
Meeting: Executive
Date: 8 January 2013
Subject: Award of the Housing Kitchen & Bathroom Refurbishment Contracts 2013 -2016
Report of: Cllr Carole Hegley, Executive Member for Social Care, Health and Housing
Summary: The report proposes to award the Contract for Housing Kitchen & Bathroom Refurbishment Service 2013 -2016.

Advising Officer: Julie Ogley, Director of Social Care, Health and Housing
Contact Officer: Basil Quinn – Housing Asset Manager & Jonathan Rogers – Building Surveyor
Public/Exempt: Public but with an exempt appendix under category number 3 “information relating to the financial or business affairs of any particular person (including the authority holding that information)”.
Wards Affected: All wards in the south of Central Bedfordshire
Function of: Executive
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) N/A

CORPORATE IMPLICATIONS
<p>Council Priorities:</p> <p>The actions support the Council priorities:</p> <ul style="list-style-type: none">• Enhancing Central Bedfordshire – creating jobs• Value for money <p>Financial:</p> <p>1. The value of the contract per annum is £1.1m for kitchen & bathroom refurbishments. These sums are included in the Landlord Services Business Plan. The contract evaluation is based upon an equal 50% price and 50% quality assessment to help ensure value for money from the contract.</p>

Legal:

2. Standard contract documentation (Foremaster Version 6) as amended to suit our requirements, with composite rates for a completion of either a full kitchen or full bathroom refurbishment.

Risk Management:

3. The contract allows for up to three contractors to be appointed, with the budget to be split equally. This has reduced the risk of one contractor winning all the works and provides us with opportunity to reallocate work to other contractors in the event that a contractor is not performing.
4. If the contract is not awarded there are risks that the kitchen & bathroom programme for 2013 and onwards will not be delivered.

Staffing (including Trades Unions):

5. This service is subject to a TUPE transfer of the existing staff from the current contractor providing the service to any new contractors.

Equalities/Human Rights:

6. Equality and diversity are key issues for all directorates within Central Bedfordshire Council. As part of the tender evaluation contractors demonstrated their compliance with the Corporate Equalities Policy and incorporate this commitment within their method statements. As part of ongoing contract monitoring arrangements the Council will check that statutory service delivery and employment requirements relating to equality are being met.
7. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
8. The Equality Impact Assessment (EIA) highlighted the following conclusions:
 - i) The contract provides for flexibility in the layout of kitchens and bathrooms, which is particularly important to facilitate accessibility for older people and those with disabilities. In planning works, items such as the height of work surfaces and wall units are taken into account, as is the requirement for other appropriate fixtures and fittings, such as lever taps, and lower heights for wall units in all older people's dwellings.
 - ii) In conjunction with the Kitchen and Bathroom contract, there are services available for people that are vulnerable because of their age or disability, including the aids and adaptations service and internal decoration service. The requirement for facilities such as level access showers and whether tenants are entitled to Disabled Facilities Grants are also taken into consideration, with Occupational Therapy advice, where appropriate.

9. For the tendering of this contract and following a recommendation from the HQN Inspection in 2010, timescales for completion of works have been improved to 10 days for kitchen refurbishment and 7 days for bathroom refurbishment, to reduce disruption. The previous contract required a 15 day turnaround for kitchen or bathroom replacement. Close contract monitoring will be required to ensure that these targets are being met and that work to achieve such targets is not impacting adversely on vulnerable tenants. The contract includes a requirement that essential bathroom and kitchen services are working at the end of a working day or in the unlikely event this is not possible, that alternative facilities are provided.
10. The EIA also highlighted that although the service continually collects tenant diversity information and customer satisfaction data, there appears to be a lack of data and analysis as to the impact of planned maintenance work on specific groups. The service does not collect diversity data for those customers receiving planned maintenance work and the criteria for programming kitchen/bathroom works relate to the age, condition and life expectancy of the kitchen or bathroom, not the vulnerability of the tenant. However, when work to a property is being planned and carried out, the needs of the tenant are taken into consideration.
11. Contractual duties place an emphasis on equality and diversity, including specific requirements to ensure contractors have taken steps to achieve equality in their employment and service practice.

Public Health:

12. There are no public health implications from this report. The kitchen & bathroom refurbishment contract is designed to improve the housing stock not remedy a health issue which would be addressed more urgently.

Community Safety:

13. Not applicable.

Sustainability:

14. Recycling targets will be agreed at contract award, which each contractor.

Procurement:

15. The contract has been tendered in accordance with the Council's Corporate Procurement Rules.

Overview and Scrutiny:

16. This matter has not been considered by Overview and Scrutiny.

RECOMMENDATIONS:

The Executive is asked to:

1. **award the Contract for Housing Kitchen & Bathroom refurbishment contract to three contractors; C, E, F.**

Reason for Recommendation: So that the Housing Kitchen & Bathroom refurbishment programme is maintained and delivered in 2013 -2016.

Executive Summary

17. This report outlines the outcome of the tendering of the Housing Kitchen & Bathroom Refurbishment Contract. This contract was procured using standard contract documentation (Foremaster Version 6) as amended to suit our requirements, with composite rates for a completion of either a full kitchen or full bathroom refurbishment.
18. The contract allows for a minimum of two or maximum of three contractors to be appointed, with the budget to be split equally. This has reduced the risk of one contractor winning all the works and provides the opportunity to reallocate work to other contractors in the event that a contractor is not performing.
19. The contracts will provide improved value for money (approximately 5 - 6% saving on the current budget) and also deliver good quality customer care for our residents.
The new contract provides a better service than provided by the existing contractor, with a kitchen being installed in 10 working days, previously 15 working days and a bathroom installed in 7 working days, previously 10 days.

Background

20. The existing 3 contractors withdrew from their contracts in 2010-11 instead of the planned 2013 end date. An interim contract arrangement has been put in place until March 2013 to deliver the planned existing kitchen & bathroom refurbishment programme. The new contract arrangements will commence from April 2013.
21. The Housing Asset Management Strategy (HAMS) is currently consulting on the council's future approach to Decent Homes and refurbishment, until this is concluded this contract meets current policies and commitments.

22. **The Contract**

- i) This is a one year contract with the option to extend for a further two years subject to performance and annual review.
- ii) An established Tender Documentation, called M3NHMF Schedule of rates 6.0 (Measured Term Contract), with bespoke composite codes forms the basis of the Contract.
- iii) Using this type of contract, the contractor is paid for a full kitchen or bathroom refurbishment according to the floor size. Agreed variation orders are then raised for any adjustment to the original works using pre-priced rates, before the contractor is paid any additional or reduced sums.

23. Other facts relating to the documents are as follows:

- i) The contract was tendered in a way so the council had the option to award to, a minimum of two and maximum of three contractors with the budget being equally split.
- ii) Although the NHF Schedule of Rates doesn't specifically cater for continuous improvement and efficiency gains, provision has been made in the document, making it a contractual requirement for the parties to review these aspects on an ongoing basis and will form the criteria for the option to extend the contract.
- iii) As we can appoint up to three contractors this gives us flexibility and contingency arrangements (in the event of a failure of either contract). This will encourage competition to promote the delivery of a high quality service at all times.

Tender Evaluation

24. A contract advert was placed on the 24 January 2012 in an appropriate trade magazine and on the CBC website.
25. Thirty four pre qualification questionnaires were received on the 24 February 2012, and twelve contractors were shortlisted.
26. Six contractors declined to tender, six tenders were received by the closing date and therefore evaluated.
27. The Standard Award Criteria Evaluation Model is a points system based upon 50% of the points being awarded for financial submissions and 50% of the points being awarded for quality method statement submissions/presentation. The criteria for assessment of quality covered the following specific areas; Environment; Equalities; Health & Safety; Insurances & Data Handling; Method of Delivery of the service; Resources to be allocated, Business Continuity; Quality control and Performance Management (KPI's), Customer Care and Social Values.

28. A joint evaluation panel made up of officers and tenants was established to evaluate all tender bids.
 - i) The information provided in the quality method statements was reviewed and scored and five contractors were invited to the final presentation stage. This was to ensure that information provided in Method Statements was substantiated.
29. At the presentation stage all contractors confirmed that the budget would be split three ways if three contractors were selected and this was allowed for in their tendered rates.
30. There was one clear winning contractor and the next two contractors had very similar scores.

Appendices:

Appendix A – Exempt report Award of the Housing Kitchen & Bathroom Refurbishment Contracts 2013 -2016

Background Papers: (open to public inspection) None