

Report of: Head of Oxford City Homes
To: City Executive Board
Date: 26 November 2008 **Item No:**
Title of Report: Decent Homes, Kitchen and Bathroom Works –
Tender Approval.

Summary and Recommendations

Purpose of report: To advise the Board on the tenders received for the Decent Homes, Kitchen and Bathroom works contract within the HRA Capital Programme for 2008/09.

Key decision: Yes

Board Member: Councillor Ed Turner

Report Approved by:

Board Member: Councillor Ed Turner
Director: Tim Sadler
Finance: David Higgins
Legal: Lindsay Cane

Policy Framework: More Housing, better housing for all.

Recommendation(s): That the second lowest tender for Decent Homes, kitchen and bathroom works in the revised sum of £570,5513:02, submitted by Fergal Contracting Co. be accepted.

Background –

1. This project was approved by the Executive Board in January 2008 and Council in February 2008 as part of the HRA 2008/9 Capital programme. The total sum allocated for the Decent Homes, Kitchens and Bathrooms project is £4,780,071.

2. The works involve the fitting of new kitchen units, including revised layouts to suit tenant's own white goods, additional socket outlets (in most cases) and / or bathroom works. It should be noted that, under the decent homes criteria, both kitchen and bathroom will not necessarily be done, if they are in a good state of repair and the kitchen layout is satisfactory, works will not be carried out. They have to be old and in poor condition to fail decent homes.
3. Competitive tenders have been received for this work, the results of which are shown in the Financial Implications section below. Five tenders were invited.
4. In addition to the works within this contract, Oxford City Homes will be completing kitchens/bathrooms to a further 370 homes this financial year.

Legal implications -

5. The contract will be a fixed price contract under the JCT Intermediate Form of Contract and the contract will be for a period of 26 weeks. The contractor is required to complete 50 properties with at least 30 of those properties being completed by April 2009, all subject to contract.

Financial implications –

6. The following tenders were received:
 - A. £566,540:42
 - B. £581,513:02
 - C. £587,323:48
 - D. £598,375:01
 - E. £653,123:86
7. The lowest tender submitted (A) was priced wrongly and had large preliminary costs which would result in less properties being completed for the tendered sum. They also failed to take into account skip licences, compound costs and removal of contents in loft areas. Owing to these discrepancies their tender cannot be accepted.
8. The second lowest tender (B) was submitted by Fergal Contracting Co. this had arithmetical errors in the Council's favour and the contractor has agreed to reduce his tender figure to take this into account. There were no other errors in this tender. Their revised tender sum is £570,513:02.

9. The tender is based upon schedule of rates prices together with a contingency provision and a provisional sum of £120,000 for additional properties, therefore the “final account” figure will depend upon the value of works undertaken.

Environmental implications -

10. The majority of the works are to kitchens and within the recently approved tenants' choice list there is the option of having a partitioned recycling bin within the kitchen units. It is hoped that this will encourage recycling. Within the bathroom works, showers are an option and consumption of water is likely to be reduced along with fuel costs as, where at all possible, thermostatic mixers are used, fed from the hot water system. Reduced flow taps are also fitted to basin taps as standard.

Recommendation -

11. It is recommended that the second lowest tender received for Decent Homes kitchen and bathroom works in the revised sum of £570,513:02 submitted by Fergal Contracting Co. should be accepted.

Name and contact details of author: Chris Pyle, tel; 335411, extn 3611,
Email: cpyle@oxford.gov.uk

Background papers: Specification.