

Council Chamber & Banquet Hall Ventilation Improvements

Date: 25th 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

Brief summary

- Leeds Building Services (LBS) requests retrospective authority to procure approval and, at the same, authority to award approval a contract to Airco Refrigeration and Air Conditioning Ltd for £242,930.50 to perform ventilation improvement works in the Council Chamber and the Banquet Hall within the Leeds Civic Hall.
- Due to the tight delivery scales required so that the work is complete ahead of the late Autumn (allowing the heating and ventilation to in the Council Chamber and Banquet Hall to be controlled independently for each room) months this has led to the urgent need to go out to market. This report is to ensure all necessary governance approvals for this urgent work are in place, albeit retrospectively for the authority to procure.
- The project was initiated by Leeds City Councils Communities, Housing and Environment – Climate & Energy Team to award a contractor to undertake ventilation improvement works at the Leeds Civic Hall. This was transferred to Leeds Building Services (LBS) to initiate and manage the procurement exercise.

Recommendations

This report requests the Chief Officer Civic Enterprise Leeds to:

- Provide retrospective authority to procure approval in accordance with the Council's Contracts Procedure Rule 3.1.7 for the ventilation improvement works and
- Provide approval to award the contract to Airco Refrigeration and Air Conditioning Ltd for £242,930.50 subject to confirmation of funding from the client.

What is this report about?

1. This report seeks the authority for retrospective approval to procure a short-term contract in line with CPR 3.1.7 and also to award a contract to ensure the completion of ventilation improvements at Leeds Civic Hall.

2. Communities, Housing and Environments – Climate & Energy Team requested LBS to support and manage the procurement exercise with urgency and without an estimated tender value. Due to the urgent need for the works to be completed before the late autumn months and a tender estimated value not confirmed, we were unable to follow the regular governance process and obtain authority to procure approval before initiating the tendering process. The tender was published via the YORtender portal on 9th January 2024 with a tender return date of 5th March 2024, hence LBS are requesting the governance approval retrospectively.
3. It is proposed that the contract will be up to a 6 month period with no option to extend. The contract is anticipated to start in April/May 2024.
4. The tender evaluation methodology was based on the price-only approach. Approval of the evaluation criteria has been sought from the Head of LBS in accordance with Contract Procedure Rule 15.1 and the sub-delegation scheme of the Director of Strategy and Resources.
5. Financial checks have been undertaken on the successful contractor incorporating credit checks and information on published accounts at Companies House and no concerns have been identified as regards the contractor's ability to complete the proposed works. The successful contractor will also be required to complete a Risk Assessment Method Statement giving assurance around their health and safety processes prior to contract commencement.

What impact will this proposal have?

6. This proposal is a capital investment as Leeds Civic Hall is a grade II listed building so improvement works are imperative to the upkeep of the building.

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

- Health and Wellbeing
 Inclusive Growth
 Zero Carbon

7. This proposal will help with the wellbeing of Leeds residents as improvement works are required to a grade II listed building. It is important to ensure upkeep on buildings across the city.

What consultation and engagement has taken place?

Wards affected: City wide

Have ward members been consulted? Yes No

8. Consultation has taken place with the Head of LBS, LBS stakeholders, along with the Procurement & Commercial Services (PACS). All parties are supportive of the proposal.

What are the resource implications?

9. There will be no additional resource implications to LBS as works falls under Communities, Housing and Environments, which has allocated funding and technical and business support.

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

10. The following are possible risks that could arise from this contract. However, actions will be taken to mitigate them:
 - Over budget – The client will confirm funding for the contract before contract award.

- Contractor insolvency - To ensure the contractor solvency, LBS have performed credit screening checks.
- Failure to deliver the contract. This will be managed by a contract management plan that will monitor performance and delivery targets.

11. A risk register for the contract is in place and will continue to be managed to monitor, mitigate, and identify any new risks as they arise.

What are the legal implications?

12. The procurement was carried out in an open and transparent manner in line with the Council's Contract Procedure Rules, ensuring competition was sought to identify best value.
13. Due diligence checks of the preferred contractor have been done to ascertain their financial position prior to contract award. This ensures we will be contracting with a financially sound organisation, limiting the risk of work not being completed.
14. This is a significant operational decision and is not 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?

15. In discussion with the internal stakeholders, the following procurement options were considered in line with the Contract Procedure Rules: -
- a) **Insource all work** – LBS had no internal capacity to perform this work. Therefore, this was not a viable option.
 - b) **Allocate the work to one of already existing contracts** – There is no contract in place with a supplier that can perform these types of works. Therefore, this was not the recommended option.
 - c) **Conduct a below threshold open tender exercise (recommended and chosen option)** – This route provided an opportunity to test the market through a competitive exercise managed via YORtender.

How will success be measured?

16. Success will be measured through regular contract management meetings and site visits, where the progress of works against the programme will be assessed.

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

17. The timetable proposed for the delivery of this programme is as follows: -

Tender Published	January 2024
Tender Returned	March 2024
Tender evaluation (inc. governance reporting, and contract award prep)	March 2024
Contract Award	April/May 2024
Contract Start	TBC

Appendices

- Appendix 1 (Confidential)

Background papers

- None