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## **Meeting of the Executive Member for Housing and Adult Social Services and Advisory Panel**

**16 March 2009**

Report of the Director of Housing and Adult Social Services

### **External Painting and Associated Repairs Contract April 2009-October 2011**

#### **Summary**

1. This report seeks approval to appoint 4 Contractors to the External Painting and Associated Repairs Contract for a 3-year period with the option to extend for a further 2.

#### **Background**

2. The Council undertakes to carry out external painting and associated repairs to its housing stock every 7 years. The previous External Painting and Repairs contract expired in October 2008. The Asset Management Group in conjunction with the Councils Procurement Team have recently completed a tendering exercise to determine suitably sized, qualified and competent contractors capable of carrying out the works to the standard required by the Council. The projected value of the works for the 3-year period is estimated to be £2.25 million.
3. The tendering exercise measured the contractors applying 40% to the pricing and 60% to quality standards. The exercise incorporated the Most Economically Advantageous Tender (MEAT) process rather than the cheapest bidder being appointed. Approval to use the MEAT process, in accordance with CYC Procurement Policy was confirmed on the 28 October 2008 by Cllr. Sue Galloway, Executive Member for Housing.
4. The tender took the form of a document providing the contractors with a series of costs that were considered appropriate to the described works. The contractor was then requested to apply a discount or a premium to those costs. The results ranged from -5% to +15% against the costs.
5. From the initial Pre Qualification Questionnaires (PQQ'S) 15 contractors were selected to tender. Of those contractors 8 were successful in being invited to interview from which 4 have been selected for appointment. J.S. Seddon, Bagnalls, Anderson Marriott and Bell Group. (See Annex A for Ranking)

## **Consultation**

6. Through consultation with the authorities Procurement Team the full OJEU European Procurement process has been followed.
7. Following an initial assessment of the PQQ the following process was followed:
  - ITT's were issued to the 8 successful Contractors.
  - A Pre-Tender briefing was held with the contractors to fully illustrate the implications and requirements of the contract.
  - Formal tender documents were sent to the invited Contractors.
  - Formal tenders returned.
  - Formal interviews of the Contractors.

## **Options**

8. Option 1, To appoint the 4 highest ranked contractors under MEAT.
9. Option 2, To appoint the 4 cheapest bidders.

## **Analysis**

10. The implications of Option 1 appointing the contractors listed in point 5 above are as follows;
  - Through a thoroughly auditable tendering process each contractor has been recommended as having the most suitable blend of quality and pricing to offer value for money over the lifetime of the contract.
  - Each Contractor is fully aligned with the Authorities commitment to providing a customer focused service, providing high quality works with the aim of reducing future maintenance costs.
  - Each contractor has a bona fide and recognised environmental and waste management plan in place, which recognises the need to reduce its carbon footprint and the impact on the environment.
  - Each contractor, because of its location, does provide the opportunity for employment of local resources including retail trade and labour in the York area.
  - Through choosing the highest ranking contractors the Authority recognises the value of quality workmanship and organisation in a contract, which is specifically aimed at achieving a full lifecycle for the timber doors and windows in its stock.

11. The implications agreeing option 2 and appointing the cheapest bidders are as follows;
- The contractors have not been ranked as the most suitable blend of quality and price but simply the cheapest indeed two of the lowest priced contractors were ranked as the least acceptable in terms of quality assessment.
  - A lesser awareness of the Authority's commitment, or aim, to provide a customer focused service achieving high levels of customer satisfaction, providing high quality work and reducing future maintenance costs.
  - Two of the cheapest bidders failed to provide evidence of a working environmental and waste management plan.
  - One cheapest bidder couldn't provide assurance that they were able to quickly and suitably resource the contract in terms of labour.
12. The cyclical painting and repair programme supports many of the council objectives and priorities, and many of the actions related to council objectives and initiatives. Specific links can be made to the following:

**“Outward facing”**

- Improve the actual and perceived condition and appearance of city's streets, housing estates and publicly accessible spaces
- Improve the quality and availability of decent affordable homes in the city
- Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest.”

**“Improving our organisational effectiveness”**

- Improve our focus on the needs of customers and residents in designing and providing services

**Implications**

13. **Financial** – If option 1 is approved the work can be delivered within the budget available. Selecting option 2 and the 4 cheapest tenders will cost £64k less than option 1. However, given the potential quality issues associated with this option outlined earlier in this report, it is likely that some or all of this would be required to cover the increased cost associated with reduced quality.
14. There are no Human Resources (HR), Equalities, Legal, Crime and Disorder, Information Technology (IT) or Property implications.

**Risk Management**

15. There are no identified existing or potential risks associated with this report.

## Recommendations

16. That the Advisory Panel advise the Executive Member to approve Option 1 “to appoint the 4 highest ranked contractors under the Most Economically Advantageous Tender (MEAT) process.

**Reason:** In order to provide quality workmanship and organisation in a contract which is specifically aimed at achieving a full lifecycle for the timber doors and windows in its stock.

## Contact Details

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### Chief Officer Responsible for the report:

Steve Waddington  
Head of Housing Service

Report Approved

Date

11<sup>th</sup> Feb 09

Report Approved

Date

*Insert Date*

## Specialist Implications Officer(s)

Finance: Jayne Close, Housing Accountant, HASS Finance, Tel 554175

**Wards Affected:** *List wards or tick box to indicate all*

All

For further information please contact the author of the report

## Background Papers:

## Annexes

### Annex A – Evaluation Model (Confidential)