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Award

## **Kirkgate Market Phase 2**

Leeds City Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2024/S 000-000549

Procurement identifier (OCID): ocds-h6vhtk-042b75

Published 8 January 2024, 3:39pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

Leeds City Council

CIVIC HALL,CALVERLEY STREET

LEEDS

LS11UR

#### **Contact**

Ellie Lomas

#### **Email**

[eleanor.lomas@leeds.gov.uk](mailto:eleanor.lomas@leeds.gov.uk)

#### **Telephone**

+44 1135351648

#### **Country**

United Kingdom

**Region code**

UKE42 - Leeds

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.leeds.gov.uk/>

**I.4) Type of the contracting authority**

Regional or local authority

**I.5) Main activity**

General public services

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**Section II: Object**

**II.1) Scope of the procurement**

**II.1.1) Title**

Kirkgate Market Phase 2

**II.1.2) Main CPV code**

- 45000000 - Construction work

**II.1.3) Type of contract**

Works

**II.1.4) Short description**

Kirkgate Market Phase 2 comprises of a number of works, outlined below, following on from successful completion of Phase 1 works.

- Stripping out existing market units
- Carrying out some structural repairs and strengthening where required to existing units.
- Installing modern mechanical and electrical services to the units.
- Repairs to roofs and guttering
- Repairs to drainage where required.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £5,396,476.44

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 45000000 - Construction work

#### **II.2.3) Place of performance**

NUTS codes

- UKE42 - Leeds

#### **II.2.4) Description of the procurement**

Negotiated Procedure without prior publication of a notice following successful Kirkgate Market Phase 1 delivery and satisfactory price submitted for subsequent Phase 2 works.

#### **II.2.5) Award criteria**

Price

#### **II.2.11) Information about options**

Options: No

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## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

Bermar Building Company Limited won in competition and delivered Phase 1 of essential health and safety works at the 1875 Kirkgate Market Blockshops. The contract was awarded in January 2022 in the sum of £3,609,781 with works starting in late January 2022 which have now been completed. The contractor has delivered a high quality of performance of the works on phase 1.

Bermar Building Company Limited were appointed following a competitive procurement exercise which was a retender (second attempt) issued to contractors from Constructionline. This approach was necessary as a previous procurement exercise via the YORBuild construction framework yielded interest but no tender submissions. Tenders were received and Bermar Building Company Limited were awarded the contract following evaluation.

As part of the procurement exercise it was stated in the tender documents that subject to good performance on site for phase 1 and satisfactory price for further phases, then these subsequent phases might be awarded at the Council's discretion to the contractor who undertook the phase 1 works to provide continuity and avoid interruptions.

Current market conditions in the construction industry are still proving challenging in terms of lack of interest in tendering, increasing prices of labour, materials, and the inflationary increases being experienced. These conditions are affecting contractor interest in procurements and the prices being received when bids are submitted.

Given the constraints of the site environment, including the market continuing to be a live working environment, out of hours working, liaison with traders, and the potential for other contracts running concurrently, there is a material risk that if the works are competitively tendered there will again be limited or no interest from contractors in bidding for the works. If this occurs the current relationships between Bermar and the Council and Bermar and the traders could be lost.

Furthermore, by running a competitive procurement process this will result in delays to the

works of several months due to the processes involved in conducting a procurement exercise, awarding a contract, demobilising Berman, and mobilising the successful contractor. Additional costs for the Council will also be incurred in terms of loss of revenue income from lettings, compensation payments to traders, and staff resource. There is a need to conclude the works as soon as practicable, as these pertain to health and safety issues, which are the principle focus of the works overall.

The procurement process run for the phase 1 works, though not covered under the PCRs 2015, was compliant with Leeds City Council Contract Procedure Rules and the process, subsequent evaluation and award was open, fair, and transparent.

The publication of this notice is to rectify the award of the contract to Berman Building Company Limited despite the value being under the PCR 2015 works threshold following a procurement process that was conducted in a compliant, but under threshold, manner.

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

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## **Section V. Award of contract/concession**

A contract/lot is awarded: Yes

### **V.2) Award of contract/concession**

#### **V.2.1) Date of conclusion of the contract**

2 January 2024

#### **V.2.2) Information about tenders**

The contract has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor/concessionaire**

Bermar Building Company Limited

Bradford

Country

United Kingdom

NUTS code

- UKE42 - Leeds

Companies House

01052886

The contractor/concessionaire is an SME

Yes

#### **V.2.4) Information on value of contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession: £5,396,476.44

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## Section VI. Complementary information

### VI.3) Additional information

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#### **VI.4) Procedures for review**

##### **VI.4.1) Review body**

The High Court of Justice

London

Country

United Kingdom