

Report for Resolution

This item may only be taken if the Chair agrees that it is urgent business

Report to	Cabinet 16 March 2011
Report of	Director of Regeneration & Development
Subject	Commitment to award a contract for replacement PVCu windows

Purpose

The purpose of this report is to advise Cabinet of the tender process for the replacement PVCu window contract and seek approval to commit to spend £10million over a two year period.

Recommendations

1. To approve the commitment to spend £10million over a two year period on replacement PVCu windows and to delegate to the director of regeneration and development, in consultation with portfolio holders, authority to award the contract subject to a satisfactory evaluation process and the successful tender price being within the investment plan forecasts.

Financial Consequences

The financial consequences of this report are awarding a contract for £10 million to be funded from the housing capital investment programme 2011/13.

The 2011/12 Capital Programme includes a budget of £5.4million for replacement PVCu windows, and the anticipated carry-forward from 2010/11 is £4.6million (subject to final approval to carry forward from Capital programme Board), making £10million in total that could be spent in next financial year alone. The capital plan for 2012/13 envisages a similar level of spend on public sector upgrades.

Risk Assessment

- 1) Risk of challenge from unsuccessful or other suppliers.

The value of this contract is above the thresholds in the Public Contracts Regulations. The tender is following an open process and evaluation criteria were published as part of the tender documents and will be used to complete the evaluation, but there is always a risk of challenge from unsuccessful suppliers.

- 2) Risk of supplier failure

There is a risk that the appointed supplier could fail during the life of the contract. This is low risk and will be mitigated by conducting financial analysis of the supplier.

Strategic Priority and Outcome/Service Priorities

The report helps to meet the strategic priority “Safe and healthy neighbourhoods – working in partnership with residents to create neighbourhoods where people feel secure, where the streets are clean and well maintained, where there is good quality housing and local amenities and where there are active local communities” and the service plan priorities SHN 7 – increase our investment in new windows, kitchens, doors and boilers in council homes, SPC 3(b) - complete the eco-retrofit of over 800 council homes, including loft insulation, replacement windows and doors and OC 3 – achieve a two star and improving audit score for our housing landlord services by April 2011

Executive Member: Councillor Arthur - Housing and Adult Services

Ward: All

Contact Officers

Chris Rayner, head of housing property services

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Background Documents

None

Report

Background

1. On 23 September Cabinet resolved to let the interim contract to ensure service continuity whilst other options are evaluated before being brought back to Executive for decision.
2. On 10 November 2010 Cabinet resolved to approve the award of the following contracts to the suppliers specified in appendix 3 and 4 of the report, subject to confirmation from the head of finance. One of those contracts was Part HCA funded windows and doors (Ref 1322).
3. A tender process was commenced for further windows and doors with the tender return date being 14th March 2011.

Tender process

4. An open tendering process has been used. This is the quickest competitive process and has been used to reach a conclusion at the earliest opportunity.
5. A notice was placed in the Official Journal of the European Union inviting tenders.
6. Suppliers have been asked to submit details of their company in terms of finance, contractual matters, insurances, quality assurance, environmental standards, equality and diversity policies, references and previous experience and these will be evaluated to see if there are any reasons to disqualify the supplier from the process.
7. At the same time suppliers will submit details of how they would meet the requirement and the price that they would charge. These will be evaluated at the same time as the company details.

Tender evaluation

8. The evaluation criteria were stated in the tender documents as 70% price and 30% quality and will be evaluated by a panel including tenant representation with the preferred bid being the "most economically advantageous tender".
9. For quality a series of questions has been used and supplier's answers will be evaluated to award a score for quality.
10. For the price evaluation the lowest price will be awarded full marks with other prices compared to that price and marks allocated based on the percentage difference from the lowest price. For example a price that was 25% more expensive will be awarded 75% of the marks available.

Evaluation results

11. It is anticipated that the results of the evaluation will be known by the end of March 2011 but an exact date will depend on how many tenders are received.

Finance

12. The HRA budget makes provision within the investment plan for PVCu windows and it is expected that the cost of this contract will be within existing forecasts within the plan.