

## **2.14 The Connétable of St. John of the Minister for Treasury and Resources regarding ...**

Are expressions of interest to tender for building contracts such as the establishment of the high-rise flats at La Collette advertised in the *Jersey Evening Post*/media or only through government portals? If the latter, how is it determined who can tender for these from within the local building industry and who makes this decision?

### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

The Assistant Minister has responsibility for procurement and I ask him to answer the question.

### **The Connétable of St. John:**

Excuse me, Sir, but the question was put to the Minister and I did not expect him to be farming it out. The Ministers all know that when I put a question, it is to the Minister, not an Assistant Minister if the Minister is in the Chamber.

### **The Deputy Bailiff:**

You did not express notice that you required it to be answered by the Minister.

### **The Connétable of St. John:**

Historically, I think it is on record that I have said that I will only take replies to questions from the Minister.

### **The Deputy Bailiff:**

Well, Greffier, was notice given that it had to be answered by the Minister? Very well. Minister, are you prepared to answer the question?

### **Senator P.F.C. Ozouf:**

If I can have 2 seconds for my Assistant Minister's notes to just be passed across. **[Laughter]** I do normally hope that the Assistant Minister and I are a seamless team but he does have responsibility for particular areas and I am not the expert on it but I will do my best. The States e-portal is the main method used to obtain expressions of interest for building works where a formal tender is required. The department may also choose to place adverts in the *Jersey Evening Post* or a relevant trade publication. La Collette project was advertised by the Housing Department in the *J.E.P. (Jersey Evening Post)* on 17th February 2012. Responses are shortlisted by the project team of officers and professional advisers who use criteria relevant to the project to determine an appropriate number of contractors. Usually no less than 3 and no more than 6 firms are invited to tender. The criteria may include experience, resource availability, amount of work already being undertaken for the States and other relevant factors.

### **2.14.1 The Connétable of St. John:**

Given that we are in difficult trading times, within any tendering process is there an element within the contract for any trading company where it stipulates that local labour must be used, likewise local subcontractors? Further to this, do the tendering companies have to give details of the number of locally qualified people the company employ and of these how many are home-grown through an apprenticeship scheme and if not, why not?

### **The Deputy Bailiff:**

Connétable, I wonder if you could put your questions again but now limit it to only 2 questions.

### **The Connétable of St. John:**

Yes, Sir. Given that within the element of any contractor tendering for a process, is the workforce, be it subcontractors and the labour within the workforce, are they of local origin? Is it specified they should be locally grown people from within apprenticeships?

**Senator P.F.C. Ozouf:**

Obviously, I would need to research the particular instances in relation to this project as it is clear that I have not done so but my Assistant Minister was briefed. I would answer the question by saying that these issues are, of course, controlled by the Regulations of Undertakings Law. The Regulations of Undertakings Law does govern the effective number of people of local versus non-local qualifications and that is the main issue. Secondly, I can say, and would remind the Connétable, that many of the fiscal stimulus projects that were carried out mainly in the area of infrastructure, which I know he has a particular concern about, we improved even further the requirements of local labour and, as he knows, the Assistant Minister and I were known to turn up on projects just to see whether or not they were local labour. I agree with him that public money spent in the capital programme should be directed towards local labour. That is different from local ownership but also we must ensure that we are getting good value for money from contractors. The Property Holdings Department is doing a great deal to get better value for money in the past. Building contractors are coming in at lower levels and we are making good work in terms of housing and other areas.

**2.14.2 Deputy R.J. Rondel of St. Helier:**

Is the Minister able to assure the Assembly that all contracts are published on the States e-portal?

**Senator P.F.C. Ozouf:**

According to the criteria which I set out, to the best of my knowledge, that is correct.

**2.14.3 The Connétable of St. John:**

In the Minister's reply, he said "good value" for the contracts but is good value not allowing more than a limited amount of contractors to tender for a project, given there are a number of contractors within the Island willing to tender but they are not being invited to tender although their name is on the list?

**Senator P.F.C. Ozouf:**

That is just not right. Quite frankly, I have been extremely impressed to see the way that Procurement and Property Holdings have been running States contracts. The way that e-portal operates, the fact that they are much more public, is a huge improvement to the past. Economic Development is working with local contractors to bring forward consortia of small businesses so that they may jointly be able to seek tenders for States work. If he has constituents which need further help, I am sure that the Assistant Minister will be able to put the resources of his department to enable that to happen and also Economic Development too are raising the standards of local contractors so that they can compete for valuable States contracts in these difficult times.

**2.14.4 Deputy G.P. Southern:**

Can the Minister confirm that the tender process automatically includes a statement of how many locally qualified employees are to be used on any contract?

**Senator P.F.C. Ozouf:**

I would need to check that and I will do so later in the day.

**2.14.5 Deputy G.P. Southern:**

If I may, and whether such a criterion is allowed under R.U.D.L. (Regulation of Undertakings and Developments) Regulations?

**Senator P.F.C. Ozouf:**

Certainly, it is the criteria that has been used for fiscal stimulus money and indeed we would propose to put the same criteria on the additional £28 million, which I am asking for Assembly

approval for housing projects. I recognise the fact that there is limited work in contractors because of the credit squeeze. It is not only house purchases that are finding it difficult to get cash, it is all sorts of businesses in these difficult times. States work is appropriate, not in terms of only getting value for money but in boosting supply and boosting the amount of work available and we are going to do everything we can to ensure that that is directed with the Minister for Social Security to local labour, and I certainly will be looking at those fiscal stimulus rules on all the projects that are going to be over and above the existing capital programme.

**2.14.6 The Connétable of St. John:**

On any tender submitted since the formation of Property Holdings, has a close working relationship been established with any particular building companies whereby this could exclude other Jersey companies from being invited to tender? If so, is the Minister aware of any of this?

**Senator P.F.C. Ozouf:**

No, but the underlying question that seems to be being put forward by the Constable is that there is somehow some problem with Property Holdings and their procurement. If he has an aggrieved contractor, if he has an aggrieved constituent or somebody who has approached him, let us know about those issues. There may well be issues where some companies have frankly not been able to perform in terms of what their obligations are to securing the completion of projects. The Connétable will be aware that there have been some failures in terms of local building contractors, badly run building contractors as opposed to good ones. There sometimes are good reasons why one chooses one contractor over the other but if he has aggrieved people, then let them meet with the Assistant Minister who will be delighted to raise the capacity. The more people that are in a position to compete for contracts, the better. It is not about exclusion; it is about including them and raising their capacity.

**The Connétable of St. John:**

Supplementary, Sir?

**The Deputy Bailiff:**

You have had the final supplementary, Connétable.

**The Connétable if St. John:**

Sir, you are cutting me off at the knees.

**Senator F. du H. Le Gresley:**

Could I beg leave to request if you would allow me to make the official statement I am making later after the luncheon recess because I would like to attend this funeral if possible if the Assembly is in agreement.

**The Deputy Bailiff:**

I am sure the Assembly would be very happy for you to make the statement then.

**Senator S.C. Ferguson:**

May I also crave the forbearance of the Assembly and do the same?

**The Deputy Bailiff:**

Members seem to be agreeing that.