

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	HOUSING, NEIGHBOURHOODS AND LEISURE COMMITTEE		
DATE:	14 MARCH 2018	AGENDA ITEM:	15
TITLE:	CONTRACT AWARD - MEASURED TERM CONTRACT FOR BATHROOM REPLACEMENT WORKS 2017/18-2020/21		
LEAD COUNCILLOR:	COUNCILLOR ENNIS	PORTFOLIO:	HOUSING
SERVICE:	HOUSING	WARDS:	ALL
LEAD OFFICER:	SHARON POVEY	TEL:	0118 9373087
JOB TITLE:	BUILDING SURVEYOR	E-MAIL:	Sharon.povey@reading.gov.uk

1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the award of a Measured Term Contract (MTC) for the replacement of bathrooms to Reading Borough Council's Housing Stock.
- 1.2 The contract will be split between three contractors. No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub-contracted during the course of the year. However, based on expenditure records, typically the total expenditure is estimated to be circa £450,000 per annum (£1.8m across the life of the contract).

2. RECOMMENDED ACTION

- 2.1 That Housing, Neighbourhoods & Leisure Committee provide delegated authority to the Head of Housing and Neighbourhood Services in consultation with the Lead Councillor for Housing to award a Measured Term Contract for Bathroom Replacement Works to Build Trust Ltd, ENGIE Regeneration Ltd trading as Keepmoat Regeneration and Pilon Ltd. The MTC will be for a period of 4 years in accordance with the Public Contracts Regulations 2015.

3. MEASURED TERM CONTRACTS (MTC) FOR WORKS TO COUNCIL HOUSING STOCK

- 3.1 Reading Borough Council's Housing Property Services manage the day to day repairs, planned maintenance and voids repair works to approximately 5,600 Council properties which are let throughout the borough.
- 3.2 Housing Property Services employ an in-house team to undertake Kitchen and Bathroom refurbishment, the works budget for which is currently £1.65m per year. The in house team is capable of delivering £1.2m of work with the current resources and the remainder is sub-contracted out through the use of MTC's. This measure is necessary to manage peaks in workload at times when there is insufficient capacity within the in-house team.
- 3.3 Housing Property Services have invited tenders for a bathroom replacement contract. Tenders have been evaluated on both a price and quality element.
- 3.4 The price element is evaluated on the basis of a package of bathroom types i.e. bathroom with integral w.c.; bathroom with separate w.c.; cloakroom w.c. and combinations of rooms with and without redecorations being included. For evaluation purposes, the tender included a mix of the above types to give an indicative contract value.
- 3.3 The quality element was evaluated using the answers to questions set out in the tender document about how the contractors would approach certain aspects of the contract should they be successful. These are scored against model answers.
- 3.5 The contract will be split between three contractors and will cover general needs and specialist housing, as well as works for Homes for Reading the Council's wholly owned housing company.

4. CONTRIBUTION TO STRATEGIC AIMS

- 4.1 The contract will support the achievement of the Council's strategic aims of 'providing homes for those in most need' and 'remaining financially sustainable to deliver service priorities' by using a cost effective means of delivering improvements to the Council's Housing Stock.
- 4.2 Tenderers are advised that the Council's current Low Wage policy expects the payment of the Living Wage rate set independently by the Living Wage Foundation and updated annually in the first week of November each year. All contractors appointed are expected to pay a living wage in accordance with this policy to all staff working on Reading Borough Council contracts. The UK Living Wage for employees outside of London is currently (November 2017) £8.75 per hour.

5. COMMUNITY ENGAGEMENT AND INFORMATION

5.1 Not applicable

6. EQUALITY IMPACT ASSESSMENT

6.1 An Equalities Impact Assessment is not required for this contract.

7. LEGAL IMPLICATIONS

7.1 The Measured Term Contracts will be awarded using the Joint Contracts Tribunal "Measured Term Contract - 2011".

8 FINANCIAL IMPLICATIONS

8.1 No volume of expenditure is guaranteed under these contracts as annual expenditure will depend on the actual level of work that is required to be sub contracted during the course of the year. However, it is anticipated that around £450,000 worth of bathroom replacements will be completed per year, a total value of £1.8m across the 4 year life of the contract.

8.2 The budget for these contracts is included within the existing Housing Revenue Account repairs and maintenance budgets and provided for in the 30 year Business Plan.

9.0 BACKGROUND PAPERS

9.1 None applicable.