

# Renewal of kitchens and bathroom contract

## Housing Committee Tuesday, 28 September 2021

Report of: Executive Head of Communities

---

Purpose: For decision

---

Publication status: Open

Wards affected: All

---

### Executive summary:

The existing kitchen and bathroom replacement contract ends on the 31 March 2022. There is no option available to extend this contract further. Officers are therefore requesting Members approval to procure a new three-year contract with an option to extend for a further period of two years. The new three-year contract is to commence on the 1 April 2022.

---

#### **This report supports the Council's priority of:**

Creating the homes, infrastructure and environment we need

**Contact officer** Nic Martlew, Head of Operational Services  
nmartlew@tandridge.gov.uk

---

### Recommendations to Committee:

- A. the procurement of a three-year kitchen and bathroom replacement contract (commencing on the 1st April 2022) with an option to extend for a further period of two years, be approved; and
- B. authority be delegated to the Executive Director of Communities, in consultation with the Chair and Vice Chair of the Housing Committee, to award the contract to the successful tenderer.

---

### Reason for recommendation:

As a registered social landlord, the Council has a legal obligation to ensure its properties are well maintained in accordance with the Landlord and Tenant Act 1985. The renewal of kitchens and bathrooms contributes towards the improvement of Council properties and provides tenants with the amenities they require in accordance with the Governments Decent Home Standard.

---

## Introduction and background

- 1 Approximately £550,000 per annum is spent replacing kitchens and bathrooms as part of the Council's modernisation and improvement programme. This work is funded from the capital housing revenue account. The average cost to install a kitchen plus associated works (electrics, tiling, flooring and redecoration) is £5,500 and a bathroom plus associated works is £3,500. The replacement works are in the main part of a planned maintenance programme but can also be done when properties are damaged by fire or flood.
- 2 It is recommended that the procurement of the kitchen and bathroom replacement contract is based on awarding the contract to a single contractor. The resources required to manage two or more contractors doing identical works cannot be justified.
- 3 It is proposed to procure a contract for a three-year term, with the option of a two-year extension. It is felt this gives the contract sufficient value to ensure increased competition from the market and motivate the successful contractor to secure the extension through good performance and the provision of a cost-effective service.
- 4 The successful contractor will be expected to provide a complete end-to-end service. The Council will provide the annual programme of kitchen and bathroom works and the contractor will be responsible for tenant liaison, access, design surveys, scheduling and arranging installation work. This would also include undertaking post resident satisfaction surveys and providing the Council with feedback.
- 5 The contract pricing will be based on standard kitchen and bathroom types that are found within much of the Council's housing stock. The contractor will be supplied with a range of these standard types and will provide a fixed cost for each type in the tender bid. This will include removal of the current kitchen or bathroom and its renewal which will include, plastering, tiling, rewiring, renewal of pipes, flooring and redecoration. To allow for anomalies a schedule of rates will be used for any work that falls outside the scope of the contract. The Community Surveyor will be responsible for approving any variation requests. The contractor will apply a single minus or plus percentage to the schedule of rates total fixed price when submitting the tender bid. This will simplify the tender pricing and evaluation process and will discourage any over specification by contractors.
- 6 The Community Surveyor will be responsible for signing off all the kitchen and bathroom designs provided by the contractor. All completed works will be inspected and signed off by the Community Surveyor for valuation and payment purposes. Only 100% completed and signed off work will be accepted for payment. Interim or staged payments will not be accepted. Any installation work that is the subject of a formal written complaint during or after the work e.g. poor customer feedback will be investigated by the Community Surveyor and recorded in the KPI's.

- 7 The total contract value falls below the OJEU procurement threshold of £4.5m for construction works. The contract opportunity will be advertised using the "In-Tend" electronic procurement portal and published in UK Contract Finder in accordance with Council Standing Orders and the Public Contracts Regulations 2015.
- 8 The use of an open tender process previously for this contract resulted in a large volume of returns. Consequently, the tender evaluation stage was lengthy and complex. It is therefore recommended to use a two-stage restricted tender. Contractors will be selected from Constructionline and will be asked to complete a pre-qualification questionnaire at the first stage. This will be scored, and contractors will be shortlisted before being invited to tender at the second stage.
- 9 Tender submissions will be evaluated based upon their quality and cost. A split of 40% for quality and 60% for price is proposed. The Council will not bind itself to accept the lowest priced tender if it is felt that the tenderer does not have the capacity, capability or organisational requirements to successfully deliver the annual kitchen and bathroom replacement programme.

### **Other options considered**

- 10 The Lead Community Surveyor and Procurement Specialist have investigated and reviewed several frameworks for the kitchen and bathroom contract. Unfortunately, none of these were compatible with the Councils specification and in particular, the standardisation of products / materials required for the longer-term maintenance of the housing stock.

### **Key implications**

#### **Comments of the Chief Finance Officer**

- 11 The kitchen and bathroom replacement programme is funded from the capital housing revenue account.
- 12 The total annual value of the contract is in the region of £550,000. Procuring a single contractor for the kitchen and bathroom contract means that greater economies of scale can be achieved. This increases certainty and security for the contractor regarding the volume of work to be received. This is usually reflected in the contractors pricing and can potentially help to reduce the cost of the contract.
- 13 The contract will be procured using the JCT Measured Term Contract 2016. Using this form of contract means officers can tightly control the quantity of work being issued and therefore greater budget control is achieved.

## **Comments of the Head of Legal Services**

- 14 The new contract will need to be procured in accordance with the Council's Contract Standing Orders and the Public Contracts Regulations 2015.
- 15 The appointed contractor will need to ensure that any disturbance and disruption in the locality during the construction phase is minimised. Their performance should be monitored as a Key Performance Indicator (KPI). Legal Services should review the JCT Measured Term Contract 2016 to ensure the necessary KPI's are included.

## **Equality**

- 16 The proposals within this report do not have the potential to disadvantage or discriminate against different groups within the community and therefore no preventative measures are required to mitigate any negative impact.

## **Climate change**

- 17 There are no significant environmental / sustainability implications associated with this report.

## **Appendices**

None

## **Background papers**

None

----- end of report -----