
Report for: Cabinet

Date of Meeting:	17 th June 2025
Subject:	AWARD OF HONITON ROAD HRA NEW DEVELOPMENT CONTRACT
Cabinet Member:	Cllr Jane Lock, Cabinet Member for Housing, Assets and Property
Responsible Officer:	Simon Newcombe – Head of Housing and Health
Exempt:	Annex A – PART II report PART II, which are Exempt from publication under paragraph 3, Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)
Wards Affected:	Cullompton Vale
Enclosures:	Annex A – PART II report

Section 1 – Summary and Recommendation(s)

To advise Members on the results for the tendering of the Honiton Road new development contract for the Housing Revenue Account (HRA) and confirm the award of the contract.

Recommendation(s):

- 1. It is recommended that the new Honiton Road New Development Contract, be awarded to Contractor 4.**
- 2. Delegated authority be granted to the S151 Officer (in consultation with the Cabinet Member for Housing, Assets and Property) to complete the associated Honiton Road New Development Contract.**

Section 2 – Report

1 Introduction

- 1.1 In keeping with Mid Devon District Council's Corporate Plan, Mid Devon Housing (MDH) are investing in completing new development projects to provide new affordable homes within its district.
- 1.2 MDH aims to maintain its housing stock and address a shortage of affordable housing with new development projects. Each development will be based on meeting the housing demand within the area that the development land resides within.
- 1.3 The Honiton Road scheme is a pair of 2-bed semi-detached properties built on land adjacent to 1 Honiton Road, Cullompton. This property has significant curtilage with the land and property within HRA ownership. Planning permission was granted under 23/01532/FULL. Access is relatively restricted to the front and side of the property, consequently it is unsuitable for HGV delivery of modular homes and the scheme will be a traditional build with improvements to the existing access to provide off-road parking for the new and existing properties.
- 1.4 The allocated budget for the work is £600,000.00 with the build-contract tender submissions below this. The additional budget will adequately allow for pre-planning and planning costs alongside HRA management and direct on-costs with some project contingency. Capital investment in the MDDC stock will result in a lower revenue cost in the coming years, which will enable the repairs service to operate more effectively and manage future maintenance costs.
- 1.5 The term of this contract is 12 months with no option to extend at the end of the term. Subject to decision on the recommendations, work is intended to commence on-site as soon as possible.
- 1.6 Due to the nature and value of this procurement, the appropriate procedure was an open tender process. This means that anyone who expressed an interest in the contract would be invited to tender.

2 Procurement Process

- 2.1 Expressions of interest were invited via a notice in the Advantage South West Procurement Portal published on the 21st February 2025.

- 2.2 Evaluation criteria set out in the ITT:

Quality	60%
Skill, Knowledge, Expertise and Capacity	20%
Communication	20%
Environmental Benefits	20%
Price	40%

- 2.3 Responses were required by midday on 24th March 2025.
- 2.4 There were a total of 24 expressions of interest of which 4 submitted their tenders on time, 2 opted out and 18 did not respond. The main reasons given for opting out were due to being unable to meet our timeframes on short notice.

- 2.5 Evaluations were carried out during May 2025, by representatives from MDH building repairs team.
- 2.6 The price was based on a schedule of rates within the tender. The lowest priced tender was awarded 40% and the higher priced tenders were awarded the percentage difference. Contractor 4 scored highest on quality, as set out below.
- 2.7 The outcome of the evaluation is shown below:

CONTRACTOR	SCORE		TOTAL
	QUALITY	PRICE	
Contractor 1	36%	36.98%	72.98%
Contractor 2	32%	25.36%	57.36%
Contractor 3	24%	38.30%	62.30%
Contractor 4	36%	40%	76%

3 Conclusion

- 3.1 The outcome of the tender process shows Contractor 4 as the winning bidder.
- 3.2 Approval is required from Cabinet for this contract to be formally awarded.
- 3.3 Following the decision, there will be a compulsory 10-day standstill period after which the contract will be awarded.
- 3.4 The contract will not commence until after the 28th June 2025.

Financial Implications

The Housing Revenue Account (HRA) budget for the works is £600,000.00. Further information is provided in the report and as set out fully in Part II Annex A.

Legal Implications

We have a legal duty to meet the Decent Homes Standard, and maintain the health and safety of our employees and tenants. The conditions of engagement are based on a standard JCT Standard Building Contract 2016. 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 weekly; corrective action will be taken where performance falls below Key Performance Indicator Targets.

These also include: 1) Customer satisfaction; 2) Variations and extras; 3) Delivery of programme; 4) Number of defects; 5) Managing Health and Safety

Impact on Climate Change

The environmental impact was included as a major part of the contractor evaluation.

Equalities Impact Assessment

All staff have received Equality and Diversity awareness training. MDDC discuss equality and diversity at the progress meetings and encourage the contractor to carry out awareness training.

Relationship to Corporate Plan

To directly contribute towards objectives 3.1 and 3.2 of the Corporate Plan in respect of new, high-quality affordable homes delivery.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett
Agreed by or on behalf of the Section 151 Officer
Date: 5.6.25

Statutory Officer: Maria de Leburne
Agreed on behalf of the Monitoring Officer
Date: 5.6.25

Chief Officer: Stephen Walford
Agreed by or on behalf of the Chief Executive/Corporate Director
Date: 5.6.25

Performance and risk: Steve Carr
Agreed on behalf of the Corporate Performance & Improvement Manager
Date: 06.06.2025

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Mike Lowman, Operations Manager for Building Services
mlowman@middevon.gov.uk or Simon Newcombe, Head of Housing and Health
snewcombe@middevon.gov.uk.

Background papers:

ANNEX A: PART II - Confidential