

## **For Approval**

To: The Chair, Vice Chair and Director

From: The Technical Services Manager

Subject: Planned Maintenance Bathroom Replacements – Tender Acceptance

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### **1. Introduction/Purpose**

1.1 The purpose of this report is to seek approval to appoint a contractor to carry out the replacement bathrooms at Rosewood and Lindens. The bathrooms include over bath showers (scope previously agreed with Committee) and also the replacement of sanitary ware in properties that have cloakrooms.

### **2. Background**

2.1 In order to deliver our planned maintenance programme and business plan objectives we need a contractor to carry out these works.

### **3. Bathrooms**

#### 3.1 Tender Process

3.1.1 Through our membership of Procurement for Housing (PfH) this gives us access to pre evaluated contractors and rates based on framework agreements. The 'Whole House' framework, for the appropriate contact value and geographical location, the best placed contractor was asked to tender on our prepared contract documentation. The tender process was managed by Reid Associates. This process ensures that full transparency and value for money are achieved and that we achieved the best possible outcome using the framework as our chosen procurement route.

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 evaluation of the tender received and recommends the tender from CCG to be considered for

acceptance. PfH have also confirmed that the tender is in accordance with the framework.

### 3.3 Contract Sum

3.3.1 CCG's tender sum is £277,154.63 exclusive of VAT. Inclusive of VAT it is £332,585.56.

## 4. Budget v Contract Sum

4.1 The tender submitted by CCG of £332,585.56 inclusive of VAT is £19,585.56 more than the budgeted figure contained in our annual budget. The additional costs relate to the change in scope of the works to include the over bath showers.

The Finance Manager has reviewed the additional expenditure and has advised that although this is greater than the budget, works would be fully capitalised. This would mean the only impact in the current year, if complete would be the initial year one depreciation charge of £784.

## 5. Risk

5.1 When considering the bathroom replacements 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"> <li>Poor contract management could lead to unknown increased costs</li> </ul>	Having a reporting system in place along with using inhouse skills to manage the contract.
Reputation- <ul style="list-style-type: none"> <li>Not delivering on our business plan objectives leading to tenant dissatisfaction</li> </ul>	Award Contract
Property/ Stock Condition- <ul style="list-style-type: none"> <li>Not modernising / replacing aged components</li> </ul>	Award Contract

## 6. Delivery of our Strategic Objectives

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

## 7. Application of our Core Values

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

## 8. Compliance and Assurance

8.1 Awarding a planned maintenance contract to deliver bathroom replacements 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"><li>Tender Report</li></ul>	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.

## 9.0 Summary/Conclusions/Recommendations

9.1 In summary to deliver the bathroom replacements we need to employ a contractor to carry out these works. The appointment is based on competitive framework rates.

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 planned works, contributes to the application of our Core Values.

9.5 You are asked to consider the above and approve the appointment of CCG in the amount of £332,585.56 inclusive of VAT.