

CABINET

8 MARCH 2022

AWARD OF MODERNISATION OF COUNCIL HOMES CONTRACT 2022–2026

Cabinet Member: Cllr Bob Evans, Deputy Leader and Cabinet Member for Housing and Property Services

Responsible Officer: Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing

Reason for Report: To advise Members on the results for the tendering of the Modernisation of Council Homes Contract 2022–2026 and confirm the award of the contract.

RECOMMENDATION: That Cabinet approve the following

- 1. The new four-year (2+1+1) Modernisation of Council Homes Contract is awarded to Contractor 1 with a forecast annual cost £400,000.00.**
- 2. Delegated authority be granted to the S151 Officer (in consultation with the Deputy Leader and Cabinet Member for Housing and Property Services) to complete the associated modernisation contract.**

Contracted Works: The contract will deliver the supply and installation of kitchen and bathrooms to Mid Devon District Council housing stock.

Relationship to Corporate Plan: To contribute towards meeting the Decent and Affordable Homes target by making best use of the existing stock.

Financial Implications: The budget for the works is £400,000.00 per annum. Capital investment in the MDDC stock will result in a lower revenue cost in the coming years, which will enable Mid Devon Housing and its repairs service to operate more effectively and manage future maintenance costs.

Legal Implications: We have a legal duty to maintain the stock and meet the Decent Homes Standard. The conditions of engagement are based on a JCT Measured Term Contract (MTC) 2016, combined with the contractual requirements. This provides a robust framework for managing and controlling the performance of the contractor to meet our legal obligations.

Risk Assessment: The principal risk is failing to limit costs due to additional works and delivery of the programme. The performance of the contract shall be monitored monthly; corrective action will be taken where performance falls below Key Performance Indicator Targets. These include: 1) Customer satisfaction; 2) Variations and extras; 3) Delivery of programme; 4) Number of defects; 5) Availability of funding

Impact on Climate Change: Maintaining homes to the Devon Homes Standard has an indirect, beneficial impact on reducing carbon emissions within the Mid Devon Housing Service and therefore as a Council.

1 Introduction

- 1.1 The term of this contract is 2 years with two possible 1 year extensions subject to budgets, performance and the approval of the Portfolio Holder for Housing.
- 1.2 The procurement procedure was a mini competition carried out using the Capital Works Dynamic Purchasing System via the PFH (Procurement for Housing) Framework.

2 Framework Benefits

- 2.1 The Procurement for Housing (PFH) Framework is Contracting Authority who develop frameworks in England, Scotland and Wales. Members currently include Registered Providers of Social Housing, Local Authorities, TMO's, ALMOs, Health Authorities, Police and Fire Services.
- 2.2 Shared procurement expertise and resource with end to end contract support.
- 2.3 Keep the flexibility and ownership of managing the contract and specification as you choose.
- 2.4 The requirement has been advertised and capable suppliers have been identified through competitive procurement.
- 2.5 All suppliers have been fully assessed for their experience, technical and professional ability.
- 2.6 Compliant with the Public Contracts Regulation 2015

3 Procurement Process

- 3.1 Expressions of interest were sent to 15 contractors supplying the South West on the PFH Capital Works Dynamic Purchasing System. 3 contractors returned interest, a mini competition between the 3 suppliers was then carried out by the Procurement Service of Mid Devon District Council. To ensure quality of contractors, a number of minimum requirements were set out within the ITT. Any contractor failing to meet these would be disqualified.
- 3.2 Invitation to Tender documentation was distributed to the 3 suppliers on the 14th January 2022.
- 3.3 Evaluation criteria set out in the ITT:

Quality	60%
Planning and Programming	20%
Resident Liaison	20%
Client/Customer Satisfaction	20%
Price	40%

- 3.4 Responses were required by midday on 11th February 2022.

- 3.5 A total of 2 suppliers submitted their tenders on time, one opted out.
- 3.6 Evaluations were carried out between 14th February 2022 and 17th February 2022, by representatives from Mid Devon District Council's Planned Maintenance and Procurement service.
- 3.7 The outcome of the evaluation is shown below:

CONTRACTOR	SCORE		TOTAL
	PRICE	QUALITY	
Contractor 1	40%	39%	79%
Contractor 2	37%	40%	77%

4 Conclusion

- 4.1 The outcome of the evaluation of the suppliers via the PFH Framework and our own Service Level Criteria shows Contractor 1 as the highest ranked supplier that could meet our specific needs.
- 4.2 Approval is required from Cabinet for contract award. The recommendation is made based upon the contract being awarded to the contractor with the highest combined price/quality score with 40% of the total score based on price and 60% on quality
- 4.3 Following the decision, there will be a compulsory 10 day standstill period after which the contract will be awarded.
- 4.4 Mobilisation will take 1 month, but the contract will not commence on site until 22nd April 2022.

Contact for more Information: Stephen Bennett, Senior Surveyor (01884) 233036 sbennett@middevon.gov.uk or Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing – snewcombe@middevon.gov.uk

Circulation of the Report:

Deputy Leader and Cabinet Member for Housing and Property Services
 Leadership Team
 Corporate Management Team
 Operational Leads including Legal Services

List of Background Papers:

- **ANNEX A: PART II - Confidential**