

SUPPLY OF MATERIALS FOR KITCHEN AND BATHROOM AND SUPPLY AND FIT FOR SOLAR PANELS

1. SUMMARY

Approval is sought from the Board to change material suppliers for kitchen and bathroom projects and for a contractor to supply and fit solar panels.

2. RECOMMENDATION

The Board

- 2.1 to approve that we engage suppliers through the Efficiency East Midlands (EEM) buying consortium for the supply of materials for the kitchen and bathroom projects
- 2.2 to approve the selection of a contractor for the supply and fit of solar panels from the EEM framework for our solar panel project
- 2.3 to delegate the final decision for the approval of specific suppliers for the above projects to the Chief Executive.

3. MATTER FOR CONSIDERATION

- 3.1 Efficiency East Midlands represents a group of housing organisations from the East Midlands region working together to achieve better value for money for goods and services. The Board may recall supporting the business plan for this group, previously called the Central England Procurement Partnership. A number of services have been procured in accordance with European procurement directives by EEM over the past few months. We are happy that these arrangements comply with our own procurement standing orders.
- 3.2 Specific arrangements with individual suppliers will be agreed. We are not compelled to tie ourselves in to any arrangement for any specific timescale.
- 3.3 Significant benchmarking has been undertaken to ensure the new arrangement achieves the most cost effective solution. Significant savings will be achieved as set out in section 5.
- 3.4 Thorough consultation has been carried out with all stakeholders to ensure the products meet the needs of our customers and the Repairs Team.
- 3.5 Appropriate arrangements have been considered and will remain in place to ensure current programmes are maintained and minimise any costs by changing supply.

- 3.6 Continuation of supply for maintenance purposes has been addressed by a continued arrangement with Symphony Limited.
- 3.7 We will issue any notices to existing suppliers of materials in accordance with current terms and conditions.
- 3.8 As the Council has not yet formally agreed to use EEM frameworks, it is suggested that the Council becomes a member of EEM itself in order to ensure that Council capital funding is spent in the most cost effective manner. We have sought approval from the Council to agree to allow Derby Homes to procure the work directly through EEM whilst the Council seeks the approvals required for them to access the framework. This will enable us to maximise the number of systems installed this year as it is likely that the feed in tariff will be substantially reduced after March 2012.

4. CONSULTATION IMPLICATIONS

A thorough benchmarking exercise has taken place along with visits to exhibitions; a factory visit by the Derby Association of Community Partners (DACP); and supporting staff; input from and consultation with DACP input from Directors, Managers, Supervisors and Operatives to assess the suitability of the supplier, along with a full assessment of the supplier by EEM through their EU procurement process.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 5.1 There are substantial savings to be made by changing suppliers for materials on the kitchen and bathroom projects. The outturn spend on materials for last year was £1.2m. We are anticipating savings of up to £300,000 (25%) per year, depending upon tenants' choices.
- 5.2 The EEM contract for the supply and fit of solar panels represented the largest tender for this type of work in the UK, combining the potential buying power of over 13 organisations has provided excellent prices for this work. Typical costs for a standard sized system is around £10,000. The EEM framework contractors are offering prices of about £6,500 for the same system.

6. LEGAL AND CONFIDENTIALITY IMPLICATIONS

Changing suppliers would ensure compliance with EU Procurement Rules and Derby Homes Procurement Standing Orders.

7. ENVIRONMENTAL IMPLICATIONS

The environmental implications were considered as part of the initial procurement evaluation by EEM and were found to be of an acceptable standard.

8. EQUALITIES IMPACT ASSESSMENT

An equality impact assessment has not been completed by Derby Homes as equality and diversity issues have been assessed as part of the initial procurement evaluation by EEM and were found to be of an acceptable standard.

9. RISK IMPLICATIONS

The new supplier may not be able to provide the current standard of service. There will be minor disruption whilst one supplier is phased in and the existing one is phased out.

The areas listed below have no implications directly arising from this report:

- Personnel
- Health & Safety
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

Author: Jeff Wells / Senior Surveyor / 888587/ jeff.wells@derbyhomes.org

Background Information: Report on Benchmarking by Valueworks / EEM

Supporting Information: None.