

To: The Management Committee

From: The Technical Services Manager

Subject: Glenmuir Estate – Flat Refurbishment Works Tender Acceptance

1. Introduction/Purpose

1.1 The purpose of this report is to seek approval to appoint a contractor to carry out the refurbishment work to five of the flats at Glenmuir Estate.

2. Background

2.1 We acquired these flats as part of our Acquisition Strategy at the Glenmuir Estate as individual acquisitions. They are situated in various closes across the development with some flats being tenanted. The proposal is to refurbish the vacant flats to enable decanting of the tenants to facilitate the refurbishment of the tenanted flats. This will be carried out on a rolling programme basis. GCC have agreed to fund 50% of the works costs.

2.2 Late 2023 Committee approved the appointment of MP Group to carry out these works and works commenced during April 2024, the contractor failed to perform and eventually approached Rosehill to say they no longer wished to complete the project. They cited increase costs and that they could not service the contract due to commitments elsewhere. This has then resulted in a retendering exercise to enable the works to be progressed.

3. Refurbishment Works

3.1 Tender Process

3.1.1 Contractors were invited via Public Contracts Scotland website through Quick Quote to submit tenders. Tenders were received from three parties and evaluated on both price and quality.

3.1.2 This approach is in accordance with the Purchasing, Procurement and Tenders Policy.

3.2 Tender Evaluation Report

3.2.1 The tender evaluation report has been prepared by Reid Associates and is contained in Appendix A for Committee's consideration. Please note all figures contained in Reid Associates report are exclusive of VAT.

3.2.2 In summary the report details the tender process and a cost and quality evaluation of the tenders received and recommends the tender from Moogal Contracts Ltd be considered for acceptance.

3.3 Contract Sum

3.3.1 Moogal's tender sum is £340,715.76 exclusive of VAT. Inclusive of VAT it is £408,858.92. This is approximately £82,000 per flat. These are works costs only and exclude any costs associated with decanting tenants.

4. Budget v Contract Sum

4.1 The tender submitted by Moogal of £408,858.92 inclusive of VAT is circa £59,000 more than the budgeted figure contained in our annual budget. This is an acceptable amount over budget as these works will be 50% funded by GCC to a value of approximately £204,000.00. The works have been competitively tendered and represent current market rates and have been subject to a savings exercise as detailed in Appendix A.

5. Risk

5.1 When considering the refurbishment works to the 5 nr flats at Glenmuir we have identified the main risks under the following risk categories and the measures we have taken to mitigate such risks.

Risk Category	Mitigating Measure
Financial - <ul style="list-style-type: none"> Poor contract management could lead to unknown increased costs Grant not awarded 	Having a reporting system in place along with using inhouse skills to manage the contract. Assurance by GCC that grant will be given previously sought.
Reputation- <ul style="list-style-type: none"> Not delivering on our business plan objectives leading to tenant and GCC dissatisfaction 	Award Contract
Property/ Stock Condition- <ul style="list-style-type: none"> Not refurbishing empty properties 	Award Contract

6. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Delivery of refurbishment works	1. Provide high quality, affordable homes 3. Deliver value for money

7. Application of our Core Values

Area	Related Core Value(s)
Delivery of refurbishment works	Engaged and Responsive Fair and Approachable Accountable and Compliant

8. Compliance and Assurance

- 8.1 Awarding a refurbishment contract to provide new homes contributes to good governance. This approach means we are compliant with Regulatory requirements as follows:

Compliance Source	Details
The Scottish Social Housing Charter	4. Quality of Housing 5. Repairs, maintenance and improvements 13. Value for Money

8.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none">Tender Report	The Scottish Social Housing Charter

- 8.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

9. Summary and Recommendations

- 9.1 In summary to deliver the flat refurbishment works at the Glenmuir Estate we need to employ a contractor to carry out these works. The appointment is based on best value tender.
- 9.2 Risk has been considered at Section 5.

- 9.3 Section 6 shows how carrying out these works, contributes to the delivery of our strategic objectives.
- 9.4 Section 7 shows how carrying out these works, contributes to the application of our Core Values.
- 9.5 You are asked to consider the above and approve the appointment of Moogal Contracts Ltd in the amount of £408,858.92 inclusive of VAT.