

Report to the Cabinet

Report reference: C/095/2006-07.

Date of meeting: 18 December 2006.



**Epping Forest
District Council**

Portfolio: Housing.

Subject: Acceptance of Tender - Conversion of two former Scheme Managers 3-bed houses into 4 self-contained 1-bed sheltered flats at Jubilee Court, Waltham Abbey.

Officer contact for further information: Paul Pledger (01992 - 56 4248).

Democratic Services Officer: Gary Woodhall (01992 - 56 4470).

Recommendations/Decisions Required:

That, subject to tender analysis, Titan Refurbishments Ltd be awarded the Contract for the conversion of the two former 3-bedroom Scheme Managers houses into 4 self-contained one bedroom sheltered flats at Jubilee Court in Waltham Abbey, being the lowest tender received from two separate tender exercises in the sum of £118,476.

Report:

1. In November 2004 and April 2005, the Housing Portfolio Holder agreed to the conversion of the scheme managers' accommodation at 49 and 48 Jubilee Court, Waltham Abbey, respectively.

2. The Head of Environmental Services undertook the design and tenders were initially invited, opened and recorded in line with Contract Standing Orders. The results were as follows:

- Richard Morris Construction Ltd £137,910.20;
- Titan Refurbishments Ltd £118,476.00;
- Sibmar Construction Co Ltd £171,246.20; and
- R G Bulluck & Co £130,002.85.

3. The lowest tender recorded was nearly £40,000 over the budget allocated within the Capital Programme. Following a tender evaluation process, Officers were led to believe that a cheaper price could be obtained by re-tendering, and therefore a further tender exercise was undertaken.

4. In order to comply with Contract Standing Orders, it was the intention to invite the lowest tenderer from the first tender exercise along with four new tenderers from Constructionline. However, during discussions with Constructionline, Officers were advised that Titan Refurbishments Ltd, who were the lowest tenderer from the first exercise, were in fact not registered on Constructionline. Therefore, tenders were invited from five new contractors who are registered on Constructionline.

5. The Housing Portfolio Holder opened the tenders on 21 November 2006 and the results were recorded as follows:

- Makers UK Ltd *DID NOT RETURN A TENDER;*
- Apollo (London) Ltd £154,774.00;
- Homesales Construction Ltd *TENDER RETURNED UNPRICED;*

- Trinity Construction Services Ltd £129,850.00; and
- Kirkman and Jourdain Ltd £154,875.00.

6. The lowest tender received from the second exercise was higher than the lowest tender from the first. However, it has now become clear (after receipt of the second set of tenders,) that Titan Refurbishments Ltd, who were the lowest tenderer from the first exercise, were in fact registered on Constructionline, and the information provided by Constructionline in the first instance was incorrect. Therefore, through no fault of their own, Titan Refurbishments Ltd were excluded from the second tender unfairly.

7. In view of the fact that their tender was the lowest of all the tenders received from the two separate tender exercises, Titan Refurbishments Ltd have been asked if they are prepared to stand by their original tender, even though the tender offer is out of date. As a result, Titan Refurbishments Ltd have agreed to stand by their tender. Therefore, it is recommended that the tender submitted by Titan Refurbishments Ltd, in the sum of £118,476.00, be accepted and the contract awarded accordingly.

8. However, the tender is above the existing budget within the Capital Programme by around £40,000. Therefore, in order to meet the shortfall, it is proposed that the balance of £40,000 be allocated from the Miscellaneous Structures budget within the existing HRA Capital Programme, which does not require a virement.

Statement in Support of Recommended Action:

9. Titan Refurbishments Limited had submitted the lowest tender received.

Other Options for Action:

10. Not to undertake the work and let the two 3-bedroomed houses as general needs housing. However, due to the specialist nature of the accommodation at Jubilee Court, being within a larger complex for older residents, this is not considered appropriate.

11. To re-tender the contract a third time. However, since the work has been tendered twice already, it is unlikely to result in a lower tender sum.

Resource implications:

Budget Provision: £80,000.00 from within the existing HRA Capital Programme and a further £40,000 from the Miscellaneous Structures budget within the existing HRA Capital Programme.

Personnel: None.

Land: None.

Community Plan/BVPP Ref: N/A.

Relevant statutory powers: Housing Act 1985 (as amended).

Background papers: Cabinet decision on 15 March 2004 for Sheltered Housing Scheme Managers becoming Non-Resident. Housing Portfolio Holder decision in November 2004 to convert 49 Jubilee Court into 2 x one-bedroom flats. Housing Portfolio Holder decision in April 2005 to convert 48 Jubilee Court into 2 x one-bedroom flats. Tender evaluation report - 48 & 49 Jubilee Court contract.

Environmental/Human Rights Act/Crime and Disorder Act Implications: N/A.

Key Decision Reference (if required): N/A.