



Procurement and Partnering Framework

Introduction

1. The central purpose of this framework is to make a real and positive difference to the service that Styles House residents (tenants and leaseholders) receive through its stock investment plans. Key to this objective will be to ensure our procurement process secures continuous improvement by incorporating a Best Value approach to the way we select the consultant and contractors with whom we wish to work and the methods followed to identify the contract packages that will be delivered on the estate.
2. Tendering is undertaken to both obtain and prove to third parties that there has been value for money in the provision of goods and services. A list of approved contractors and an ascending level of limits approved by the Board is required for quotes and tenders.
3. Good procurement is crucial to providing high quality, effective and efficient programmes of work and the definition of a clear strategy is a key step to achieving Best Value.

Style House Objectives

4. The objectives for our Procurement policy are as follows:
 - Meet the aspirations of residents who voted for the Right to Manage.
 - Active involvement of relevant Board Member(s) as triggered by the procedure and as part of the process of choosing contractors and consultants.
 - Clearly defined process to ensure probity
 - Provide value for money.
5. The aim of this procurement and partnering framework is to support the delivery of these objectives and drive through the changes necessary to achieve the improved efficiency and service we all want and expect.
6. Styles House is committed to delivering quality Services through effective performance management and financial control. Our strategy is to take account of the needs of our customers and provide high quality services with an emphasis on value for money.

7. Our Procurement procedure offers a guideline for the key steps for the renewal of contracts. However, Styles House will in the process, seek to find suppliers and verify that they are suitable and pre-qualified to provide the service in question. For minor contracts, the use of local contractors may be considered for supplying specific single service requirements, but for all multi-service contracts including those in excess of £25K, formal qualifications must be proven, e.g. Construction Line/EXOR. This can be undertaken through the 'Business Questionnaire' or use of the Council approved list.
8. If the total value of the contract is over £139,893 for supplies and most services then EU regulations apply.

Spending Authorisation Levels

Styles House TMO Authorisation Levels are shown below:

<u>Total value</u>	<u>Procedure</u>	<u>Approval</u>
£0 to £1000	Price Testing	TMO Manager
£1000 to £5,000	3 Written Quotes	TMO Manager & Treasurer
£5,001 to £25,000	3 Written Quotes	TMO Mgr, Treasurer & Chair Consultant (possible)
£25,001 to £74,999	5 tenders required	Full Tender process: Tender panel; Consultant

Styles House Sub-Committee Authorisation Levels are shown below:

<u>Total value</u>	<u>Procedure</u>	<u>Approval</u>
£0 to £100	Price Testing	Committee Chair
£100 – £200	Price Testing	Committee Chair and Treasurer
£200 +	Price Testing	Board

Selecting a Consultant

9. Consultants will be invited to submit a fee bid based on a Service Level Agreement to be developed and will form the basis for requesting for 3 quotes. A Consultant will be required to work with the TMO:

- Where the TMO is about to enter into a procurement/partnering arrangement for goods/services with a value over £74,999 and above.
- To help develop a TMO approved list of contractors for major projects.

Selection of Approved Contractors

10. The first stage is to obtain information and documentary evidence from contractors interested in applying for selection. The following documentary evidence is required:

Stage 1 Pre-qualification Criteria:

- Current membership of Construction Line or similar
- Equal Opportunities Policy
- Health and Safety Policy
- Audited company accounts.

The following information is required as appropriate:

Section 1 - Company Details

- Company name
- Company address, telephone number, fax number and e-mail address
- Key contact
- Brief description of business, expertise and specialisms
- Details of practice/ company structure.
- A concise organizational chart

Section 2 - Project / Workload Information

- Details of housing or housing related projects completed within the last 3
- Years, currently on site or pending start on site.
- Project name
- Project address
- Client, contact person and telephone number
- Project Type e.g. new build, refurbishment
- Contract type
- Contract value
- Consultants involved
- Contractor
- Tenant liaison arrangements

Stage 2 Selection Process

11. When the information required for stage 1 has been satisfactorily supplied the process moves on to stage 2.

Contractors

12. The aim of the selection process will be to identify a pool of contractors of different sizes, some of which specialize in the work they carry out. Some of the information above will help shape the TMO's approved list which will be reviewed every three years. It also forms the framework for selecting contractors for designated projects agreed by the Board.

Procurement Features

Best Value - Best value will be determined based on responses to questions raised to enable the contractor to detail the team and company resources they intend to assign to the contract, their organisational experience, ability and relevant skills to deliver the works.

Probity - To demonstrate probity the process we follow has to be transparent, fair, equitable and subject to scrutiny. Therefore decisions will be fully recorded and fully accountable providing a clear audit trail. This can be achieved by:

- The procedures
- The selection criteria
- The basis for assessment
- Making the process known in advance
- Ensuring that judgements made are not by an individual but by a selection panel
- Keeping documentary records of the decisions made

Risk Management – A structured approach must be demonstrated for the identification, quantification and subsequent management of risk.

Accountability – The TMO Manager is responsible for procurement and will ensure both the probity of the process and that this framework is adhered to.

Evaluation – The process will include proper evaluation to demonstrate best value and value for money. The procurement process will allow for the above aims to be achieved and the consultants chosen tasked with ensuring that the procurement panel tasked with the responsibility to developing an Approved List meet Styles House objectives.

Partnering

Partnering is a term used to cover a variety of activities undertaken within the business philosophy that co-operation rather than conflict can continually reduce waste and inefficiency. It is a rigorous, structured approach to managing the relationships between clients and their suppliers and addresses the question of how the client knows that they are getting good and improving value. More than anything a series of procedures that commits the parties to focus on creative co-operation and to work to avoid confrontation.

Partnering will be an essential element of the Framework. It is an attitude of mind or philosophy rather than a method of procurement, but it provides a basis upon which the working relationship with contractors can be developed.

Culture of Partnering

Co-operation - For partnering to have any chance of working the parties must all share a fundamental business philosophy, that co-operation is more profitable than conflict. Partnering entails putting this philosophy into action, and in doing so creating an environment that seeks to enhance co-operation and diminish the possibility of an adversarial relationship developing.

Trust - A fundamental element is trust, which will allow the full benefits of Partnering to materialise but can only happen over a period of time. It is unrealistic to expect complete trust from day 1 and will only happen over a period of time after positive experiences. The contractors and their suppliers will be required to operate an open book basis which will demand a great deal more openness and a large part of the of the benefits of Partnering is to be gained from the team of suppliers using its expertise to identify more cost effective ways of delivering our requirements.

Respect for People - Organisations are made up of people; therefore respect for people is an important approach for those wishing to participate in partnering relationships. The selection of a suitable consultant and contractors who are able demonstrate the appropriate culture and attitude required will be essential.

Customer Satisfaction - The over-arching theme is customer satisfaction and the overall objective of the main contractor and their subcontractors and suppliers is to improve the value of the project to the client. As a result repeat business should flow avoiding the need for expensive competitive tendering. Ultimately our aim should be to receive a higher quality of service and product, delivered quicker and at a lower cost. These are the requirements that suppliers need to focus on through co-operative working, value management and early resolution of disputes.

Measuring Performance

Measurement of performance is essential to evaluate how the Partnering Agreement is being delivered and if the objectives and targets are being achieved. Whilst not wishing to be too prescriptive as the targets should be developed by the project team to ensure they take ownership of them. As a minimum performance on project delivery should be assessed against the following criteria:

- Customer satisfaction with the service
- No of defects/call backs issued to the contractor
- Complaints response time
- Missed appointments
- No of defects at completion
- Attitude and approach

A system for recording and appraising performance will be developed to capture the data required, distribute to key people involved and agree actions.