

# Authority to Procure a Multi-Supplier Framework for Asbestos Removals

Date: 24<sup>th</sup> June 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 for Asbestos Removals to undertake both Licensed and Unlicensed works to Housing and Non-Housing properties.

The proposed framework will have an estimated spend of £2,000,000 per annum. It will run for a period of 3 years with an option to extend for 12 months.

The current contract started on 17<sup>th</sup> May 2021 for a period of 3 years, it finished on the 16<sup>th</sup> May 2024 with an optional extension period of 1 x 12 months. In November 2023 it was agreed that the 12-month extension would be utilised in order to give the Asbestos team, along with the Procurement and Commercial team, time to review the current arrangements.

## Recommendations

The Director of Strategy & Resources is recommended to:

- a) In accordance with the Council's Contract Procedure Rule (CPR) 3.1.7, authorise the procurement strategy to put in place a new multi-supplier framework for the delivery of Asbestos Removals for Licensed and Unlicensed works to Housing and Non-Housing properties and works arising from the Housing Capital Programme. It is proposed that the framework will run for an initial term of 3 years, with an option to extend this for 12 months. The estimated total framework value over 4 years, including the potential extension period, is £8,000,000 (£2,000,000 per annum).
- b) Note that it is intended to undertake the evaluation by applying the Most Economically Advantageous Tender (MEAT) approach (60% Quality 40% price), owing to the high-risk nature associated with this work. The approval of the specific selection and award criteria

will be sought from the Head of Leeds Building Services as required under CPR 15.1 and the sub-delegation scheme of the Director of Strategy and Resources.

## **What is this report about?**

- 1 The purpose of this report is to seek approval to procure a Leeds City Council multi-lot framework containing up to 3 external contractors to support both LBS and Housing with Asbestos Removals citywide.
- 2 The framework will be structured as follows:
  - a) **Lot 1 – Asbestos Removals Works in the West of the City** – approximately £900,000 per annum.
  - b) **Lot 2 – Asbestos Removals Works in the East of the City** – approximately £600,000 per annum.
  - c) **Lot 3 – Asbestos Removals Works in the South of the City** – approximately £500,000 per annum.
- 3 It is proposed that one contractor will be appointed to each lot. Tenderers will be asked for their lot preference at tender stage, the highest-ranking bidder will be awarded their preferred lot and the second and third ranking bidder will also be awarded their preferred lot. If their preferred lots have already been allocated then they will be offered their second or third choice. The Council also reserves the right to award more than one lot to the bidder that submitted the highest scoring tender submission, if the positioned bidders' overall score is more than 20% lower than the overall score of the highest scoring tender submission. The tenderers will all be asked for their preference order of lots which we will seek to support if possible.
- 4 All lots will be jointly managed by LBS and the Housing Leeds Asbestos Team to deliver this provision to a range of Capital and Revenue works. The works will range from floor tile removals to full licensed environmental cleans to boiler houses or locations within corporate and educational buildings as well as domestic properties, and removal of small items (sink pad) to licenced removals of Asbestos Insulating Boards (AIB) to walls and floor voids.
- 5 The CAS (Common Assessment Standard) stage will be issued as an open opportunity on Yortender and contractors will be required to complete a Selection Stage Document with contractors being asked to complete project specific questions based on their technical capacity. These responses will be evaluated jointly by Housing Leeds and LBS and subject to number and quality of the responses it is proposed that 8 contractors will be shortlisted and invited to tender.
- 6 Any works under £10,000 will be allocated as a direct award to the contractor in the respective lot.
- 7 In order to allocate works over £10,000, a mini competition will be run between all contractors on the framework. This activity will be undertaken via YORTender in accordance with CPRs.
- 8 It is anticipated that the total spend will be approximately £2,000,000 per annum and will be for an initial 3 year period with an option to extend for up to 12 months with an estimated total framework value of up to £8,000,000. The framework is expected to commence in May 2025.
- 9 It is proposed that the tender evaluation methodology will be based on the MEAT approach (60% Quality/40% price), this is the proposal given the nature and expertise required to deliver these works. The pricing schedule will be robust and comparable in line with the estimated framework spend.
- 10 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.

11 As the value of the proposed framework exceeds the relevant thresholds prescribed in CPR 10.4, provisions of the Public Contracts Regulations 2015 (PCR) will apply. The Council shall observe the relevant provisions and ensure compliance with the same.

### **What impact will this proposal have?**

- 12 The procurement will enable the Council to undertake Asbestos Removals City Wide to ensure continuity of service and to comply with statutory duties of removing asbestos from Leeds City Council homes and buildings that are affected.
- 13 As part of the framework, there will be a requirement to achieve additional social value benefits. Social value success will be measured and monitored by the Social Value Engine. The Contractor will make social value commitments during the tender stage which will be recorded in the social value engine. During the life of the framework, adherence to the contractor's social value commitments will be monitored by the contract manager, to ensure that social value is delivered.
- 14 An Equality, Diversity, Cohesion and Integration (EDCI) Impact Assessment has been undertaken for this scheme and is attached as Appendix 1. No negative impacts are expected in relation to the planned works.

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

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 15 The works undertaken through this proposed approach will contribute towards the Best City Ambition in that it will ensure that the Housing is of the right quality, type, tenure and affordability.
- 16 The procurement process will include evaluation on Social Value against specific Themes, Outcomes and Measures (TOMs) which will promote health and wellbeing, inclusive growth and zero carbon. These TOMs will be monitored throughout the framework to ensure delivery.

### **What consultation and engagement has taken place?**

Wards affected: N/A

Have ward members been consulted?       Yes       No

- 17 LBS have consulted with Chief Officer Civic Enterprise Leeds, Civic Enterprise Leeds Senior Management Team, Chief Officer Housing Leeds, LBS Stakeholders, Housing Leeds Stakeholders, Procurement and Commercial Services (PACS), PACS Legal and Efficiency North. All parties are supportive of the proposal.
- 18 A market sounding exercise has been carried out via Yortender and 16 contractors responded stating that they would be interested in a procurement strategy of this nature. This exercise was carried out to ask questions of the market and run the proposed approach past prospective contractors. The results were positive with nothing to contradict the proposed procurement approach. These organisations will be advised when this opportunity goes live in order to allow them to respond.
- 19 Leaseholders Consultation has been carried out under Section 20 of the Landlord and Tenant Act 1985. The Notice of Intent was issued on 3<sup>rd</sup> May 2024 to provide notice and invite leaseholders to comment on the intended agreement/works, the consultation period has recently ended on the 13<sup>th</sup> June 2024. Further consultation will be undertaken at the appropriate time in accordance with legislation.

## **What are the resource implications?**

- 20 Leeds City Council has a legal obligation to remove asbestos from buildings which are owned by the Council.
- 21 All licensed removals need to be undertaken by a licensed asbestos company on the framework. It is a requirement for any contractor who will be awarded onto this contract to have held an asbestos licence, provided from the Health and Safety Executive (HSE) for the last 3 years. The unlicensed works will be undertaken by LBS in the first instance, however due to resource and capacity issues, the unlicensed works are sometimes required to be outsourced and these works will be covered by this proposed framework.
- 22 The procurement will be carried out in line with the provisions of the Council's CPRs and PCR 2015.. The evaluation approach to be implemented is the Most Economically Advantageous Tender (MEAT) approach (60% Quality 40% price).
- 23 The framework will be jointly managed by LBS and Housing Leeds, and both teams will ensure a contract management plan will be developed in line with CPR 3.1.17.
- 24 Any works over £10,000 will be allocated by running a mini competition between all contractors on the framework. This will be run and managed by LBS. All competitive call-offs will be undertaken using YORTender.

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

- 25 The framework will be managed and monitored by the appointed contract manager within LBS and Housing Leeds to ensure the benefits of the services are maximised to meet the clients' requirements. In addition, the contractor's performance will be measured over the life of the framework.
- 26 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.
- 27 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 framework 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?**

- 28 The provision of an Asbestos service is required to comply with the Health and Safety at Work etc. Act (1974) and the Control of Asbestos Regulations (2012) legal requirements. The procurement of this framework is therefore carried out with the view of duly adhering to the relevant legal obligations which the Council is under.
- 29 The estimated value of the proposed framework exceeds the relevant thresholds prescribed in CPR 10.4. This means that the provisions of the PCR will apply. The Council shall observe the relevant provisions and ensure compliance with the same. For the avoidance of doubt, the Council has adhered to the following provisions of the PCR:
  - a) Regulation 33(3) which limits the duration of a framework to 4 years. As per this proposal, the framework will run for 3 years with a possibility of a 12-month extension. This is compliant with the requirements of the PCR.
  - b) Regulation 33(8)(b) which permits a mixed call-off method, consistent with the proposals of this report in relation to the £10,000 mini-competition threshold.

- 30 This is a Key Decision and is subject to call in. It was listed on the List of Forthcoming Key Decisions on the 2<sup>nd</sup> May 2024. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 31 The Council have contacted existing contractors on 16<sup>th</sup> May 2024 in connection with the provision of any TUPE workforce information as part of the procurement process. This information will be made available to shortlisted tenderers upon receipt of a signed confidentiality agreement.

## Options, timescales and measuring success.

### What other options were considered?

#### 32 Option 1 – Do Nothing

This is not a viable option as we would be neglecting our statutory duty to remove asbestos from Leeds City Council homes and buildings.

#### 33 Option 2 – Insource all asbestos removals (Use of Internal Service Provider)

Although this would negate the need to run a full procurement which would save on time and resource, it's not a feasible option as LBS are not currently registered to undertake licenced removals works.

#### 34 Option 3 – Establish a multi-lot contract with works allocated by area via use of an established external framework.

This option would provide the quickest route to market, however due to LBS and Housing wishing to seek to maximise scope for market interest and to provide competition between the contractors for the works over £10,000 this wasn't the preferred route due to this not being an option under an external framework.

#### 35 Option 4 – Establish an LCC Framework with multiple lots via an open or restricted procurement. (Recommended)

This option allows us to test the market through a competitive exercise, this would include an initial advertisement to the open market via YORTender and carrying out a Selection Stage Document (SSD) process and then tenders will be evaluated based on the MEAT approach (60% Quality/40% price). Additionally, this provides the Council for the ability to run a mini competition for works over £10,000. It is for these reasons that this is the recommended approach.

### How will success be measured?

- 36 Each contractor will have a set of KPIs which must be met. The KPIs are based on targets set by LBS and Housing Leeds and are there to ensure that contractor performance meets the Council's satisfaction.
- 37 The contract management plan will emphasise the perceived aims and objectives of the framework 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?

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

Selection (CAS) Stage	End July – End August 2024
Invitation to Tender	September 2024
Tender In	Late October 2024

Tender Evaluation	November 2024
Standstill & Contract Award	December 2024/ January 2025
Mobilisation Period	February 2025 – May 2025
Framework start (All Lots)	May 2025

### **Appendices**

- EDCI

### **Background papers**

- N/A