

WEST DUNBARTONSHIRE COUNCIL

Report by Director of Housing, Regeneration and Environmental Services

Social Justice Committee : 8 November 2006

Subject: Measured Term Contract for Repairs and Planned Maintenance of West Dunbartonshire Council's Housing Stock – 2007/2010

1. Purpose

- 1.1** To advise Committee of tenders received for the Measured Term Contract for Repairs and Planned Maintenance of West Dunbartonshire Council's Housing Stock – 2007/2010, and to seek approval to accept the most economically advantageous tender.

2. Background

- 2.1** At the Social Justice Committee meeting held on 12 October 2005, the Director of Housing and Technical Services was given delegated authority to prepare and issue tender documentation for the maintenance of housing property. In compliance with this instruction, notification of the project was lodged in the Official Journal of the European Union on 10 April 2006.

- 2.2** The tendering process comprised two distinct phases:

Phase One - Pre-Qualification Questionnaire
Phase Two - Full tender

Following the completion of Phase One, tender documents were issued to nine selected tenderers under Phase Two and five tenders were received by the return date of 31 August 2006.

- 2.3** The scope of the contract covers:

Reactive and planned maintenance
Void property works
Kitchen upgrades
Bathroom upgrades
Fire and other property damage work

- 2.4** It is anticipated that the contract will commence on 1 February 2007 for a three year term. There is an option to extend the contract for a further two year period subject to annual review.

3. Main Issues

3.1 Tenders were received from the following contractors:

City Refrigeration Holdings (UK) Ltd
Housing Repairs and Maintenance Service
Mears Group
Mitie Property Services (UK) Ltd
Rok Building Ltd

Rok Building Ltd submitted an incomplete tender and as a result their tender was rejected and took no further part in the assessment.

3.2 To ensure transparency and probity throughout Phase Two of the evaluation process, a Tender Evaluation Panel was formed from officers within the Department of Housing, Regeneration and Environmental Services.

3.3 The tender comprised two principal elements which were price and quality. The tender evaluation was scored using a combined score of 1,000 points. A maximum score of 600 points was allocated to price and 400 points to the quality and technical assessment.

3.4 By applying the same price model to each Tender, Notional Tender Values over the first three years of the contract were calculated as follows:

Tenderer	Notional Tender Value
City Refrigeration Holdings (UK) Ltd	£40,006,516.59
Housing Repairs and Maintenance Service	£41,324,422.84
Mitie Property Services (UK) Ltd	£54,033,346.79
Mears Group	£54,749,662.60

3.5 Tenderers were asked to provide written responses to a series of questions and sub-questions relating to their quality and technical abilities. Responses were scored in accordance with pre-defined criteria.

3.6 After converting both price and quality to points and applying appropriate weightings, the total points scored by each tenderer was as follows:

Tenderer	Price	Quality	Total
Housing Repairs and Maintenance Service	593	345	938
City Refrigeration Holdings (UK) Ltd	600	315	915
Mears Group	526	376	902
Mitie Property Services (UK) Ltd	530	375	905

3.7 A tender evaluation summary is attached as an appendix to this report.

4. Personnel Issues

4.1 The recommendation to Committee is that repairs and planned maintenance of the Council's housing stock continues to be carried out by the Housing Repairs and Maintenance Service. In the event of Committee approving the recommendation then the Transfer of Undertakings and Protection of Employment (TUPE) Regulations will not apply.

5. Financial Implications

5.1 The following annual costs previously met by the HMTTO will now require to be met by the Housing Revenue Account in line with the contract specification:

Rent	£ 7,800
Rates	£ 31,200
Computer Licence Costs	£ 30,000
Fixed Asset Rental	£145,000
Debt Charges	£113,000
Total	<u>£327,000</u>

5.2 The categories and tendered values of work for the first year of the contract are as follows:

Work Category	Value	Funding
Reactive repairs	5,275,000	revenue
Voids Strategy	1,630,000	capital
Kitchen Upgrades	4,450,000	capital
Bathroom Upgrades	1,587,000	capital
Fire damage etc	180,000	insurance
Total	£13,122,000	

5.3 The Committee should note that in awarding the contract to the Housing Maintenance Trading Operations the tender price is higher than the lowest tender by £439,302 per annum.

6. Conclusions

6.1 From the foregoing analysis, the tender submitted by Housing Repairs and Maintenance Service is considered to be the most economically advantageous tender received.

7. Recommendation

- 7.1 The Committee are invited to note the content of this report and to approve acceptance of the offer of Housing Repairs and Maintenance Service to carry out the Measured Term Contract for Repairs and Planned Maintenance of West Dunbartonshire Council's Housing Stock – 2007/2010.**

David McMillan

Director of Housing, Regeneration and Environmental Services

Date: 30 October 2006

Wards Affected: All

Appendix: Tender Evaluation Summary

Background Papers: Report to Social Justice Committee on 12 October 2005:
"Best Value Review of Housing Repairs and Maintenance"

Person to Contact: Don Findlay, Manager of Technical Services
Telephone: 01389 608333