

Report to the Cabinet

Report reference: C/054/2006-07.

Date of meeting: 4 September 2006.



**Epping Forest
District Council**

Portfolio: Housing.

Subject: Tender Acceptance - Electrical Rewiring Programme.

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Democratic Services Officer: Gary Woodhall (01992 – 56 4470).

Recommendations/Decisions Required:

(1) That T A Horn Ltd and Complete Building Services (Herts) Ltd each be awarded a 4-year programme of work for electrical rewiring and remedial electrical works to Council properties, based on a schedule of rates tender in the sum of £5,016.25 for T A Horn Ltd and £5,070.20 for Complete Building Services (Herts) Ltd being the lowest and second lowest tenders received.

Report:

1. The Housing Portfolio Holder recently approved a tender to undertake a series of electrical tests at Council properties to determine the age and condition of the electrical installations, which would determine the programme of re-wires and electrical upgrades necessary to ensure the installations were safe and to meet Decent Homes Standard.
2. As a result of the electrical tests, the condition of the existing electrical installations in some Council properties has been identified as 'unsatisfactory' and currently fails the National Inspection Council for Electrical Installation Contracting (NICEIC) Periodic Inspection Report. To bring the properties up to current standards it is essential that a complete rewire or an electrical upgrade is carried out at the various properties.
3. Officers have gone through the formal tendering procedure in accordance with Contract Standing Orders. Six tenders were sought from contractors, based on a 4-year programme of work, who are registered on Constructionline, and who are able to carry out this type of work.
4. The tender for the works was based on a schedule of rates, which included the costs for complete rewiring of a number of different property types. The tender sum is based on a total of each of the individual schedule of rates, and not a lump-sum tender, as the extent of the work cannot be quantified until the electrical tests have been completed, and the rewire programme follows the electrical testing as a rolling programme. Therefore the tender sum reported will not be the final contract sum.
5. The tenders were returned on the 11 August 2006 and opened by the Housing Portfolio Holder on the 15 August 2006. The results of the tender opening were as follows:

Results	Contractor	Total £
1 st	TA Horn Ltd	5,016.25
2 nd	Complete Building Services (Herts) Ltd	5,070.20
3 rd	Compound Electrical Ltd	7,199.50
4 th	East-West Electrical Ltd	9,740.00
5 th	Raytell Electrical Company Ltd	10,145.53
6 th	Emery Electrical Company Ltd	14,562.00

6. It should be noted that, as a condition of the tender, all schedule of rate items will increase annually by no more than the national 'NEDO' Building Cost Indices.
7. A full tender analysis has been undertaken and all the tenders have been completed in full and are arithmetically correct. The lowest tender was submitted by T A Horn Ltd. However the tender analysis has highlighted the fact that on a number of the most frequently used items contained in the schedule of rates T A Horn Ltd were not as competitive as the second placed tenderer. Increased value for money would be achieved by using the rates tendered by Complete Building Services (Herts) Ltd for certain works.
8. As the extent and nature of the works that are likely to be required is not known until the electrical tests have been completed, the total annual expenditure cannot be forecast, which would be difficult to set out in a traditional contract arrangement. However, in order to monitor performance and expenditure, it is anticipated that individual works orders be issued with each contractor for the works up to a value not exceeding the overall budget within the existing capital programme of £150,000 in total.

Statement in Support of Recommended Action:

9. The existing electrical installations to various Council properties vary in terms of their age and condition and have been classified as 'unsatisfactory' following electrical tests, and as a result fail under the Decent Homes criteria. Not to undertake the work would result in further deterioration of the electrical installations, with potential health and safety risks.

Other Options for Action:

10. To undertake the works as part of the Kitchen and Bathroom Programme 2006-07. However, this would result in higher costs as the main contractor would incur additional preliminary costs, overheads and profits, which would not provide good value for money;
11. To have one contractor to carry out all of the electrical rewiring identified from the programme. However this option would not provide the opportunity to push up the quality of the service we provide to tenants through comparison of KPI's, and in the event of one contractor not performing, or experiencing financial problems, the other contractor would be in a position to complete the programme of work.
12. To complete the programme of electrical tests, and tender the electrical rewire contract as a lump-sum contract. However, this could lead to the Council failing to meet the Decent Homes target of having all properties meet the Decent Homes Standard by 2010 as the extent of the number of properties in need of electrical work is not currently known and time may run out to complete the necessary work.

Consultation undertaken:

13. No external consultation undertaken.

Resource implications:

Budget provision: £150,000 from existing budget provision Rewiring (Kitchen and Bathrooms) Capital Programme.

Personnel: Nil.

Land: Nil.

Community Plan/BVPP reference: N/A.

Relevant statutory powers: Decent Homes Standards.

Background papers: Tender analysis on the Testing of Domestic Electrical.

Environmental/Human Rights Act/Crime and Disorder Act Implications: N/A.

Key Decision reference (if required): N/A.