

Report to Cabinet

Item

13 September 2017

Report of Head of neighbourhood housing

16

Subject Award of contract for replacement kitchens, bathrooms and repointing in housing properties

KEY DECISION

Purpose

To seek delegated authority to award a contract for replacement kitchens, bathrooms and repointing in housing properties.

Recommendation

To delegate authority to the director of neighbourhoods, in consultation with the deputy leader and portfolio holder for social housing, to award a contract to the best value supplier for replacement kitchens, bathrooms and repointing after a mini tendering exercise is complete.

Corporate and service priorities

The report helps to meet the corporate priority a healthy city with good housing

Financial implications

The financial consequences of this report is the award of orders for kitchen and bathroom upgrades and re-pointing valuing a total of £8.831m over three years. Orders placed will not exceed the approved budgets included within the Housing Revenue Account financial forecasts and budgets for this financial year (2017/18) or subsequent approved budgets in 2018/19 and 2019/20.

Ward/s: All Wards

Cabinet member: Councillor Harris – Deputy leader and social housing

Contact officers

Gary Atkins, director of operations, NPS Norwich Ltd 01603 227903

Carol Marney, head of property services (operations),
NPS Norwich Ltd 01603 227904

Lee Robson, head of neighbourhood housing 01603 212939

Background documents

None

Report

Replacement kitchens and bathrooms, and re-pointing

1. The council has a need within its housing stock for replacing kitchens and bathrooms. Under the Norwich standard no kitchen should be older than twenty years and no bathroom should be older than thirty years. The replacement kitchens are planned to maximise storage potential and to ensure that there is space for modern appliances. There is a wide range of work surfaces, kitchen units, tiles and floor finishes for tenants to choose which means that each kitchen is installed to meet individual tenant's requirements.
2. White suites are installed in the replacement bathrooms, along with over bath showers. Tenants are given the choice of colour of the tiles and flooring.
3. Many of the council's older houses are constructed in brickwork with soft mortar joints. This gets worn away with time and needs replacing in order to prolong the life of the property. The council has a programme of re-pointing properties so that the houses most in need are attended to each year. Re-pointing maintains the integrity of the brickwork and helps to prevent dampness by stopping water ingress through the joints.
4. In April Cabinet approved the award of 50% of this year's programme for the replacement of kitchens and bathrooms to Foster Property Maintenance Ltd via the Eastern Procurement Ltd (EPL) framework for property improvements. At that time it was proposed to hold a mini-competition for the remaining 50% of the programme in order to ensure best value was achieved. EPL advised that better value was more likely to be obtained if a longer duration contract was offered to the framework contractors due to their need to lease premises in the city to deliver the work, and potential savings from higher volume orders with suppliers for materials.
5. The current framework has two and a half years remaining, so the mini-competition has been based around the same duration. This means that the best value contractor will be offered the remaining 50% of kitchens and bathrooms in 2017/18 plus the programme for 2018/19 and 2019/20. The re-pointing programme for the same duration has also been added into the scope for the next two years. No guarantee of volumes or spend are given to the contractor and any expenditure in the next two financial years are subject to cabinet and council approval of the budgets for those years.
6. The anticipated volumes are shown below in Table 1 below. These are taken from the thirty year plan for council housing improvements and are subject to confirmation.

Table 1	2017/18	2018/19	2019/20
Kitchens	278	480	480
Bathrooms	360	446	595
Re-pointing		89	77

The anticipated value of the work is shown in table 2 below.

Table 2	2017/18	2018/19	2019/20
Kitchens	£1,271,850	£2,196,000	£2,196,000
Bathrooms	£762,500	£945,000	£1,260,000
Re-pointing		£100,000	£100,000
			£8,831,350

7. EPL conducted the mini-competition, inviting bids on 8th August 2017. Submissions were returned on 29th August and are currently being evaluated. Delegated authority to award this contract is sought so that this year's programme of works can be completed by 31st March.
8. The budget for this financial year's work is contained within the HRA capital and revenue programmes as approved by cabinet and council in February.
9. Appendix 1 shows 3 examples of where kitchen and bathroom upgrades have been completed and the visible benefits this provides to the tenants.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	13 September 2017
Head of service:	Lee Robson
Report subject:	Procurement of contract for replacement kitchens, bathrooms and repointing in housing properties
Date assessed:	31 August 2017
Description:	Award of contract for replacement kitchens, bathrooms and repointing in housing properties

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The mini-competition will ensure best value for money.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Good quality kitchens and bathrooms contribute towards well-being.
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Re-pointing helps to maintain the council's housing stock
Waste minimisation & resource use	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Suppliers appointed to the framework recycle the vast majority of waste material
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>1. Risk of challenge from unsuccessful suppliers: The tender has followed a restricted process carried out by EPL with input from officers in terms of evaluation etc, with award criteria being based on the most economically advantageous tender, but there is always a risk of challenge from unsuccessful suppliers.</p> <p>2. Risk of supplier failure: There is a risk that the appointed supplier could fail during the life of the contract. This is low risk as a number of suppliers have been appointed to the framework providing some cover should a supplier fail. In addition the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that this contract is planned in nature.</p>

Recommendations from impact assessment
Positive
Negative
Neutral

Issues

Appendix 1

Norwich standard improvements to kitchens and bathrooms



