

NHF Smaller HA Conference

Creating the critical mass for a strategic maintenance procurement

30th September 2021

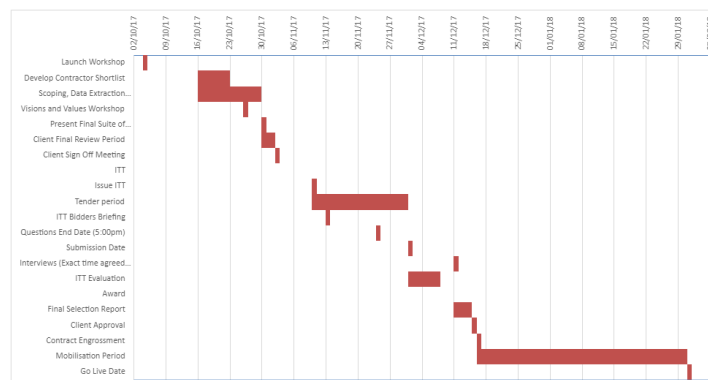


Introduction

- Background
- Emergency Procurement
- Scoping Process
- Procurement Process
- Benefits of Joint Procurement
- Considerations?
- Contact Details



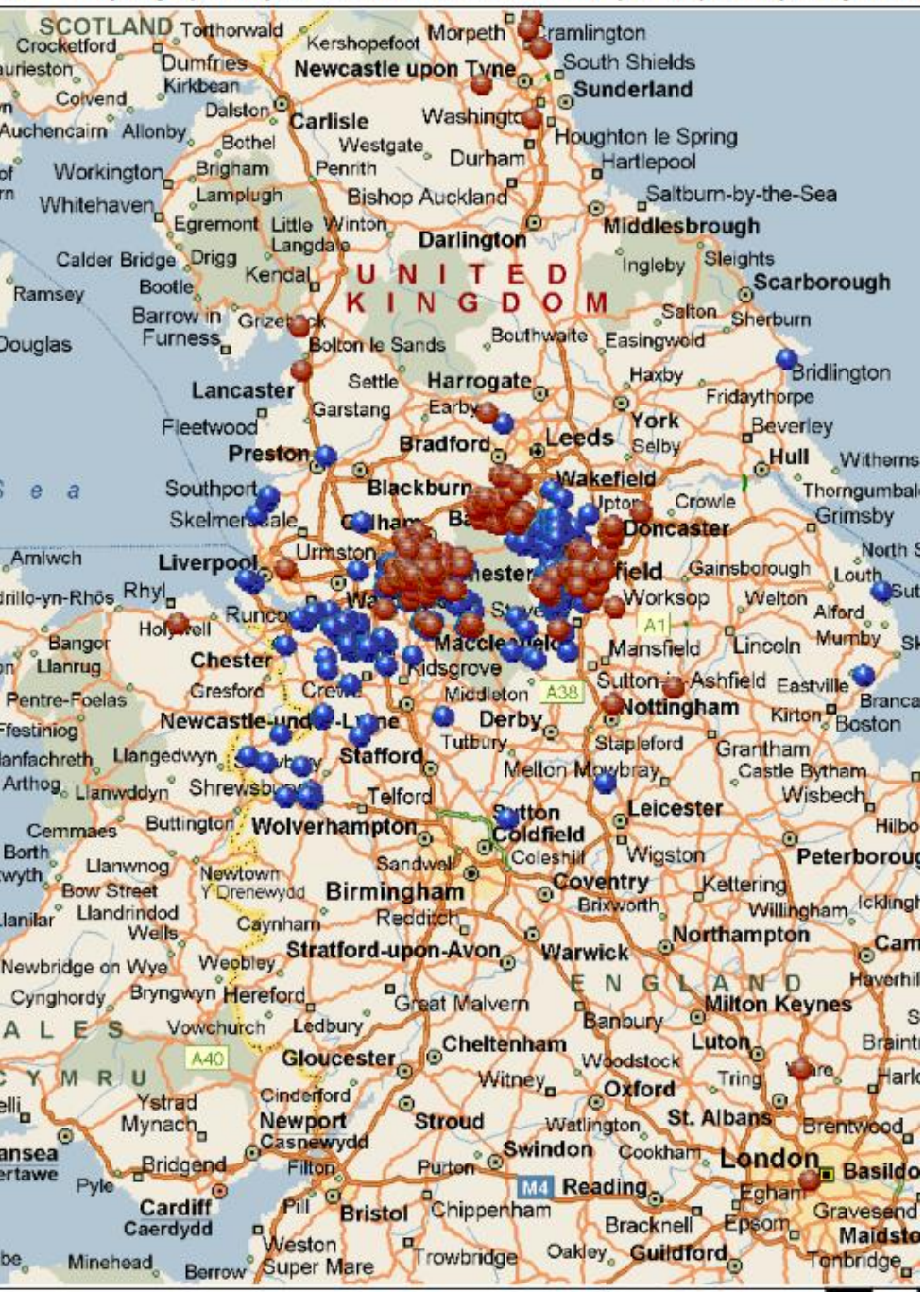
Background



The estimated year contract budget (excluding VAT) is set out in the table below:

	Repairs	Voids
Equity	£700,000	£300,000
Johnnie Johnson	£783,000	£317,000
Total	£1,483,000	£617,000

- Both Equity Housing Group (EHG – now Great Places) and Johnnie Johnson Housing (JJH) in contract with Forrest
- Forrest in financial trouble and issue notices
- Forrest enter administration
- Echelon engaged jointly by both parties (already working with EHG)
- Emergency procurement to ensure service delivery
- Echelon appointed 4th October 2016
- Emergency procurement undertaken over 9 weeks
- Kier appointed 1-year contract commencing 31st January 2018



Emergency Procurement

- Initial emergency procurement fairly basic (Hybrid SOR)
- Benefit of economies of scale
- JJH 4860 units, EHG 3140 units
- Complimenting geography
- “Sticking plaster” leading to full procurement



Full Procurement Scoping

- **Project Group** - a joint team of key stakeholders formed a project group to work alongside echelon at all stages
- **Joint Scoping** – series of event with stakeholders from both organisations, including “Hearts and Minds” where 40 objectives identified
- **Scope** – initially repairs and voids with flexibility to add in additional workstreams
- **Simplification of Commercial Model** – development of a bespoke Price Per Property/Price Per Void model with jointly developed inclusions/exclusions
- **TPC 2005 Contract** – Trowers & Hamlins worked with echelon/EHG/JJH to develop **single** contract (specific clauses if either party exits)
- **Contract Term** – 10-Year contract (with break clauses)
- **Value** – potential total value of £110m over 10-year period



“Full” Procurement Process



No.	Service Improvement	Total Dots
1	High level of first time fix and stayed fix	10
2	Must keep to appointments	10
3	Excellent communication	5
4	Value for money	5
5	Excellent customer satisfaction	4
6	I.T Integration	3
7	Skilled work force	2
8	Robust self-service	2
9	Flexibility by tenure	2
10	Innovation in general	2

- Contract Notice placed 25th July 2018
- Competitive Dialogue process selected
- Bidders day held at SQ Stage to engage providers (attended by 11 Different organisations)
- Seven bidders returned SQs
- Three provides ISDS returns and entered dialogue
- Dialogue comprises 5 x 2-hour themed sessions with each bidder and final 1-hour session with leadership teams to sign-off
- ISFT issued 7th December 2018
- Contract awarded to Fortem 19th March 2019
- Contract commenced on 17th June 2019

Benefits of Joint Procurement

- **Split Costs** – saved each party circa £25k in procurement costs
- **Stock size** – individually unattractive and difficult to deliver
- **Commerciality** – ability to develop PPP model (unlikely with smaller contracts)
- **Culture** – aligned cultures between EHG and JJH
- **Social Value** – ability to enhance Social Value provision
- **Holistic Approach** – development of an integrated approach to whole asset
- Integrated IT -

**TWO ARE BETTER
THAN ONE IF TWO ACT
AS ONE**



Considerations?

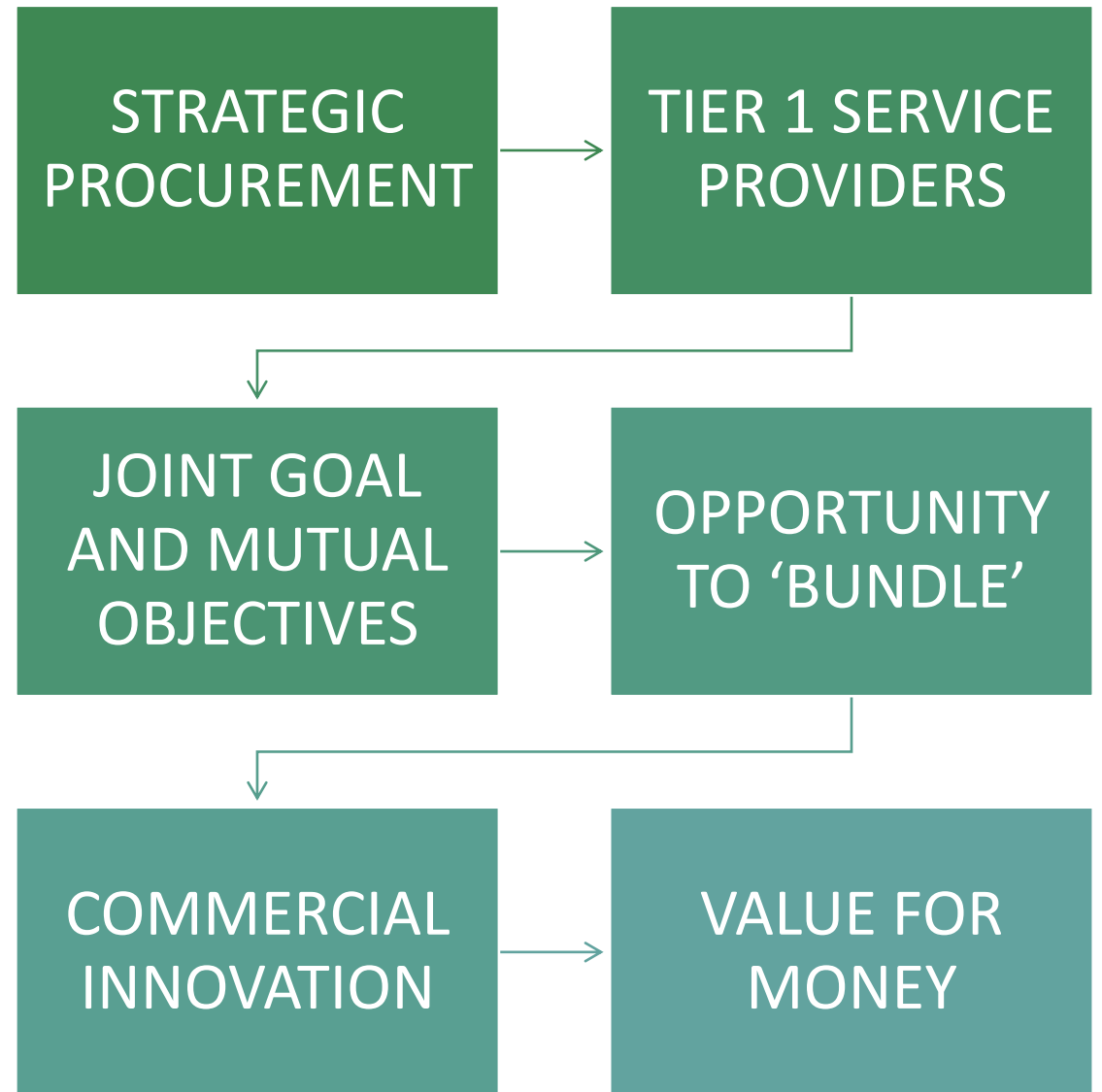
- Question why there isn't more joint procurement?
- Flexibility is key
- Too many blockages "it can't be done"
- Use of CD to drive outcome and "tune" offer
- Massive opportunity to drive economies of scale
- More flexibility in procurement in new Regs?



BENEFITS OF CREATING CRITICAL MASS



BENEFITS OF CREATING CRITICAL MASS





Fortem Digital Customer Journey



STEP 1



OR



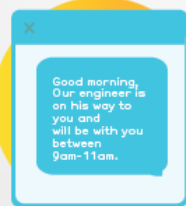
STEP 2

REMOTE
ASSISTANCE
(DIAGNOSTICS)



STEP 3

TEXT MESSAGE
UPDATES



STEP 4

ON MY WAY



STEP 5

MICROSOFT
TEAMS
(OPERATIVE SUPPORT)



STEP 6

REFER IT
PROPERTY CONDITION
AND SAFEGUARDING



STEP 7

CUSTOMER
SATISFACTION



RAISING

HELPING

UPDATING

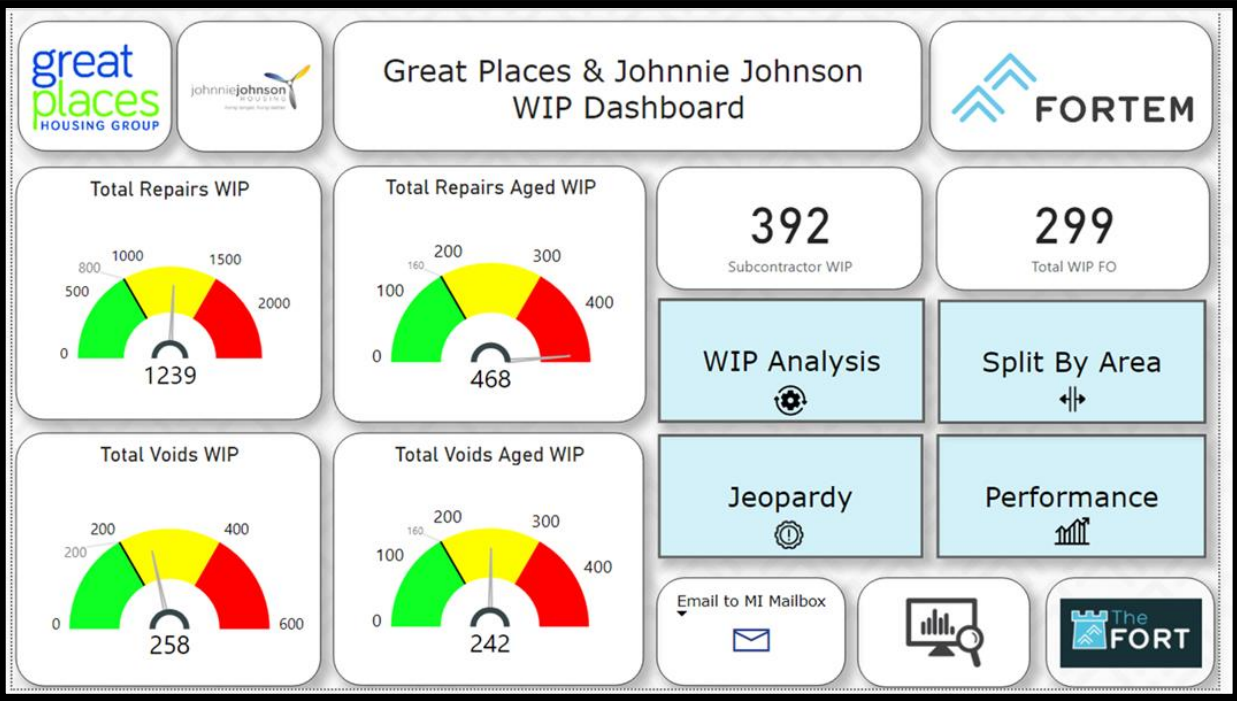
TRACKING

SUPPORTING

SAFEGUARDING

SATISFACTION

INFORMATION



Repairs Activities

Top 20 Activities (all raised)

Order Activity	Trade Code	Activity Count Last Rolling Year
COST PER PROPERTY - PLUMBING	PLU	11415
COST PER PROPERTY - ELECTRICAL	ELE	8568
COST PER PROPERTY - CARPENTRY&JOINER	CAR	7750
COST PER PROPERTY - ROOFING	ROO	2909
COST PER PROPERTY - PLASTERWORK&OTHER FINISHES	PLA	1659
TAP:OVERHAUL ANY TYPE OF TAP DISMANTLE AND RENEW ANY PARTS RESEATING REPACKING G	PLU	1239
COST PER PROPERTY - DRAINAGE	SP	1127
COST PER PROPERTY - GROUNDWORKS	BRK	880
LAMP:TAKE OFF CLEAR AWAY&RENEW 28 WATT 2D LAMP TO BULKHEAD FITTING INC	ELE	621
COST PER PROPERTY - WALL&FLOOR TILEAND SHEET FINISHES	PLA	547

Top 20 Activities (emergencies)

Order Activity	Trade Code	Activity Count Last Rolling Year
COST PER PROPERTY - PLUMBING	PLU	3918
COST PER PROPERTY - ELECTRICAL	ELE	3122
COST PER PROPERTY - CARPENTRY&JOINER	CAR	1873
COST PER PROPERTY - DRAINAGE	SP	811
COST PER PROPERTY - ROOFING	ROO	568
OPENING:BOARD UP WINDOW OR DOOR WITH 12MM STERLING OR PLYWOOD BOARD OR BLOCKBOAR	CAR	267
DRAIN:CLEAR BLOCKED DRAIN RUN BY PRESSURE JET REMOVE&REFIX MANHOLE COVERS AN	SP	237
CLIENT INSPECTION:UNDERTAKE CLIENT INSPECTION&TESTING ETC&REPORT TO CR	ELE	193

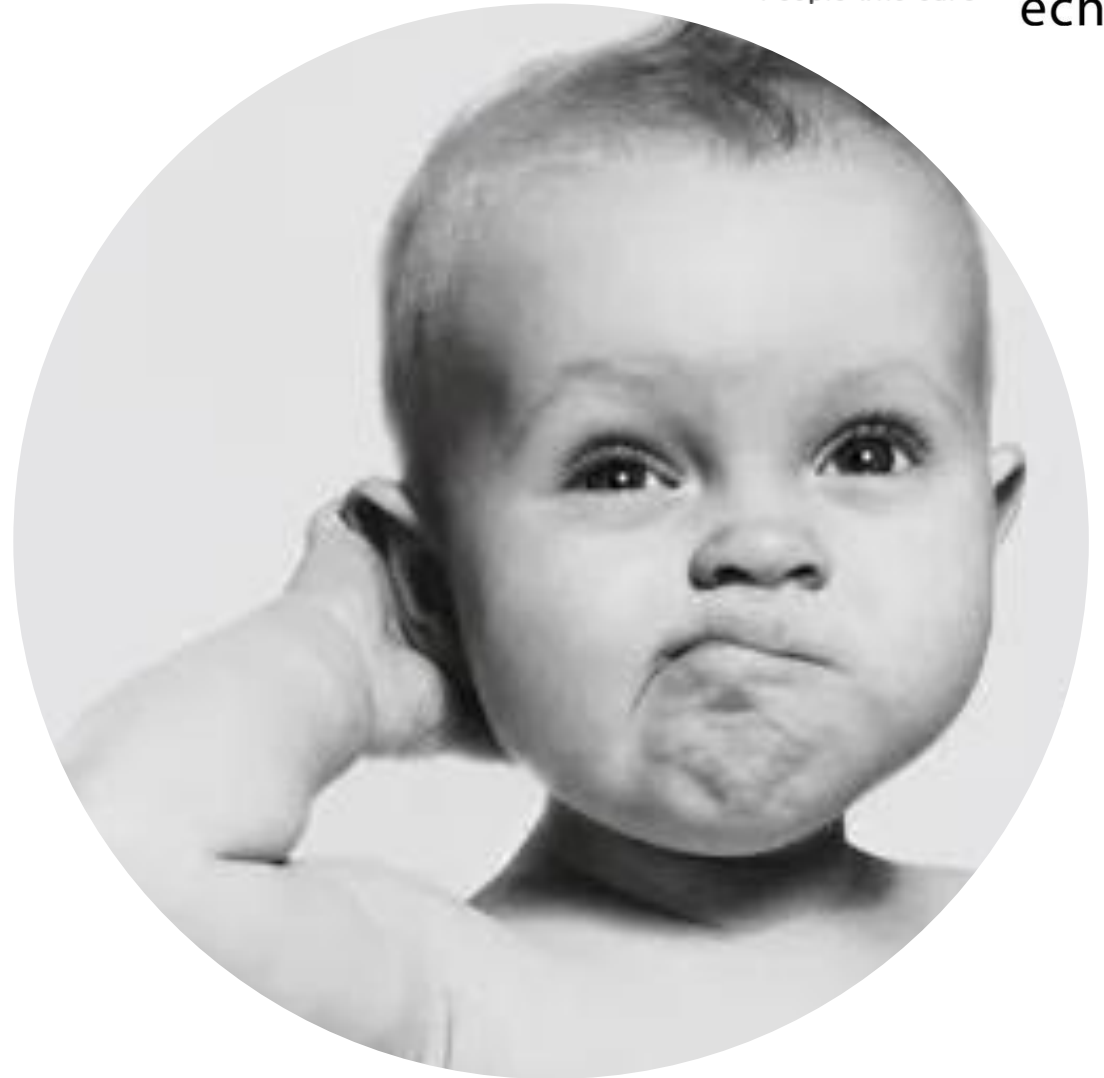
SUPPORT



ADDED VALUE



Questions?



Contact Details



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