

# Item 5

## REPORT TO CABINET

16<sup>th</sup> NOVEMBER 2006

## REPORT OF DIRECTOR OF HOUSING

### Housing Portfolio

#### HOUSING CAPITAL AND IMPROVEMENT WORKS NEGOTIATED CONTRACTS

##### 1. SUMMARY

- 1.1. This report seeks approval to negotiate two bathroom improvement schemes, one roofing project and two heating schemes with the Contracts Section of the Department and with private contractors who have successfully won tendered contracts with competitive rates. These projects were tendered this year.

##### 2. RECOMMENDATIONS

- 2.1 That negotiations proceed with the Contract Section of the Department and with two private contractors to benefit from competitive costs from the lowest tenderer.
- 2.2 That negotiations be undertaken in accordance with Procedure Rule 1(2) and 8.
- 2.3 That approval to proceed with accepting the most advantageous negotiated project be given to the Director of Housing in consultation with the Cabinet Member for Housing and subsequently reported to Cabinet.

##### 3. DETAILS

- 3.1 Competitive tenders have been received for the following projects:-

(a) 105 Improvements (SBC)	£591,977.22
(b) 69 Re-roofing Works (SBC)	£294,644.09
(c) 230 Central Heating Replacements (External Contractor)	£498,176.82
(d) 377 Central Heating Replacements (External Contractor)	£858,729.37

- 3.2 The above projects have secured competitive rates from construction organisations who have a proven track record of successfully carrying out projects for the Council. In order to take advantage of competitive tenders, to achieve value for money and to ensure no delays in future programme completion, it is proposed to enter into negotiations as quickly as possible.

##### 4. FINANCIAL IMPLICATIONS

- 4.1 The planned expenditure for these five projects is in accordance with expenditure targets set by the Council in February 2006 and as identified in the Medium Term Financial Plan June 2006.

## **5. RESOURCE IMPLICATIONS**

- 5.1 The proposals contained within this report will secure favourable prices based upon tendered schemes in this financial year which will provide value for money. The contractors identified have successfully delivered projects of this type for the Council.

## **6. OTHER MATERIAL CONSIDERATIONS**

### **Community Strategy and Corporate Plan**

- 6.1 The procurement strategy outlined within this report clearly fits within the Council's approved key policy framework for the delivery of Decent Homes Standard of the Housing stock. In particular, it supports the delivery of the Council's aim to secure quality affordable housing within the Borough.

### **Equality and Diversity**

- 6.2 Full account will be taken of the Borough Council's obligation to promote equity and diversity in the proposals.

### **Risk Management**

- 6.3 Those key risks associated relates to non-achievement of Decent Homes Standard of the Housing stock as required by the DCLG. The procurement proposal to negotiate five projects as set out in this report will ensure appropriate arrangements are in place to deliver the programme for 2006/07 to assist in achieving Decent Homes Standard by December 2010 and achieving value for money within the Housing Capital programme.

### **Social inclusion**

- 6.4 Every effort will be made to ensure that the issue of social inclusion will be taken into account throughout the delivery of the procurement of construction services as detailed in this report.

### **Legal and Constitutional**

- 6.5 The procurement report was prepared in accordance with the Council's Constitution. No other legal or constitutional implications have been identified.

### **Health and Safety**

- 6.6 There are no additional health and safety implications over and above those for existing staff or contractors when undertaking construction works. Suitable and appropriate contract administration and management arrangements are in place to ensure all health and safety risks are managed.

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**Wards:** All Wards

**Key Decision Validation:** Not a Key Decision at this stage.

**Background Papers:**

Report to Council February 2006 Budget Framework 2006-2007  
Council Report June 2006 - Medium Term Financial Plan  
Repairs and Maintenance Strategy and Construction Related Procurement Strategy and Toolkit (June 2003)  
Delivering better services for Citizens (Byatt 2001)  
Constructing the Team (Latham 1994)  
Rethinking Construction (Egan 1998)

**Examination by Statutory Officers:**

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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