



CAERPHILLY HOMES TASK GROUP – 5TH SEPTEMBER 2013

SUBJECT: PROCUREMENT UPDATE

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to provide an update on the Procurement processes for the delivery of the WHQS programme.

2. LINKS TO STRATEGY

- 2.1 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards.
- 2.2 Relevant policy documents are the National Housing Strategy “Sustainable Homes WAG; the Council’s Community Strategy; Corporate Improvement Plan; Safer Caerphilly Community Safety Plan; Regeneration Strategy; and Children and Young People’s Plan.
- 2.3 The Council’s Local Housing Strategy “People, Property and Places” has the following aim: “To provide good quality, well managed houses in communities where people want to live and offer people housing choices which meet their needs and aspirations.

3. THE REPORT

- 3.1 On 12th September 2012, Caerphilly Homes Task Group approved the over arching procurement strategy for the delivery of the WHQS programme. It agreed that the authority would procure four main contracts and up to thirty small lots packages of work to deliver the WHQS programme by 2019/20.
- 3.2 Building Materials - Supply Partner

The Authority invited offers from suitably qualified bidders for a Building Materials Supply Partner on 20th November 2012. The procurement process was conducted in line with the EU procurement legislation using the “open” procedure.

The authority received 6 offers at the nominated closing date. All compliant bids were fully evaluated. On 17th June 2013, the contract was awarded to the most economically advantageous bidder, Robert Price Builders Merchant for a contract period of 10 years.

Robert Price has a number of branches within Wales. The WHQS contract will be serviced from branches in Caerphilly, Aberbeeg and Merthyr. Robert Price is already an established contractor within the authority via the Welsh Purchasing Consortium frameworks.

The contract is currently in its mobilization period with a go live date of 1st September 2013.

3.3 DLO Sub Contractor framework

The Authority invited offers from suitably qualified bidders for the DLO Sub Contractor framework on 20th November 2012. The procurement process was conducted in line with the EU procurement legislation using the “restricted” procedure.

The authority received 274 expressions of interest and 133 Prequalification Questionnaires (PQQ’s) on the nominated closing dates. In line with the PQQ selection criteria 74 bidders were invited to tender. 52 formal tenders were received and evaluated. Following the evaluation process, 5 bidders per lot were awarded onto the framework on Friday 16th August 2013.

In total 30 contractors have been awarded onto the framework across 10 lots. Due to concerns on the quality of bids received for lot 10 - Asbestos removal and disposal, it was decided not to formally award this lot at this time. Lot 10 – Asbestos removal and disposal will be subject to a new procurement process shortly.

Of the 30 contractors awarded onto the framework, 29 have a base within Wales. 12 of the 30 are classed as Caerphilly Contractors with a base in Caerphilly County Borough.

The Framework will start on 1st September 2013. All future work will be subject to mini competitions which will be conducted electronically.

3.4 Internal Labour and Material

Offers were invited from suitably qualified bidders for the internal labour and material contract on 22nd January 2013. The procurement process was conducted inline with the EU procurement legislation using the “restricted” procedure. 45 Prequalification questionnaires (PQQ’s) were received by the nominated closing date. 7 contractors have been shortlisted to tender. Tender documentation will be issued to the 7 contractors on 23rd August 2013.

The contract is scheduled to start on 1st April 2014. 4 of the 7 contractors to be invited to tender have a base within Wales.

3.5 External Labour and Materials

Offers were invited from suitably qualified bidders for the external labour and material contract on 30th January 2013. The procurement process was conducted inline with the EU procurement legislation using the “restricted” procedure. 32 Prequalification questionnaires (PQQ’s) were received by the nominated closing date. 12 contractors have been shortlisted to tender. Tender documentation will be issued to the 12 contractors on 30th August 2013.

The contract is scheduled to start on 1st April 2014.

3.6 Small lots – 30 packages of work

As detailed within the over arching WHQS procurement strategy all external works for the Eastern Valley will be let on the basis of small lots. The detailed procurement strategy for this work is currently in development. It is proposed to start the first small lot procurement process during November 2013.

3.7 Legal issues

As with all procurements market reactions differ depending on size and desirability of contracts. All of the WHQS procurements which have gone to market have received some form of challenge. The Authority is currently dealing with each of those challenges as appropriate.

4. EQUALITIES IMPLICATIONS

- 4.1 This is an information report therefore there are no potential equality implications and no requirement to complete the Equalities Impact Questionnaire.

5. FINANCIAL IMPLICATIONS

- 5.1 To date the authority has spent £60724.00 on external legal advice and £50353.00 on technical support.

6. PERSONNEL IMPLICATIONS

- 6.1 There are no personnel implications contained within the report.

7. CONSULTATIONS

- 7.1 Comments received from consultees have been incorporated within the report.

8. RECOMMENDATIONS

- 8.1 It is recommended that Members of Caerphilly Homes Task Group note the contents of the report and the progress to date on all procurements associated with the WHQS delivery programme.

9. REASONS FOR THE RECOMMENDATIONS

- 9.1 To inform members of Caerphilly Homes Task Group on the relevant procurement processes.

10. STATUTORY POWER

- 10.1 Local Government Acts 1972 and 2000 and Housing Act 1985.

Author: Elizabeth Lucas, Head of Procurement, lucasej@caerphilly.gov.uk
Consultees: Cllr Gerald Jones, Deputy Leader (Cabinet Member for Policy & Resources)
jonesg5@caerphilly.gov.uk
Stuart Rosser, Interim Chief Executive, rossesa@caerphilly.gov.uk
Nicole Scammell, Acting Director of Corporate Services & S151,
scammn@caerphilly.gov.uk
Phil Davy, Head of Programme (Housing Stock Transfer), davypg@caerphilly.gov.uk
Dan Perkins, Head of Legal & Governance Services, perkid@caerphilly.gov.uk
Shaun Couzens, Chief Housing Officer, couzes@caerphilly.gov.uk