

Report to: Management Committee – 27th May 2021

Prepared by: Robert Calvert Property Services Manager

Subject: Divergence from Policy – Expenditure Level

1. Introduction

- 1.1 I issued requests for three quotes for external render and stonework repairs to a property in Old Dumbarton Rd. Based on work of this nature previously undertaken I estimated that the cost of the work would be under £12,000.00 (Estimated cost matrix on which the assumption was based. See 2.2 below – Recent stone/render works of a similar nature).
- 1.2 Given my assessment of these works the correct procedure was followed, however, all costs returned are over the threshold contained in the Association's standard and planned maintenance policies. My suspicion is that scaffold and material costs have risen quite sharply possibly due to Covid 19 and transport/import issues due to Brexit.

Extract from Standard and Planned Maintenance Policy

1. Works below £1,000 will be instructed as necessary (Owners approval required, where appropriate, in common works).
2. Works between £1,000 and £12,000 will require three written quotes.
3. Works between £12,000 and £50,000 will be procured through Public Contracts Scotland's Quick Quote process: and
4. Works in excess of £50,000 will go to tender through Public Contracts Scotland's tender process.

2. Quotes returned

- 2.1 Three contractors were invited to quote and returned costs as follows:
- Ashgill Stone -
 - Option 1 – £16,150.00 & Option 2 - £13,928.50
 - Bell & Higgins
 - Option 1 – £15,600.00 & Option 2 - £15,600.00
 - Alexander Anderson - Did not return

2.2 Quoted prices for recent similar works

Cost Comparison stone render works May 2021

Address	Stone pointing & Scaffold Combined costs (Ex. VAT)	Meterage Priced	Average Price	Comparative at 62m ²	Comment add info
1189 ARG	£4,180.00	35	£119.43	£7,404.57	
34 RMS	£2,800.00	32	£87.50	£5,425.00	No Scaffold just stonework
28 RMS	£5,500.00	33	£166.67	£10,333.33	2021/22 price

3. Points for consideration

- 3.1 To follow the procurement process and comply with its authorisation levels Property Services would require to re-issue the works through the Public Contract Scotland Quick Quote route.
- 3.2 In doing this Quick Quotes would be opened in accordance with our procedures. However, committee and staff would be opening quotes where costs are already known as it is not envisaged that anything would change. The quotes were issued on a cost only basis. This is normal for works of this value given that all three contractors are already used and there are no quality of work issues to date for this type of contract.
- 3.3 I have provided auditable information to validate my initial cost assumption.

4 Recommendation

- 4.1 Given that this is a Common Major repair, owners will still have to be consulted about the costs via owners meetings and that the initial cost assumptions are auditable; it is recommended that Committee approve acceptance of the quotes we have received for these works