

# Tender evaluation report seeking approval to award the electrical domestic testing and remedial works contract (ref 81294)

Date: 22<sup>nd</sup> April 2024

Report of: Head of Leeds Building Services

Report to: Chief Officer Civic Enterprise Leeds

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

Appendix 1 and 2 should be designated exempt from publications in accordance with Access to Information Procedure Rule 10.4(3).

## Brief summary

- This report outlines the evaluation of the electrical domestic testing and remedial works tender submissions and seeks to gain approval to award the contract to UPS Building & Maintenance Limited.
- Electrical testing is legally required to be carried out in domestic rented properties every 5 years.
- The Wiring Regulations (BS 7671) make it mandatory that the design, installation, commissioning, and test/inspection of all electrical installations are adequately maintained in a safe condition at all times and that checks are carried out by a registered tradesperson.

## Recommendations

- a) The Chief Officer, Civic Enterprise Leeds is recommended to note this report and approve the award of Electrical Domestic Testing and Remedial Works for Leeds Building Services (LBS) to UPS Building & Maintenance Limited for a period of 2 years with the option to extend for a further 12 months. The estimated expenditure per annum is £700,000 with an estimated total spend of £2,100,000.
- b) The contract is proposed to start on the 13<sup>th</sup> May 2024 and run for 2 years until 12<sup>th</sup> May 2026. If the options to extend are exercised, then the potential end date would be 12<sup>th</sup> May 2027.
- c) Recognises that Appendix 1 and 2 should be designated exempt from publications in accordance with Access to Information Procedure Rule 10.4(3).

## What is this report about?

- 1 This report provides details of the tender evaluation process and seeks approval from the Chief Officer, Civic Enterprise Leeds to award the contract for Electrical Domestic Testing and Remedial Works.
- 2 This report is a direct consequence of the original authority to procure (key decision) published on the 18<sup>th</sup> August 2023 that approved the procurement strategy to procure a contractor via a restricted tendering process.
- 3 A tender was published on the 21<sup>st</sup> December 2023 on the YORtender portal as a restricted tender and 7 contractors were invited. The tender closed on the 5<sup>th</sup> February 2024.
- 4 The tender was evaluated using a quality, price separated approach with all compliant contractors firstly scored on their quality submission which required them to pass minimum quality thresholds applied to a number of key technical questions and an overall points threshold of 50%. All tenderers that passed the quality are then evaluated 100% on price with the lowest compliant prices considered for award. LBS stated at tender that up to 3 contractors would be awarded a contract.
- 5 4 contractors submitted a bid with 1 tenderer failing to submit all the correct documentation who subsequently decided to withdraw from the process.
- 6 The quality submissions of the 3 remaining tenders were evaluated by the evaluation panel made up of three officers from within the LBS electrical team.
- 7 After the conclusion of the quality evaluation process for the 3 remaining tender submissions, 2 of these submissions successfully achieved the required quality thresholds and were taken through to the next stage which is a 100% price evaluation. The 1 tenderer who failed to meet the thresholds failed on 3 individual question thresholds. Their bid was therefore not taken through to the next stage of the evaluation process.
- 8 The price submissions of the 2 tenders were evaluated by Quantity Surveyors from the LBS Commercial Team. The details of the outcome of the scoring are outlined in the table below.

<b>Bidder</b>	<b>Quality Score</b>	<b>Price Score</b>	<b>Rank</b>
UPS Building & Maintenance Limited	Pass	1000	1 <sup>st</sup>
Bidder B	Pass	521.38	2 <sup>nd</sup>
Bidder C	Failed	Not scored	N/A

- 9 LBS' intention was to award contracts to up to 3 contractors on a 40%/30%/30% work allocation split amongst the 3. As a result of bidder B being 48% more expensive than UPS, LBS have determined that in the current climate it is not viable to award to bidder B and have decided to award 100% of the works to UPS.
- 10 Clarification was sought from UPS to attain whether they have the resources to successfully deliver 100% of the required works. UPS have confirmed that they can resource accordingly to meet the requirement, and this will be closely monitored by LBS during regular contract meetings.

## What impact will this proposal have?

- 11 This proposal will provide a contractor to carry out electrical testing and remedial works to Council housing properties. It is a legal requirement for the Council to carry out electrical testing to ensure that every Council housing property is safe for our tenants. This is required every 5 years. If a test was to fail, the contractor will then be required to conduct remedial works to ensure that the property passes the test.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 12 This proposal will help with the health and wellbeing of residents in Leeds by mitigating, managing, and eliminating risks associated with electrical hazards and ensure that homes are maintained to the highest safety standard.
- 13 As part of their tender submission, UPS have committed to delivering Social Value Themes, Outcomes & Measures (TOMs) which includes donating money and providing staff volunteering time to community-led initiatives/projects and engaging with the Council's Employment & Skills service if they have any new employment opportunities and apprenticeships for local residents. These will be monitored throughout the contract to ensure the outcomes are achieved.
- 14 All stakeholders are aware of the critical need to reduce our impact on the planet as per the declaration of the Climate Emergency, therefore UPS will be required to commit to do their part in reducing climate impact as part of their operations.

## What consultation and engagement has taken place?

Wards affected: City wide

Have ward members been consulted?

Yes

No

- 15 Consultation has taken place with the Procurement and Commercial Services legal team and the Construction and Housing procurement team to ensure the procurement and subsequent contract is compliant.

## What are the resource implications?

- 16 LBS estimate the contract agreement value per annum to be £700,000. The contract agreement is proposed to be for a period of 2 years (13<sup>th</sup> May 2024 to 12<sup>th</sup> May 2026) with the option to extend up to a further 12 months, with a total estimated spend of £2,100,000 over 3 years.

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

- 17 Risks of procurement challenges are present in any procurement that is undertaken. To manage this, a fully compliant and transparent tender process has been carried out in line with the Contract Procedure Rules.
- 18 Due diligence has been completed regarding the proposed supplier for award of contract with relevant vetting carried out to obtain technical references from previous works of a similar nature, financial checks and due diligence on Health & Safety and safeguarding. Records are stored on file for audit purposes.

## What are the legal implications?

- 19 This is a significant operational decision as a direct consequence of the original authority to procure (key decision) published on the 18<sup>th</sup> August 2023, and is not eligible for call in. Other than Appendix 1 – Tender Analysis Report and Appendix 2 – Pricing Summary, there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 20 This procurement has been undertaken in compliance with the Council's Contracts Procedure Rules. The tender has been evaluated in accordance with the evaluation criteria set out in the

tender documents. Following the tender evaluation, the successful contractor has been identified as UPS Building & Maintenance Limited.

- 21 The information in Appendix 1 and 2 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.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 22 The alternative option to awarding this contract is to abort this procurement exercise and rely on LBS' direct workforce to deliver these works. However, they currently deliver around 50% of the works issued to them but they do not have enough in-house skilled operatives to meet the full demand, therefore require external contractor support. The aspiration is for LBS to continually increase the amount they undertake throughout the duration of the contract by increasing the internal workforce providing comparable levels of efficiency/value for money can be achieved.

### **How will success be measured?**

- 23 KPI's as contained in the contract will be managed and monitored and will contribute to measuring the success of the contract.
- 24 The contract will be delivered and supported with a robust contract management in place, that will be the responsibility of the contract manager within LBS.

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

25 Contract Award: 6<sup>th</sup> May 2024

26 Contract Start: 13<sup>th</sup> May 2024

27 Implementation will be carried out by the Head of Leeds Building Services and the electrical department team.

## **Appendices**

- Appendix 1 – Tender Analysis Report (confidential)
- Appendix 2 – Pricing Summary (confidential)

## **Background papers**

- Authority to procure report: <https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=56716>