

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 30 JANUARY 2002

**GAS CENTRAL HEATING –
EXTENDED CONTRACTUAL ARRANGEMENTS**

Report by the Director of Homes and Technical Services

1. PURPOSE OF REPORT

- 1.1 To advise members of the results of the tenders received for Phase 4 of the Gas Central Heating Programme, and to seek authority to enter into extended contractual arrangements.

2. BACKGROUND

- 2.1 Inclusion is made within the Housing Capital Programme for Gas Central Heating Works for which there is available grant funding to a maximum amount of £382,500.00. This grant is made available by the Scottish Executive for the installation of central heating systems to houses where the existing form of heating falls short in terms of the definition provided by the Scottish Executive.

3. TENDERS RECEIVED

- 3.1 During the course of carrying out the central heating programme, addresses which qualified for the grant funding were identified. However in order to maximise the benefit of the grant award, tenders were invited for works to a further 49 qualifying houses.
- 3.2 The central heating market place is particularly buoyant currently, as a result of the additional work created by the Scottish Executive grant awards nationally. Consequently, tenders received were not considered to be value for money, with average unit costs derived from the lowest offer received being approximately 53% higher than similar works tendered earlier in the financial year.

4. PROPOSED EXTENSION

- 4.1 In order to secure value for money for the Council, and as an alternative to the tender received, negotiations have been entered into with Scottish Gas Service Public Sector Division, with regard to extending their existing contract to incorporate the further 49 houses. Scottish Gas Services Public Sector Division have offered to carry out the works based upon existing rates and conditions, but with an overall uplift to rates of approximately 9%, which is considered to be value for money.

4.2 It is recommended therefore that the existing contract with Scottish Gas Services Public Sector Division be extended to accommodate the additional 49 addresses, funded from the current provision within the Housing Capital Plan for Phase 4 works.

5. LEGAL/POLICY IMPLICATIONS

5.1 This report is presented in terms of paragraphs 10(2) and (3) of the Councils Standing Orders Relating to Contracts (negotiation and/or extension of contracts).

6. FINANCIAL IMPLICATIONS

6.1 To secure the available Scottish Executive grant funding for central heating.

7. RECOMMENDATIONS

7.1 It is recommended that members

- (a) Approve the extension of existing contract with Scottish Gas Services Public Sector Division.

James Lavery
Director of Homes and Technical Services
11 January 2002

LIST OF BACKGROUND PAPERS

Nil

For further information please contact Alan Paterson, Principal Quantity Surveyor, Technical Services on 01563 555249.

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AGENDA