

## Summary Sheet

### Council Report:

Cabinet and Commissioners Decision Meeting – 10 April 2017

### Title

Munsbrough Tender Report

### Is this a Key Decision and has it been included on the Forward Plan?

Yes

### Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director of Adult Care and Housing

### Report Author(s)

Mark Nearney – Contract Service and Development Manager

Russell Foster – Quantity Surveyor

Kerry Brentnall – Programme Manager

### Summary

The purpose of this report is to seek Cabinet approval for RMBC to accept and proceed with the winning tender for external works for 200 properties at Munsbrough, Rotherham.

The tender submission covers essential external upgrade works and repairs to domestic properties, including roof, fascia and fall pipe renewals, re-pointing of brickwork, installation of new bin stores and repairs to concrete/metal balustrades to various properties at Munsbrough, Rotherham.

Following formal evaluation the preferred tender was submitted by **Geo Houlton & Sons Ltd**, dated 23<sup>rd</sup> December 2016. Details of all the bids submitted and reviewed are listed in Appendix A.

The tendered work covers essential capital investment improvements ensuring the buildings remain safe and sustainable.

### Recommendations

1. That the tender submitted by Geo Houlton & Sons Ltd, dated 23<sup>rd</sup> December 2016 (see Appendix A) be accepted and approved.
2. That an increase to the budget, as detailed in Appendix B, be approved.

### List of Appendices Included

Appendix A – (exempt) Commercial tender submissions

## Appendix B – (exempt) Commercial information for the Munsbrough report

The main report is not exempt. An exemption applies to **Appendix A and B** under paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains sensitive commercial information with regards to the Council's contracts.

### **Background Papers**

Report to Cabinet and Commissioners' Decision Making Meeting(11 April 2016): Housing Investment Programme 2016/17 (which identified this scheme)

Report to Cabinet and Commissioners' Decision Making Meeting (10 July 2016): The Lanes (which obtained approval to defer the Munsbrough scheme and associated budget to 2017/18)

### **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

This report has not been considered by any other committee or panel.

### **Council Approval Required**

No

### **Exempt from the Press and Public**

While the main report is a public item, exemption for the appendices are requested under paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act, as they contain sensitive commercial information with regards to the Council's contracts.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information, as the Council's and Contractor's commercial interests could be prejudiced by disclosure of commercial information.

## **Munsbrough Tender Report**

### **1. Recommendations**

- 1.1 That the tender submitted by Geo Houlton & Sons Ltd, dated 23rd December 2016 (see Appendix A) be accepted and approved.
- 1.2 That an increase to the budget, as detailed in Appendix B, be approved.

### **2. Background**

- 2.1 The site is in a residential area to the north of Rotherham town centre.
- 2.2 The properties are a mixture of houses, bungalows and flats, all of traditional construction, approximately 40 years old. The main streets identified to receive these works include:
  - Acorn Croft
  - Elm Grove
  - Fenton Way
  - Munsbrough Rise
  - St Marys View
  - Ash View
  - Wagon Road
  - Woodside Walk
  - Brierley Walk
- 2.3 Over the past three years the volume of responsive repairs being raised for the properties/neighbourhood identified in this report have increased significantly thus becoming problematic and costly to repair through the Responsive Repairs Service. The Investment Team scrutinised this information with current stock condition data, the number and cause of resident complaints and local officer knowledge, and concluded that improving this estate should be prioritised within the HRA Investment Plan. The scheme was then assessed and verified by the Council's Corporate Property Unit (CPU) and was put out to tender.
- 2.4 This project was procured using the YORbuild2 framework. YORbuild2 is a regional framework for Yorkshire & Humber for which Rotherham Council is one of the four lead authorities. The framework was approved at the Cabinet/Commissioners' Decision Making Meeting on 18<sup>th</sup> January 2016 (item 10). There are seven different value Lots in the framework with ten contractors in each Lot. The evaluation method for a place on the framework was Price/Quality (50/50). Suppliers from the YORbuild2 framework were invited to place bids via Yortender, Rotherham MBC's e-tendering portal.
- 2.5 The form of contract is the NEC3 Option A. NEC3 is a suite of construction contracts intended to promote the ethos of partnering and collaboration between the client and main contractor. This contract will be open book with all contractor and sub-contractor costs available for the Council to verify.

### **3. Key Issues**

- 3.1 Delivery of this scheme will contribute to the Corporate Plan priority of 'A strong community in a clean, safe environment', and to the Housing Strategy 2016-19 objective to 'continue to improve the quality of our social housing through investment, building or acquiring new stock'.
- 3.2 The works will improve value for money for the Council's Housing Revenue Account business plan, since expenditure on responsive repairs will reduce and the overall lifespan of the stock will be extended.

### **4. Options considered and recommended proposal**

- 4.1 The only option considered for this scheme was to carry out the identified investment, as set out in the HRA Investment Plan. If this work was not undertaken assets would fall into disrepair which would have an impact on the health and wellbeing of residents, and increase the Council's expenditure on repairs as well as affecting its reputation.
- 4.2 The most competitive tender is Geo Houlton & Sons Ltd (see Appendix A). The tendered figure has been checked and found to be arithmetically correct. The scheme was tendered to ensure best value and submissions were assessed based on price. The Authority has always had a satisfactory outcome from works carried out by this contractor.

### **5. Consultation**

- 5.1 A number of consultation meetings have taken place between the local Neighbourhood Officers and Technical Officers.
- 5.2 A scheme consultation meeting was held with the Ward Members on 26<sup>th</sup> September 2016 to discuss and agree the proposals for the estate. All members were in agreement that this investment was a priority for the locality.
- 5.3 Given the nature of the works there will inevitably be disruption to residents, and excellent communication will be of paramount importance whilst delivering this scheme.
- 5.4 A letter drop will be organised for all residents informing them of the proposed work, intended programme and future consultation meetings.
- 5.5 Further resident meetings are to be scheduled after tender approval. This will include a "Meet the Contractor" open day, where the full scheme works will be explained and residents will be able to raise any questions or concerns to Housing representatives, Technical Officers and the Contractor. Family members will be welcomed and reasonable arrangements will be made to meet anyone who may be unable to attend the scheduled meetings.

5.6 Consultation has also been undertaken with the leaseholders who reside within the scheme boundary in compliance with Section 20 of the Landlord and Tenant Act 1985. This will enable RMBC to recover appropriate financial contributions from leaseholders for the works undertaken to their flats in accordance with the terms of their lease.

## **6. Timetable and Accountability for Implementing this Decision**

6.1 The proposed programme for the work, subject to approval, is to commence on site in May 2017, for a period of 39 weeks, with a proposed completion date of February 2018. A delay in the time scale for the approval could have an impact on project delivery not being achieved during the 2017/18 financial year.

## **7. Financial and Procurement Implications**

7.1 The project fees plus specialist design costs and contingency provides the total scheme costs (see Appendix B). Scheme costs include the following items:

- Tender Cost
- Provisional Sum (Tenant Liaison)
- Professional Fees
- Building Control Fees
- Legal Fees
- Contingency

7.2 The Housing Investment Programme 2016/17 Report, approved by Cabinet on 11<sup>th</sup> April 2016, identified a set sum of funding (see Appendix B) to undertake the investment. The scheme was moved to 2017/18 to ensure essential statutory leasehold consultation is undertaken.

7.3 As part of this scheme a funding sum was allocated to this project from the Housing Revenue Account (HRA). The total scheme cost (see Appendix B) is higher than the estimated budget due to additional work and extra properties being added into the scheme following full site assessment. It is recommended that an additional budget allocation be provided, as identified in Appendix B, for this scheme, by reallocating resources within the existing approved Housing Investment Programme budget for 2017/18.

7.4 Suppliers from the YORbuild2 framework were invited to place bids via Yortender, Rotherham MBC's e-tendering portal. The form of contract will be the NEC3 Option A. NEC3 is a legally compliant suite of construction contracts intended to promote partnering and collaboration between the contractor and client.

## **8. Legal Implications**

8.1 A contract between the Council and the contractor will be drafted and endorsed. As the projected contract sum is greater than £100,000, the contract will be made under Seal. This will provide 12 years' protection for dealing with any latent defects.

## **9. Human Resources Implications**

9.1 None identified

## **10. Implications for Children and Young People and Vulnerable Adults**

10.1 As stated in the contract documentation, the suppliers and sub-contractors have an obligation to report any concerns about the treatment of vulnerable adults and children that they may witness in the course of their work. Any concerns must be reported to the Rotherham Multi Agency Safeguarding Hub (MASH). This project has been risk assessed as a standard Level 1.

## **11. Equalities and Human Rights Implications**

11.1 There are no known negative impacts identified as a consequence of taking forward the recommendations identified within this report

## **12. Implications for Partners and Other Directorates**

12.1 The delivery of investment works will further enhance the efforts being made to create and maintain a sustainable affordable housing offer within an area that is in demand and will support the long-term availability of quality, well-maintained homes. This investment will reduce the requirement for general repairs expenditure in future years.

## **13. Risks and Mitigation**

13.1 Risk of project overspend: To mitigate this, a Contingency sum of 5% of the contract sum has been included within the scheme costs to safeguard against any matters arising. If no cost implication matters arise, the contingency will not be spent. The scheme is being managed by the CPU Team, and the competitive tender element returned what officers consider to be a realistic tender price for the project.

13.2 Risk of underperformance by the contractor: The contractor is experienced in carrying out works of this scale under the YORbuild framework. The Authority has always had a satisfactory outcome from works carried out by this contractor.

13.3 The risk of not carrying out this work is the increasing cost for the Council on responsive repairs expenditure, and the risk of a delay to the decision to accept this Tender is that capital spend is unlikely to be achieved during 2017/18.

## **14. Accountable Officer(s)**

Tom Bell, Assistant Director of Housing and Neighbourhood Services.

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<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories>