
Meeting of the Executive Member for Neighbourhood Services and Advisory Panel

7th June 2007

Report of the Director of Neighbourhood Services

Procurement update, building materials supply through OGC - partnership with Jewsons.

Summary

1. This report is to inform members of the progress of the building materials procurement exercise as reported in December 2006 and March 2007 through the OGC (Office of Government Commerce) in partnership with Jewson Ltd. (Saint Gobain Building Distribution).

Background

2. The Building Department within Neighbourhood Services spends in the region of £1.2 million p.a. on General Building materials including, plumbing goods, electrical parts and equipment, domestic and commercial heating spares and equipment, joinery products, kitchens and other general building materials such as cement, plaster and bricks.
3. In December 2006 members approved the award of a contract to Jewson Ltd to supply building materials to the building maintenance department following a procurement exercise with the OGC (Office of Government Commerce) subject to successful negotiations and mobilisation plan.
4. In March 2007 members also approved the letting of depot space to Jewsons to accommodate the stores provision. This is to be done at a peppercorn rent to reduce the overall cost of the service. Both of these reports are available to view on the Intranet.
5. Negotiations are proceeding well but there have been some delays in the legal agreement before the lease could be signed, both parties needed the service agreement in place. This is now agreed and work has started on the conversion of the premises.
6. Meetings between staff and Jewsons are continuing to be held to establish, as accurate as possible, a stock list to ensure the arrangement will carry as much of the required stock as possible. If any item of material is not present in the store then Jewsons will be responsible to source whatever is required within pre-agreed timescales.

7. In addition to this Jewsons have also been meeting with some of our smaller providers to make arrangements to keep them within the supply chain.
8. A final model on the costs of the arrangement has been agreed. Savings are expected when the service gets into full operations in terms of reduction in wasted time for operatives “shopping” at different merchants and improved supply chain management, avoiding un-necessary delays in completing jobs.
- 9 Key dates for mobilisation are now:
 - Start work on alterations to stores building W/C 28th May
 - Jewsons stores staff commence work W/C 28th May
 - Stocking – by end of June
 - Opening and operational – by mid July.

Consultation

10. Member approval has been sought on the agreement and use of the stores. All users of the service were consulted on the decision to locate within the ECO depot. Consultation on the proposals have taken place with City of York Council Property Services who are helping to draw up the contract. Legal Services have commented in the implications section. Staff are involved in the preparation of stock lists.

Options

11. This report is for information only.

Corporate Priorities

12. This procurement exercise sets out to improve service delivery to customers and offer better value for money. This ties in with two corporate priorities to:
 - Improve the way the Council and its partners work together to deliver better services for the people who live in York
 - Improve efficiency and reduce waste to free-up more resources. The negotiations will look at issues such as sustainability, and product whole life costing. For example, timber from sustainable sources, eliminate use of rain forest hardwoods, electrical components that minimise energy use, lifespan of the product and are the products recyclable when they are eventually replaced.

Implications

- **Financial** Financial implications are covered in previous reports.
- **Human Resources (HR)** There are no HR issues
- **Equalities** There are no equalities issues
- **Legal.** The legal issues are covered in the previous reports
- **Crime and Disorder** Non applicable
- **Information Technology (IT)** There are no IT issues arising from this rental agreement
- **Property.** Property Services have provided the contract for the rental agreement.

Risk Management

13. A risk analysis of the recommended approach shows no significant risk to the authority. The major risk analysed is the failure of the agreement over the 5 year period. This risk is minimised by the inclusion of a break clause in the agreement. Either party can terminate the agreement with good cause with a 13 week notice period.

Recommendations

That the Advisory Panel advise the Executive Member to note progress made on the implementation of the new stores procurement partnership.

Reason: To keep the Executive Member updated on progress of the building materials procurement exercise with Jewson Ltd.

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Terry Collins
Director Neighbourhood Services

Report Approved



Date 23.05.07

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

EMAP report December 2006

EMAP report March 2007