

Gloucester City Homes



Gloucester City Homes Procurement Strategy

Contact Us

Customer Services Team

Gloucester City Homes
Railway House
Bruton Way
Gloucester
GL1 1DG

Customer Services Line: 0800 408 2000
(Freephone)
or 01452 424344 (cheaper for mobile users)
Text: 0778 148 2656
Fax: 01452 833101
Minicom: 01452 396161
Email: customer.services@gloscityhomes.co.uk
Web site: www.gloscityhomes.co.uk

You can also contact us using our online reporting forms.

Please note our website is speech enabled and you can adjust the size of the text and translate it to other languages.

Get our information in other formats

If you would like any part of this document explained, translated or provided in another format such as large print, audio or Braille, please contact our Customer Services Team on 0800 408 2000.

Bengali

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান অথবা যদি আপনার একজন ইন্টারপ্রেটারের প্রয়োজন হয়, তাহলে দয়া করে আমাদের সাথে যোগাযোগ করুন।

Chinese

本文件可以翻译为另一语文版本，或制作成另一格式，如有此需要，或需要传译员的协助，请与我们联系。

Gujarati

જો તમને આ દસ્તાવેજ બીજી ભાષા અથવા રચનામાં જોઈતો હોય, અથવા જો તમને ઈન્ટરપ્રિટરની સેવાઓ જોઈતી હોય તો, કૃપા કરી અમારી સંપર્ક સાધો.

Polish

Aby uzyskać ten dokument w innym języku lub formacie, albo jeżeli potrzebujesz usług tłumacza, skontaktuj się z nami.

Urdu

یہ دستاویز اگر آپ کو کسی دیگر زبان یا دیگر شکل میں درکار ہو، یا اگر آپ کو ترجمان کی خدمات چاہئیں تو برائے مہربانی ہم سے رابطہ کیجئے۔

[Translation reads: If you would like this document in another language or format or require the services of a translator, please contact us.]

STATUS (Draft / Approved / Updated / Archived)	REFERENCE
APPROVED	GCH Procurement Strategy
<p>Important Notice: Printed paper copies of this procedure are uncontrolled. The current version of this procedure is available on the Intranet</p>	

Documentation Master Sheet
Amendments to this Document are Detailed Below

Version Number	Date Amended	Comments	Date Approved	Author	Approved By
01	16/03/2007		04/04/2007	AG	Board
02	01/04/2009	Review	01/04/2009	RW	Board

1. Introduction

Gloucester City Homes spends a significant sum of money on the procurement of external goods, works and services. For example, we spend £3.2 million on Repairs and Servicing annually, and we spent over £14 million on Capital Programmes during 2008/2009. In addition, our revenue budget is £4.2 million, 50% of which relates to staff costs.

It is crucial that we obtain the maximum value from this expenditure, realise savings where possible and use our buying power to help promote the company's wider objectives. To this end, the focus on achieving efficiency savings and procurement is a key component of the Company's efficiency statement which feed directly into the Council's Annual Efficiency Statement.

This strategy builds upon the Company's Year first 3 years achievements – and in particular, the way in which devolved procurement decisions are taken within service areas by those responsible for service delivery.

In addition, the strategy ensures that we work closely with the Council to secure efficiencies through increased bargaining power. We will also work with a range of partners and other agencies to secure efficiencies.

Finally, the strategy itself is not a manual but a clear statement of where we are going, and how we will get there. It is supported by the company's procurement policy and has a clear action plan, which will form the basis of regular monitoring reports to the board.

2. Demographic Information

Gloucester City is an area of high deprivation within a county of considerable economic wealth. The 2004 indices of multiple deprivation show that there are five super output areas in Gloucester within the top 10% of most deprived areas within the country.

The wards in which Council property is concentrated have high rates of households with comparatively high levels of unemployment. For example, over one third of adults in the Podsmead ward are not in full-time employment.

These wards also show high levels of limiting long-term illness, low rates of educational attainment and limited car ownership. For example, 49% of households in the Westgate ward, in the City Centre, do not own a car. In the large Matson ward, approximately three to four miles from the City Centre, which has the highest proportion of Council accommodation within the city, almost 35% of households are without a car.

Whereas Gloucester city as a whole has only 4.5% of households with dependent children where there is no adult in employment, in the Matson and Robinswood ward this rises to 8.25%. Thus it can be seen that there is considerable social deprivation and exclusion among the households served by the ALMO.

A significant proportion of GCH properties are in these wards facing the greatest economic and social challenges, which is why GCH has to have a focus upon not only an effective procurement strategy to reduce costs, but also to create opportunities for local employment and training.

3. National Context

The Government's National Procurement Strategy set out to raise the profile and effectiveness of procurement. The national strategy itself was built upon a number of initiatives in recent years to promote effective procurement such as the Egan reports, the Best Value regime, and the national e-procurement project. These are also reflected in this strategy. The Gershon Efficiency Review has given further impetus to the need for effective procurement. Procurement is a key component of the Company's and which feeds into the Council's auditable efficiency statement.

4. Definition of Procurement:

Procurement is the process of obtaining supplies, services and construction works spanning the life cycle of the asset or service contract. 'Life cycle' is defined as being from the initial definition of the business need through to the end of the useful life of the asset or service contract.

The term 'procurement' has a far broader meaning than that of purchasing, buying or commissioning. It is about securing services and products that best meet the needs of users and the local community in its widest sense. This policy provides a common framework within which all procurements by the company are to be managed.

The company will procure the best value for money supplies, services and construction works by:

- Adopting the life cycle approach to the assets or contract
- Applying effective and up-to-date procurement procedures
- Ensuring procurement helps deliver the company's key objectives.

5. Purpose of Strategy:

One of GCHs key strategic aims is to deliver value for money and maximise use of all our resources. As part of this Gloucester City Homes recognises that effective procurement will deliver improved services in the most efficient ways for our customers by:

- Maximising procurement's contribution to cash and non-cash efficiency savings and create a visible focus on achieving value-for-money.
- Promoting opportunities for the local economy;
- Being open and transparent with our tenants and leaseholders about the cost of our services and how their rent is spent on their behalf.
- Recognising the need to balance competing elements within our procurement aims - for example, efficiencies versus local opportunities, and the difficulties encountered achieving this;
- Providing a procurement service which is robust, yet lean, which can direct overall procurement strategy, offer support and monitor activity;
- Taking maximum benefit from opportunities to collaborate with other partners and organisations
- Wanting to support the achievement of the Company's wider objectives, such as promoting diversity and environmental sustainability;
- Protecting our tenants and leaseholders by ensuring new partners, contractors and sub-contractors meet best practice obligations in terms of health and safety and criminal bureau checks
- Embedding our experience of partnering, framework contracts and the adoption of Egan Principles into the mainstream fabric of our investment plan;
- Develop e-procurement mechanisms throughout the Company.
- Introducing a more structured and systematic approach to training for those involved in procurement;
- Establishing a more structured approach to disseminating information across the organisation, learning from experiences and sharing good practice;
- Promoting Equalities and Diversity through all Company procurement
- Ensure compliance with all UK and EU Procurement legislation.

5. Aim of Strategy:

The key objectives of the strategy are to ensure that we have mechanisms in place, which will:

- Seek efficiency savings and provide quality services through best practice

procurement, collaborating with other bodies where beneficial, within an ethical framework;

- Promote and stimulate the local economy.
- Ensure that the Company's 'buying-power' is used to promote its wider objectives, particularly diversity and sustainability;
- To ensure probity, transparency, and compliance with appropriate legislation.

6. Key Documents

The strategy is supported by key documents and these are shown below and available on Gloucester City Homes Server 76 (under Policies and Strategies) and also from the Income Manager:

Document	Date of Issue
GCH Procurement Policy	Reviewed April 2009
Value for Money and Efficiency Strategy	Reviewed May 2009
Gloucester City Homes Business Plan 2009-2014	Summer 2009
Asset Management Strategy	Reviewed Sept 2008
Equalities Scheme	Reviewed Jan 2009
Financial Inclusion Strategy	2008

7. Delivering the strategy

To achieve our aims we must introduce and maintain a focussed drive for efficiency savings through procurement. GCH must ensure that it uses procurement as a tool to lever improved services which are delivered in an efficient way to meet outcomes for tenants and leaseholders in the City. The strategy will seek to achieve "Green" solutions wherever possible, particularly in recycling of materials as we deliver the Decent Homes programme.

We recognise that greater emphasis on collaboration with other partners is required and we also intend to create local employment opportunities wherever possible in

our role to create sustainable communities.

We also intend to maintain our commitment to promoting sustainability and diversity through procurement.

There are a number of key actions to ensure the objectives are achieved:

Objective 1: Continually deliver value for money services.

Action for 2009-2010:

Action	Responsibility	Core Value and KLOE	Target Date
Implement the findings of the Best Value Reviews of Income Collection, Human Resources & Exchequer Services	Director of Resources	Quality KLOE 32 VFM	30-09-2009
<p>Outcome: High quality, easily accessed, customer-driven services leading to improved satisfaction with resident involvement at the heart of what we do</p> <p>Outcome: Developing modern effective and efficient services with sound financial management</p>			
Action	Responsibility	Core Value and KLOE	Target Date
Procure repairs & voids contract	Director of Services/EMT	Quality KLOE 4 Asset Mgt and Stock Invest' KLOE 32 VFM	1 st July 2009
<p>Outcome: High quality, easily accessed, customer-driven services leading to improved satisfaction with resident involvement at the heart of what we do</p> <p>Outcome: Developing modern effective and efficient services with sound financial management</p>			
Action	Responsibility	Core Value and KLOE	Target Date
Use VFM as the primary criteria when awarding contracts	All responsible managers	Quality KLOE 32 VFM	Continuous Review
<p>Outcome: Developing modern effective and efficient services with sound financial management</p>			
Action	Responsibility	Core Value and KLOE	Target Date

Develop and enhance e-procurement for all routine, low-risk purchases	Director of Resources	Quality KLOE 32 VFM	01-10-2009
Outcome: Developing modern effective and efficient services with sound financial management			

Objective 2: Promote sustainable and diverse local economy

Action for 2009-2010:

Action	Responsibility	Core Value and KLOE	Target Date
Adopt and develop a common standard for equality and procedure guidance on building equality considerations into the procurement process.	Human Resource Manager	KLOE 31 Diversity KLOE 32 VFM	30-04-2009
Outcome: High quality, easily accessed, customer-driven services leading to improved satisfaction with resident involvement at the heart of what we do			
Action	Responsibility	Core Value and KLOE	Target Date
Adopt and develop a common standard for environmental improvements, health and safety and protect our tenants. For example Criminal Bureau Checks	Human Resources Manager	KLOE 31 Diversity KLOE 32 VFM	30-04-2009
Outcome: Services which have integrity in the eyes of our customers			
Action	Responsibility	Core Value and KLOE	Target Date
Influence procurement policies by encouraging contractors to use local suppliers or sub-contractors, and to employ people from specific target groups.	Director of Services	KLOE 31 Diversity KLOE 4 Asset Mgt and Stock Invest' KLOE 32 VFM	Continuous Review
Outcome: High quality, easily accessed, customer-driven services leading to improved satisfaction with resident involvement at the heart of what we do			
Action	Responsibility	Core Value and KLOE	Target Date

Maintain and review our Procurement Policy to ensure sustainability is considered in all major procurement exercises.	Director Services/ Director of Resources	KLOE 31 Diversity KLOE 4 Asset Mgt and Stock Invest' KLOE 32 VFM	Continuous Review
Outcome: Developing modern effective and efficient services with sound financial management			

Objective 3: Promote opportunities for the local economy

Action	Responsibility	Core Value and KLOE	Target Date
Provide information about forthcoming company business on the GCH website.	Director of Resources and Marketing and Communications Manager	KLOE 30 Access and Customer care	Continuous Review
Outcome: High quality, easily accessed, customer-driven services leading to improved satisfaction with resident involvement at the heart of what we do			
Action	Responsibility	Core Value and KLOE	Target Date
Provide advice and guidance on how to do business with GCH	Director of Resources and Marketing and Communications Manager	KLOE 30 Access and Customer care	Continuous Review
Outcome: High quality, easily accessed, customer-driven services leading to improved satisfaction with resident involvement at the heart of what we do			
Action	Responsibility	Core Value and KLOE	Target Date
Shape contractor packages both in relation to the nature of the goods or services being procured and in relation to the potential for clear and transparent community benefits.	All responsible managers	KLOE 30 Access and Customer care	Continuous Review

Outcome: Developing modern effective and efficient services with sound financial management			
Action	Responsibility	Core Value and KLOE	Target Date
Adopt a standard approach to contract conditions and tender pre-qualification across the County to make tendering easier for suppliers.	Director of Services	KLOE 4 Asset Mgt and Stock Invest' KLOE 32 VFM	Continuous Review
Outcome: Developing modern effective and efficient services with sound financial management			

Objective 4: Provide structured training and support

Action	Responsibility	Core Value and KLOE	Target Date
Review the Contract Procedure rules annually to ensure they remain relevant and are complied with.	Director of Resources	KLOE 32 VFM	Annual Review
Outcome: Developing modern effective and efficient services with sound financial management			
Action	Responsibility	Core Value and KLOE	Target Date
Include procurement within the Internal Audit programme, identifying areas of strength as well as those requiring future support. This means Audit will assess each service's compliance with this strategy as part of their annual audit programme.	Director of Resources	KLOE 30 Access and Customer care KLOE 32 VFM	Annual Review
Outcome: Developing modern effective and efficient services with sound financial management			
Action	Responsibility	Core Value and KLOE	Target Date

Develop a structured approach to training staff involved in procurement at both management and operational levels.	Director of Resources Human Resource Manager	KLOE 32 VFM	Part of annual training programme
Outcome: High quality, easily accessed, customer-driven services leading to improved satisfaction with resident involvement at the heart of what we do			

Action	Responsibility	Core Value and KLOE	Target Date
Develop a programme of training for staff involved in contract management and administration, including relationship management and managing complex contracts.	Human Resource Manager	KLOE 32 VFM	Part of annual training programme

Outcome: High quality, easily accessed, customer-driven services leading to improved satisfaction with resident involvement at the heart of what we do

Action	Responsibility	Core Value and KLOE	Target Date
Provide and maintain a procurement manual, which brings together policies, procedures and good practice advice	Director of Resources	KLOE 32 VFM	Part of annual training programme

Outcome: Developing modern effective and efficient services with sound financial management

Action	Responsibility	Core Value and KLOE	Target Date
--------	----------------	---------------------	-------------



<p>Establish a system of health checking specified areas of a service's procurement activity. This will focus on high risk or high value activity.</p>	<p>Director of Resources Internal Audit External Audit</p>	<p>KLOE 32 VFM</p>	<p>Continuous Review</p>
<p>Outcome: Developing modern effective and efficient services with sound financial management</p>			

What Does the Strategy Mean For Customers?

Revised Financial Regulations and Contract Standing Orders will ensure individual service areas:

1. Demonstrate improved Value for Money
2. Services procured with integrity and transparency
3. Efficient services procured in accordance with best practices
4. Continue to be responsible for procurement activity in their areas.
5. Project manage major procurement initiatives through Prince 2 to ensure effective Project Management methodology
6. Provide monitoring information on the outcome of procurement exercises and contract performance, and also provide information on anticipated future procurement activity. Customers can be assured of controlled outcomes.

Procurement Achievements - 2007 to 2009

- Appointed VFM & Procurement Manager – November 2007
- Achieved Efficiency Savings of £1.1m in 2007 – 2008 through using modern procurement methods on Decent Homes contracts
- Asset Management Strategy approved by Board in September 2008
- Achieved cash savings of £58,000 during 2008 – 2009 through low level office procurement co-ordinated by the VFM & Procurement Manager.
- Procured Decent Homes Partners for 2007-2008 under a strategic partnering framework under a PPC 2000 Partnering Contract
- Procured a city wide internal and external painting contract reducing the rolling programme of works from 7 years to 5 years.
- Become a partner under a County wide energy procurement consortium saving £27,700
- GCH has joined the Procurement for Housing consortium and will now use B&Q decorating scheme voucher systems from the 1st May 2007
- GCH has taken part in a South West reverse auction for the supply of stationery, paper and computer consumables with savings of 65% being achieved
- GCH has procured new ICT solution – Orchard Archouse Plus for a 5 year contract. The system has been partially implemented with complete implementation expected during the summer of 2009.