

Wards Affected:

Campbell Park.

CABINET PROCUREMENT COMMITTEE

2 APRIL 2013

AWARD OF CONTRACT TO UPGRADE ROOF COVERINGS & ASSOCIATED WORKS, FISHERMEAD, MILTON KEYNES (CU2348, LOT 2)

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Executive Summary:

This report seeks approval to award a contract to upgrade roof coverings on corner blocks of flats on the Fishermead estate to alleviate the condensation and leak problems.

1. Recommendation

- 1.1 That the Contract for the Upgrade to Roof Coverings and Associated Works, be awarded to the bidder who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.

2. Issues

- 2.1 The Fishermead flats were constructed in 1976. They have flat roofs comprising a timber deck covered in bituminous felt and with minimum insulation. Over the years patch repairs have been required to deal with isolated leaks. The original roofs of these flats are coming to the end of their lifespan. The scope of work proposes includes the installation of an insulating 'warm' roof system to replace the existing 'cold' roof.
- 2.2 Work was undertaken to seven of the 16 blocks of flats in Fishermead in 2011-12, with the remaining nine roofs needing to be completed. Monitoring of these remaining roofs during 2012 gave rise to concern due to their deteriorating condition. The condition of the roofs were assessed as a Category 1 hazard under the Housing Health & Safety Rating System due to the damp caused by water ingress, and as a Category 2 hazard because of the effect of the damp on the artex ceilings that contain particles of asbestos. This affects both communal areas and the dwelling interiors.
- 2.3 As some of the residents are leaseholders, it is normally required to undertake formal consultation with them about the work. In view of the urgency of the works, an application has been made to the Leasehold Valuation Tribunal (LVT) to seek an exemption to carrying out consultation with leaseholders. The application was heard on 27 Mar 13 and was successful. Consequently, formal consultation with leaseholders will not be required.

3. **Tendering process**

- 3.1 Because of the H&S risk to residents, and the need to prevent the situation from deteriorating, the work is assessed to be urgent. As a result, on 20 Dec 12, agreement to tender was granted through a waiver under s20 of Corporate Procurement rules.
- 3.2 A tender was issued to the four contractors on the Housing major works framework agreement on 7 Jan 13. Two bids were returned and opened on 30 Jan 13. The lowest bid exceeded the estimated cost of the work, which had been based on the work previously undertaken in 2011-12, by 37%. In view of the unexpectedly high price and the low number of tenders, it was felt that these bids did not represent value for money. As the work is urgent but not considered to be an emergency, a decision was taken to re-tendered on the open market.
- 3.3 A new tender was issued through the Council's In-tend system on 8 Feb 13 and eight tenders were returned by 25 Feb 13. The revised bids represented a wider spread on prices and the winning bid is 8% less than the lowest bid in the first round of tendering, thus demonstrating that that additional value has been levered in.
- 3.4 The evaluation is based on 60% price to 40% quality. The outcome of the MEAT is at Annex A

4. **Implications**

- 4.1 Policy. The award of this contract will progress the following priorities/outcomes
- (a) Within the Corporate Plan 2012-16:
- “Occupy fit for purpose housing that meets individual needs.”
- (b) The Housing Asset Management Strategy 2013-18 seeks to ensure council homes meet the criteria of being structurally sound, safe and warm.
- 4.2 The tender exercise was undertaken in accordance with Council procurement and financial policy. The successful award of the contract will allow the Council to continue to meet its obligations as a social landlord
- 4.3 Resources and Risk
- (a) Funding. The cost of this work was estimated at £200,000 and this funding was allocated within the HRA capital programme for 2012-13, as agreed by Council in February 2012. Because it has not been possible to commence the work in this financial year, the funding has been slipped to 2013-14. Savings have been identified from elsewhere within the HRA major works programme to cover the additional cost of the works occasioned by the higher than expected tender price.

- (b) Charges. Charges will be recovered from leaseholders in accordance with the terms of leases.
- (c) Risk. The condition of the buildings affected has been monitored throughout in case of further deterioration causing increased risk to tenants. If the situation were to suddenly get worse and the risk to tenants significantly increased, emergency action would be taken to put appropriate measures in place.

4.4 Asset Management. Completion of the work will extend the life of this asset

Y	Capital	N	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.5 Carbon and Energy Management

There will be improvement to insulation levels on these roofs due to the requirement to meet current standards, so this work will have the effect of increasing the energy efficiency of the buildings treated.

4.6 Legal

- (a) The Council has no statutory obligation to provide housing under the Housing Act 1985 but if it does it is required to maintain it. This is emphasised under the Housing and Regeneration Act 2008.
- (b) There is normally a need to consult leaseholders under the terms of the Commonhold and Leasehold Reform Act 1995 (as amended) s151. In some circumstances this requirement can be waived. In view of the urgent nature of this work, an application for exemption to consult has been made to the Leasehold Valuation Tribunal. The application was granted on 27 Mar 13.
- (c) This procurement is compliant with the Council's Constitution and Contract Procedure Rules.

4.7 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Annex: Tender Returns for Fishermead Roof Works