

To: City Executive Board

Date: 9th March 2011 **Item No:** 6

Report of: Head of Direct Services

Title of Report: Direct Services – Approval of Sub-Contractors for Building Works.

Summary and Recommendations

Purpose of report: To advise the Board on the tenders received for sub-contract building works and to seek authority to appoint sub-contractors and allocate work on a job by job basis.

Key decision? Yes

Executive lead member: Councillor Joe McManners

Policy Framework: More Housing, better housing for all.

Recommendation(s): That the sub-contractors listed in the report (with the exception of scaffolding which will be re-tendered) are engaged by Direct Services as necessary to undertake specialist and other works, as the demand dictates, for a period of three years.

Appendices to report – Appendix 1, Tender Evaluations.
Appendix 2, Risk Register.

Background

1. Due to the large number of jobs raised per annum for responsive repairs and planned maintenance works to the Council's housing stock – circa 36,000 responsive repairs jobs, there are inevitable peaks and troughs in workload. There are also specialist works, such as scaffolding and drainage, which require operatives with specific skills and it is not cost effective to provide this in house.
2. In order to cope with this demand, and the commitment made to the Council's tenants and leaseholders to complete works within published

timescales, Direct Services employ sub-contractors on a job by job basis.

3. The employment of sub-contractors is monitored closely and on-going benchmarking of costs in comparison with the in-house teams is undertaken. It is difficult to give a clear indication of the proportion of jobs undertaken by sub-contractors as the size of jobs differ widely but currently (end of January 2011) within responsive repairs 12.8% of the total budget of £3m has been spent on sub-contractors.
4. The tender was advertised on the South East Business Portal. Competitive tenders have been received for the various works and a robust tender evaluation has been undertaken, the successful tenderers are shown below and the tender evaluation details are shown in Appendix 1. Twenty five contractors were invited to tender but only twenty one submitted a tender that could be evaluated and scored in line with the stated process. There are no existing framework contracts that the Council can use for this type of work.

List of successful Sub-contractors:-

Painting/Decorating	- CLC Contractors Ltd, L A Wood (Oxon) Ltd; Seddon Property Services Ltd.
Roofing	- D W Contractors Ltd
Scaffolding	- to be re-tendered
Plumbing	- B Bowden & Co Ltd
Plastering	- D W Contractors Ltd
Drainage	- Oakwood Landscaping & Groundwork Oxford
UPVC	- Seddon Property Services Ltd
Flooring	- Multi-floors Ltd
Security	- Safe Estates Services Ltd
Electrics	- Proelec Installations Ltd
Externals	- Tom Ghee Construction

Legal Implications

5. The tenders were invited in accordance with the Council's Constitution and were appraised under the Council's Tender Evaluation process, which states that the contract will be awarded to the most economically advantageous tenders. Evaluation was based on 60% quality and 40% price. At all stages it was monitored by the Council's Procurement Team.
6. Works will be ordered on a job by job basis and, depending on the workload and the nature of the job, some contractors may not receive an order in any one year. This was clearly emphasised in the tender documents. This process covers works for a period of three years (2011 – 2014).

Financial Implications

7. The tender prices, based upon an estimated number of jobs per annum, are all extremely competitive with the exception of scaffolding. It is proposed to re-tender for scaffolding works and continue with the existing provider until then.
8. For 2010/11 a responsive repairs budget of £580,890 has been allocated for sub-contractor works. Current spend at 31 January 2011 was £384,703. A total spend of £877,534 including planned maintenance works has been spent from a budget of £1,352,176.
9. It is predicted that the level of tender prices will enable the service to continue within budget.

Climate Change/Environmental Impact

10. These works will have a minimal impact on Climate change and would be the same if carried out by the in-house team. The procurement process set out the Council's requirements in terms of sustainability and climate change

Equalities Impact

11. Contractors were asked whether they will comply with the living wage policy that the Council has in place. They were also asked for their Equalities policies and a series of questions that ensured that they complied with the various Acts.

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List of background papers: Tender submissions and evaluations

Version number: 1.5