

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 16 MARCH 2005

EXTERNAL CLADDING TO B.I.S.F. HOUSES, SAMSON AVENUE, KILMARNOCK

Report by the Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To advise members of the extension made to the contract for works to B.I.S.F. houses, currently in place with K.G.Building and Civil Engineering Ltd. as part of the 2003/04 and 2004/05 arrangements.

2. BACKGROUND

- 2.1 The Housing Committee at their meeting of 26th January 2005 approved further adjustment of the Housing Investment Programme whereby in the event that where any further under commitment was identified within the Housing Investment Programme during the currency of the financial year authority was given to enter into extension to existing contracts, where it was prudent to do so, based upon existing rates and conditions, and subject to satisfactory negotiation and agreement with the relevant contractor.
- 2.2 The extent of any such extension to be the subject of the approval of the Executive Director of Neighbourhood Services following consultation with the Chair of the Housing Committee and the details to be reported to the Housing Committee at a future date.

3. EXTENT OF NEGOTIATIONS

- 3.1 The contract for External Cladding to B.I.S.F. Houses, Samson Avenue, Kilmarnock within the financial year 2004/2005 with Caledonian All Trades Ltd was accepted by the Council on 26th November 2004. This being the most recent contract for works of this nature; it formed the basis of a possible contract extension.
- 3.2 Negotiations were entered into with Caledonian All Trades Ltd to extend this contract at existing rates and conditions, however, these negotiations proved unsuccessful as Caledonian All Trades Ltd. were unable to satisfactorily agree rates and conditions as the result of an error in pricing within their previous tender submission. They indicated that, having reviewed their position, unfortunately, they would need to increase their costs for the extension contract by £33,000.00. This represents an increase of 29% taken in comparison with the originally tendered rates.
- 3.3 Since these negotiations proved unsuccessful, consideration was made of the contract for works to B.I.S.F. houses, currently in place with K.G.Building and Civil Engineering Ltd. as part of the 2003/04 and 2004/05 arrangements.

- 3.4 This contract for External Cladding to B.I.S.F. Houses, Samson Avenue, Kilmarnock formed part of the planned works within the 2003/2004 Housing Capital Programme, and the lowest tender for these works, submitted by K G Building and Civil Engineering Ltd was accepted by the Council on 12th February 2004.
- 3.5 Subsequently, K G Building and Civil Engineering Ltd submitted the second lowest offer for the next phase of the works under the 2004/05 Housing Investment Programme, which was awarded to Caledonian All Trades Ltd.
- 3.6 The relative tenders submitted for these works, (excluding contingency allowance), were:

Caledonian All Trades Ltd	£114,904.85
K G Building and Civil Engineering Ltd	£120,608.69

4. CONTRACT EXTENSION

- 4.1 The negotiations with K.G.Building and Civil Engineering Ltd. were concluded satisfactorily, adopting their tendered rates and conditions for the works under the 2004/05 Housing Investment Programme

5. FINANCIAL IMPLICATIONS

5.1 Amount of Contract acceptance (2003/04 works)	<u>£101,310.99</u>
Estimated Final Account for 2003/2004 Programme works	£105,908.17
Contract Extension based on 2004/2005 tender submission	<u>£126,639.12</u>
REVISED CONTRACT SUM	<u>£232,547.29</u>

The additional costs detailed above commit currently available funds.

Estimated expenditure upon the extended works during the current financial year is approximately £0.049m.

6. LEGAL/POLICY IMPLICATIONS

- 6.1 This report is presented in accordance with paragraph 9(3) of the Councils Standing Orders Relating to Contracts (Serial, Two Stage and Negotiated Tenders and Existing Contracts).

7. RECOMMENDATIONS

- 7.1 It is recommended that members:

- (i) Note the extension of the existing contract with K G Building and Civil Engineering Ltd.

William Stafford
Executive Director of Neighbourhood Services
2 March 2005

List of Background Papers

Nil

For further information please contact Alan Paterson, Principal Quantity Surveyor, Technical Services on 01563 555252.

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