

A.J Watson Ltd

Industrial Painting, Building, Electrical & Maintenance Contractor

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To The Utilities Regulator Northern Ireland

Hi

My name is Gerald Watson, I am the Managing Director of the Transmission Tower Painting company A.J.Watson Ltd.

A.J.Watson Ltd is a family run business based in Carnlough, Ballymena, Northern Ireland.

A.J.Watson Ltd have been the sole Transmission Tower Painting Company working with NIE Networks from the late 1980s, after winning quite a number of competitive tenders during this period, this would clearly identify the company as being a market leader within the sector both in Northern Ireland and Great Britain.

A.J. Watson Ltd success over the past 35 years within this specialized sector of works has been based on delivering a high quality standard finish at the most competitive prices possible and also delivering projects both on time and within budget, to ensure all our clients are getting the best value for money possible.

A.J.Watson Ltd are currently a contracting partner of NIE Networks for the RPG 6 Transmission Tower Painting contract T308 and shall be competitively tendering for the upcoming RP7 works in the near future.

During the past 2-3 years A.J.Watson Ltd have increased our workforce for NIE Networks projects significantly from around 12 Transmission Tower Painters to 22 Transmission Tower Painter, this is due to the increased refurbishment on the NIE Networks transmission system. A.J. Watson Ltd are currently in the process of recruiting a further 4 staff members for the upcoming RP7 works.

Especially from the covid 19 pandemic A.J. Watson Ltd have noticed a significant increase in labour market rates within the Tower Painting industry and for this reason we have had to bring in Polish transmission tower painters which has added a significant increase in costs due to travel, accommodation, food payments etc as the pool of local labour for this specialized activity is just not available in Northern Ireland or Great Britain at the minute for one reason or another.

During this period A.J. Watson Ltd have noticed a significant increase in costs associated with the projects and would estimate an increase of around 24% on our original pricing at tender stage in 2018 to date, with another significant increase of around 10% to be applied in April 2024 in line with RPI.

Materials costs associated with the works has increased by around 58% during this period due to raw materials cost increases after the covid pandemic.

Labour costs has increased by 23% and this is just to keep wage increases in line with current inflation.

Due to the above factors A.J. Watson Ltd would estimate that the pricing for RP7 will increase between 35% and 40% from the original pricing at tender stage of RP6 in March 2018.

SIGNED: *GERALD WATSON*
Managing Director
A.J. Watson Ltd
Dated: 29/02/2024.