
Tender Award for the Contract for Kitchen and Bathroom Replacements to Council Housing 2016-2020

Report of Cllr Carole Hegley, Executive Member for Social Care and Housing (carole.hegley@centralbedfordshire.gov.uk)

Advising Officers: Julie Ogley, Director of Social Care, Health and Housing (julie.ogley@centralbedfordshire.gov.uk) and Stephen Jeremy, Major Works Manager, (stephen.jeremy@centralbedfordshire.gov.uk, Tel: 0300 300 4655)

This report relates to a Key Decision

Purpose of this report

1. This report recommends the award of the contract for Kitchen and Bathroom Replacements to council dwellings for 2016-2020. The contract is a one year rolling contract up to a maximum of four years. The reason for this choice of contract is that following years being awarded is based upon continued good performance, and that it gives housing the flexibility to reconsider the procurement strategy for Kitchen & Bathrooms in the coming years. This contract will help meet priority 6 of the Housing Asset Management Strategy, i.e. to ensure the housing stock is kept in good repair and meets tenants' current and future expectations

RECOMMENDATIONS

The Executive is asked to:

1. **approve the award of the most economically advantageous tender to contractor A for the replacement of Kitchen & Bathrooms to Council homes.**

Overview and Scrutiny Comments/Recommendations

2. The Chairman of Social Care, Health & Housing Overview & Scrutiny Committee has been consulted and agrees that the proposals do not require review by the Committee.

Issues

3. This report outlines the outcome of the tendering of the Housing Service Kitchen & Bathroom Replacement Contract. This contract was procured using standard contract documentation (Foremaster 6.1 Contract).
4. The new contract allows for the replacement of Kitchen and/or Bathrooms to domestic properties within the HRA housing portfolio. This is a one year contract with the option to extend by up to three years, subject to performance and annual review.
5. The Contract employs standard commercial terms following the Form of Contract supported by a priced bespoke schedule of rates.
6. Variation orders are agreed for any adjustment to the original works using pre-priced rates before the contractor is paid any additional or reduced sums.

Reason/s for decision

7. This contract will help to meet priority 6 of the Housing Asset Management Strategy (HAMS) to ensure the housing stock is kept in good repair and meets tenants' current and future expectations. This contract will allow the Council's Housing Services to continue the Kitchen & Bathroom programme during 2016 – 2020
8. The existing contract for Kitchen & Bathroom Replacement ended in March 2016 and the Council will enter into new contract arrangements that will commence following Executive Approval

Council Priorities

9. The actions support the Council priorities by:
 - a. Enhancing Central Bedfordshire – improving the quality of Council Homes within the Central Bedfordshire area.
 - b. A more efficient and responsive Council - Generating efficiencies and value for money through economies of scale, supply chain management and improved working practices.
 - c. Great Resident Services – ensuring the delivery of improvements to council homes.

Legal Implications

10. Standard contract documentation Foremaster Contract, with schedule of rates for the installation of Kitchens and/or Bathrooms

Financial and Risk Implications

11. The Housing Revenue Account (HRA) Medium Term Financial Plan indicates budgetary provision for Kitchen & Bathroom Replacements as follows:

<i>Year</i>	<i>MTFP Budget</i>
2016/17	£900,000
2017/18	£797,000
2018/19	£876,000
2019/20	£1,000,000

12. The contract is initially for a one year period with the option of extending up to 3 years, subject to satisfactory performance review at the Council's discretion.
13. Whilst this budget provision is available within the Business Plan, there is no obligation within the contract to spend a minimum sum with the chosen contractor. The Council has the flexibility to adapt its strategy to meet its current priorities without financial loss. The contract evaluation is based upon an equal 70% price and 30% quality assessment to help ensure value for money from the contract.
14. The following risks have been identified:
- Failure to deliver the Kitchen & Bathroom Replacement programme.
 - Failure to effectively utilise the 2016-20 budget provision for the purpose intended.
 - Failure to deliver value for money.
 - Failure to deliver the Housing Strategy (i.e. to ensure that the housing stock is kept in good repair and meets tenants' needs and expectations) and other council priorities.

Equalities Implications

15. 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 met.

Procurement

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

17. A contract advert was placed on the 4 April 2016 in local newspapers and on the CBC website, with a tender return date of 25 April 2016.
18. During the tender process the Council received 40 expressions of interest, with 20 tenders being submitted before the deadline.
19. The Standard Award Criteria Evaluation Mode used is a points system based upon 70% of the points being awarded for financial submissions and 30% of the points being awarded for quality method statement submissions.
20. The Financial submissions were marked / scored independently of the Quality submissions to ensure that scoring of the quality submission was not influenced by the tender sums submitted by the suppliers, and to help ensure objectivity when scoring the Quality Statements of the bidders.
21. The criteria for assessment of quality covered the following specific areas: Methodology, Key Performance Indicators, Warranties, Information Systems, Resident Liaison, Management Structures, Environmental Sustainability, Social Value and Data Handling
22. A joint evaluation panel made up of officers and tenants was established to evaluate all tender bids. The information provided in the quality method statements was reviewed. The outcome of the evaluation was to recommend a contractor who met quality and financial criteria, and provided the most economically advantageous tender.

Conclusion and next Steps

23. The conclusion of the report is for the Executive to approve Contractor C for the Housing Kitchen and bathroom contract. The next step if Contractor C is approved; is for Housing to prepare the contract and award the works.

Appendices

The following Appendix is attached

24. Appendix A. The appendix is exempt under category number 3 - "information relating to the financial or business affairs of any particular person (including the authority holding that information)".
25. Appendix A – Exempt report Award of the Housing Kitchen and Bathroom Replacement Contract 2016 -2020

Background Papers

26. The following background papers, not previously available to the public, were taken into account and are available on the Council's website:

None