CPR 15.1 and the sub-delegation scheme of the Director of Strategy and Resources.

What impact will this proposal have?

- 11 It's anticipated that there will be no significant impacts to the wards.
- 12 An equality, diversity, cohesion, and integration screening has been undertaken which has indicated that there are no negative impacts arising from undertaking this procurement exercise.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 13 Inclusive Growth – ‘Supporting growth and investment’ and ‘Supporting businesses and residents to improve skills, helping people into work and into better jobs’.
- 14 Safe, Strong Communities – ‘Keeping people safe from harm, protecting the most vulnerable’ and ‘Being responsive to local needs, building thriving, resilient communities’.
- 15 Low carbon – Reducing emissions, tackling fuel poverty, delivering efficient and secure energy.
- Maintaining and improving assets is key in ensuring properties are efficient.

The procurement process will include 10% of the quality assessment assigned to social value, requiring contractors to demonstrate commitment to the Council's TOMS associated with carbon efficiency.

- 16 All contractors appointed must adhere to safeguarding policies to protect those in the vicinity of their work delivery. Maintenance of properties helps to ensure people are kept safe from harm arising from disrepair problems. Responsiveness to repair and maintenance issues shows awareness to the needs of the local people.

What consultation and engagement has taken place?

Wards affected: City wide

Have ward members been consulted? Yes No

- 17 LBS has consulted with the Chief Officer Civic Enterprise Leeds, Civic Enterprise Leeds Senior Management Team, LBS stakeholders, Procurement and Commercial Services (PACS), PACS Legal, and Trade Unions. All parties are supportive of the proposal.
- 18 LBS hosted two ‘Meet the Buyer’ events to enable interested contractors to meet the project team and find out more details about the proposed strategy and the opportunity to work with LBS.

What are the resource implications?

19 The evaluation team will ensure that contractors that will be invited to tender will have the specialist skills, technical expertise and the knowledge that will ensure that all works are completed in line with health and safety and environmental considerations.

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

- 20 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.
- 21 Ensuring contractors have the capacity and capability to undertake the works. Key selection criteria around technical abilities will be applied during the shortlisting stages, in addition to post tender due diligence vetting prior to any recommendations for contract award to ensure appointed contractors are suitably technically qualified and financially stable to move forward.
- 22 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?

- 23 As the value of the contract is above £100,000, an open procurement exercise will be carried out in line with CPR 9.1 and 9.2, ensuring competition is sought to identify best value for money.
- 24 Given the costs related to this contract, the proposed procurement exercise was placed on the list of forthcoming Key Decisions on the 16th November 2023 and therefore this report is a Key Decision and is eligible for call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

Options, timescales and measuring success

What other options were considered?

- 25 **Option 1 - Do Nothing** – LBS currently do not have internal operatives to deliver these roofing works directly and therefore this will result in a high amount of non-contract spend or a failure to deliver the service.
- 26 **Option 2 - Call off from an existing framework** – a number of existing externally managed compliant frameworks have been researched and reviewed, however the frameworks predominately included larger contractors which doesn't support the strategy of LBS.
- 27 **Recommended - Conduct below threshold open procurement** – this route is considered to be the most appropriate. The best route to market would be to conduct an open procurement exercise. This is in accordance with the Council's CPRs. This route would provide an opportunity to test the market through a competitive 2 stage exercise. The first stage is a pre-qualification questionnaire (also known as a PAS91) which contractors are required to pass to be shortlisted and invited to tender. The second stage is the tender submission that will be assessed on price and quality. To test the market interest, in addition to reference at para 4, an Expression of Interest (EOI) was issued in September 2023 and 22 contractors confirmed their interest in tendering for these works. 15 of these interested contractors attended the 'Meet the

Buyer' sessions. This procurement option would provide the Council with a compliant and robust route to market.

How will success be measured?

- 28 Each contractor is required to meet the performance standards set by the Council and in order to measure performance, they will have a separate set of Key Performance Indicators (KPIs) which must be achieved.
- 29 The contract management plan will 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 is the timetable and who will be responsible for implementation?

- 30 The timescales for delivering this procurement activity are currently:
- a) PAS 91 publication – February 2024
 - b) PAS 91 evaluation and shortlisting – April 2024
 - c) Tender publication – May/June 2024
 - d) Contract award – August 2024
 - e) Contract commencement – September 2024

Appendices

- Equality, Diversity, Cohesion, and Integration Screening.

Background papers

- None.