

2013 PPC/TPC AWARDS SUBMISSION

1.0 Introduction

- 1.1 This is a joint submission from Origin Housing, Gilmartins and echelon Consultancy.
- 1.2 The project that we are putting forward is for the **Origin Housing Repairs and Voids Contract** that was awarded to Gilmartins in late 2012 and utilises a bespoke form of TPC2005 Term Partnering Contract (amended 2008) for an initial period of 5 years with options for Origin to extend the term for a period of up to a further 5 years, subject to satisfactory performance by the Service Provider against agreed Key Performance Indicators. The contract has now been running for almost a year and has been highly successful to date.
- 1.3 The value of the contract is circa £3m per annum for repairs and voids, there is an option to add up to a further £5m per annum from the third year of the contract based on performance. Therefore, the potential overall value of the contract is £70million.
- 1.4 We have provided an overview of each of the four key stages of the process to date (scoping, procurement, mobilisation and delivery).
- 1.5 Throughout the process there has been a dedicated Project Group, consisting Origin, echelon and Trowers' representatives and Residents that have been involved in key decision making at all stages.
- 1.6 The key reasons we believe this process should be considered for an award are as follows:
- Procurement process that has delivered all clients' objectives (to time and budget)
 - High levels of stakeholder engagement at all stages of the process and beyond
 - Flexibility within the procurement model to add scope and services
 - Use of TPC2005 Contract for development of wholly owned subsidiary
 - Use of 'lean' Competitive Dialogue process to drive the service model
 - Development of Price per Property model driven by dialogue
 - Mobilisation process
 - Contract is successfully delivering its objectives
- 1.7 The stakeholders to the project selected the Term Partnering TPC2005 amended 2008 (the **Contract**) as we felt it would deliver the following:
- establish a positive relationship of mutual trust and a full understanding of the aims, objectives and requirements of Origin and its customers, addresses the reasonable expectations of the Service Provider and Specialist Sub-Contractors and Suppliers;

- achieve innovation, greater efficiency and reduced waste by means of collaborative working;
- attract Service Provider and Specialist Subcontractors/Supplier investment and commitment to longer term relationships;
- achieve measurable continuous improvement of all team members demonstrated by reference to agreed KPIs;
- resolve problems and avoid disputes by partnered processes using transparent and co-operative exchange of information, an 'Early Warning System', Core Group review and a 'Problem Solving Hierarchy'; and
- achieve Origin's stated visions, values, aims and objectives in relation to the Programme.

2.0 Scoping

- 2.1 Origin appointed Trowers and Hamlin as their legal advisers and echelon Consultancy as their procurement advisers in July 2011 to assist in the re-procurement of the repairs and voids service.
- 2.2 The first piece of work was to review how the service was currently being delivered and to identify the needs and aspirations of all stakeholders to the contract going forward.
- 2.3 The scoping involved the following outputs:
- **Benchmarking service** – we undertook a detailed analysis of the current levels of service and the cost of delivering this service to Origin
 - **Resident Engagement** – a series of workshops were held with Residents (as the end users of the service) to identify the strengths and weaknesses with the current service provision and captured their aspirations for the service going forward
 - **Internal Stakeholder Workshop** – a workshop was held with representatives from all the internal stakeholder groups (asset management, finance, housing, IT, etc.) to identify the strengths and weaknesses with the current service provision and noted their aspirations for the service going forward
 - **Delivery models** – the various events reviewed the options open in relation to commercial models (such as Price per Property and JV's/subsidiaries) for consideration.
- 2.4 On completion of these initial scoping events a detailed improvement action plan was developed that captured all the service improvements identified with a detailed process of how they would be delivered through the procurement exercise. In all, 47 specific improvements were identified and **all** have been delivered through the procurement process.

Picture 1 – Origin Workshop



2.5 The final output of the scoping stage was a procurement options report that set out the options to Origin detailing various options open them to deliver their aspirations. The report made the following key recommendations:

- Use of TPC2005 Contract – this was felt to be the best contract to deliver the identified objectives
- Consideration of wholly owned subsidiary model – the option for Origin to convert the delivery to a WoS after the first year using the WoS model developed by Trowers and Hamlin
- Hybrid cost model – use of a hybrid model to move away from traditional schedule of rates
- Use of Competitive Dialogue process – given the level of change proposed within the procurement exercise it was felt that CD would deliver the best opportunity to develop a bespoke solution for Origin.

2.6 The report was presented to the Board of Origin Housing and unanimously approved.

Picture 2 – Strengths & Weaknesses

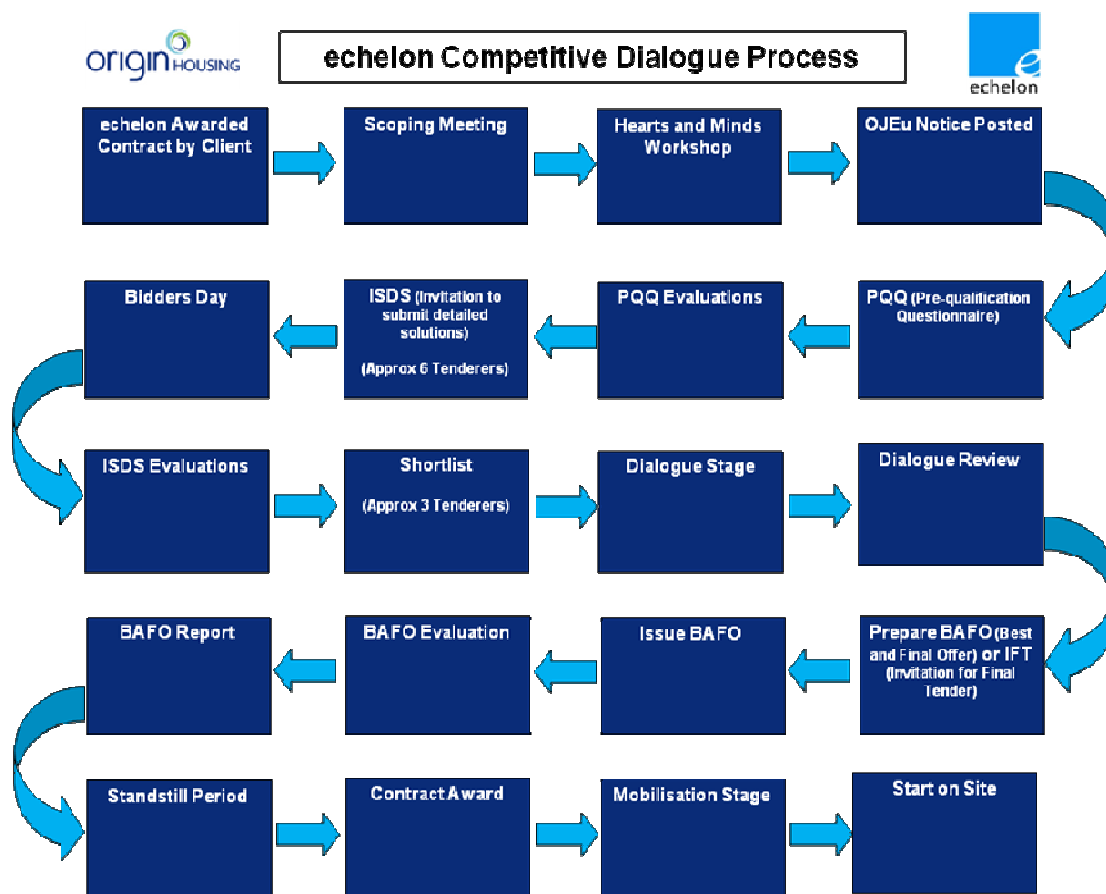
✓	✗
CALLS TO ORIGIN	NO COMMUNICATION BETWEEN INTERNAL DEPARTMENTS
CALLS GO THROUGH SCHEME (ELDERBURY) MANAGER	NO KNOWLEDGE OF BLOCKS – LOCAL
FRIENDLY + POLITE STAFF (O)	DON'T PHONE AHEAD
ALL WEAR ID / BADGE UNIFORM / VANS	DON'T ALWAYS TIE UP LINDA THEN SAY THEY WILL
JOINT BEANED	VANS NOT BEANED
FLEXIBLE APTS – SCHOOL RUN	NO DUST SHEETS
AM / PM APT SLOTS	NOT GOT EIGHT MATERIALS FOR THE JOB
WEEKEND APTS	DON'T DOE RIGHT 1ST TIME
DUST SHEETS USED SOMETIMES	NOT ALWAYS EXPERIENCED OPERATIVES
NO SUE OVERSHOES	DEPENDS ON THE PERSON
POLITE	VOIDS – STRESS & SHAM – NOisy
GOOD CODE OF CONDUCT	USE RADIOS
EMERGENCY RESPONSE	SUB CONTRACTORS – NOT STICKING TO SCHEDULE ALL COMMUNAL WORKING – NOT SCHEDULE HAS SUB CONTRACTORS
TIME – EXCEED EXPECTATIONS	
TRACKS ON VANS	
GOOD IT – USE VOIDS RESOURCE FOR	
NOT COMFORTABLE IT INTERFACE	
GOOD RESOURCES	

Picture 3 - Aspirations

ASPIRATIONS	
1.	BEANED VAN
2.	12 HOUR TIME SLOT APPOINTMENT
3.	CALL AHEAD
4.	RIGHT 1ST TIME FIX
5.	BETTER COMMUNICATION
6.	LANDLORD TO MANAGE CONTRACTORS PROJECT
7.	DEDICATED TEAM TO DO THEIR JOBS
8.	BETTER DIAGNOSTIC
9.	KNOWLEDGEABLE STAFF AT FIRST POINT OF CONTACT
10.	CONTINUITY OF STAFF (ORIGIN)

3.0 Procurement

- 3.1 Following the approval of the Board to utilise a Competitive Dialogue process the following procurement structure was adopted for the project:



- 3.2 The OJEU Notice was placed for the contract in September 2011 and 6 bidders were selected to submit an initial detailed solution (ISDS) for how they would deliver the service.
- 3.3 The key elements within the initial ISDS were devised to draw out the objectives for Origin in the delivery of the service and to ascertain how bidders would be able to develop a service that would fully meet these requirements. Bidders were asked to provide 11 proposals as follows:

Proposal 1 – Delivery of Repairs and Voids
Proposal 2 – Resident Involvement
Proposal 3 – Information Services
Proposal 4 - Partnering Contract and Wholly Owned Subsidiary
- Part 1 - Partnering Contract
- Part 2 - Wholly Owned Subsidiary

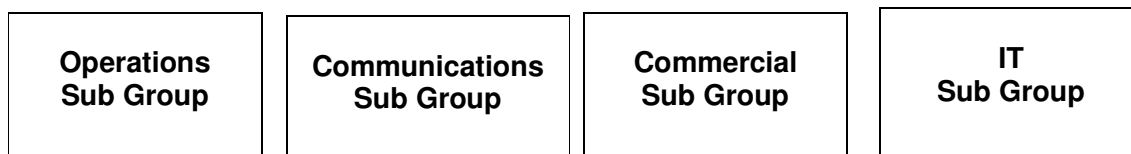
Proposal 5 – Cost Control and Price Framework
Proposal 6 – People and Leadership
Proposal 7 – Planned Works
Proposal 8 – Health and Safety
Proposal 9 – Contract Documents
Proposal 10 – KPI Statement of Acceptance
Proposal 11 - TUPE

- 3.4 Evaluation was on a 60% quality and 40% cost basis and the submitted proposals were evaluated by specific stakeholder groups (including Residents) with responsibility for the area of the service covered in the proposal. Following this process 3 bidders were selected to enter the Competitive Dialogue (CD) stage.
- 3.5 Origin were wary of the use of CD as its reputation was that it could be long-winded and expensive without adding any true value. Prior to the commencement of the process the group developed a 'lean' approach to CD that focussed just on the key elements of the service in short, sharp focussed sessions of two hours each. In all 8 sessions were held with each bidder (a total commitment of only 16 hours per bidder) and it was felt these sessions delivered real value by just focussing on the key issues.
- 3.6 As a result of the CD process numerous changes were made to the service delivery model, including the following:
- **Introduction of Price per Property** – introduction of a fixed Price per Property model
 - **Reconfiguration of call centre** – resource scheduled from Service Provider within Origin call centre
 - **Co-location** – agreement that the service will co-locate
 - **WoS** – amendments to model and agreement that Origin can migrate to this model in year 2
- 3.7 Once these changes had been made the 3 bidders were requested to submit a 'Best and Final Offer' and these submissions were scored by the same panels as the ISDS. Site evaluation visits were also undertaken at this stage. Following this process Gilmartins were awarded the contract in June 2012.

4.0 Mobilisation

- 4.1 An initial mobilisation workshop was held on the 2nd July 2012 that acted as the lead event for the development of the Partnership between the two organisations that was facilitated by echelon.
- 4.2 The structure for the mobilisation process was as follows:

**Strategic Core Group
Implementation & Ongoing Contract Management**



4.3 As well as focussing on delivering the contract operationally there were several specific joint training sessions with all staff, residents and Gilmartins staff prior to the service going live, including the following:

- Contract training
- Strategic Core Group
- PP/PPV Operation
- Process Mapping

5.0 Delivery

5.1 The contract commenced on 1st October 2012 and as such is nearing its first anniversary.

5.2 To date the Core Group has met 11 times in all and has ensured a close working relationship between both parties and has contributed to the ongoing successful delivery of the contract.

5.3 The contract operates very effectively and some of the successes are highlighted below:

- Tenant Satisfaction of 90% as at July 2013
- 86% of all repairs completed on first visit
- 100% of emergency calls completed on time
- Average end-to-end time of all repairs of 9.2 days
- 97.1% of appointments kept
- Average void turnaround time of 7.5 days and all voids handed back defect free
- Complaints are less than 0.3% by volume against repairs raised and all have been resolved at initial stage
- Reduction in ratio of emergency to routine repairs through proactive approach
- High levels of integration, including integrated contact centre and shared premises.

5.4 Another key success has been the development of the 'Every Repair has an Owner' initiative introduced on the contract. Historically, there were issues with communal repairs as it was not always clear who had reported them and consequently who to seek sign-off from on completion. In the new system all repairs must have a designated owner that is responsible for the sign-off and this has led to a huge increase in satisfaction on communal repairs.

- 5.5 The Partnership have agreed a new co-located repairs service centre as part of Origin's new development scheme in Enfield, North London which will go live in November 2013, where Origin and Gilmartins staff will operate together to provide an end to end repairs centre of excellence for Origin's residents. In preparation for this Gilmartin staff have been based in Origin's existing contact centre since April 2013 and now handle all incoming repairs calls from residents.
- 5.6 The first year of the contract has identified several issues but these have been dealt with in a spirit of collaboration whilst maintaining the integrity of the client & contractor positions. For example, the method of measuring customer satisfaction was thought to be flawed by the contractor and a way forward was agreed that used the problem solving hierarchy within the contract so that each partner was satisfied that the reported performance was a true and fair reflection of the service being delivered by Gilmartins.

6.0 Future

- 6.1 Origin is currently reviewing whether the wholly owned subsidiary model may be adopted from year 3 or 4 through the establishing of a wholly owned subsidiary to provide labour for the Term Programme.
- 6.2 If the Subsidiary Model is agreed and adopted by Origin and Gilmartins, all Gilmartin's employees and operatives would transfer their employment to the Subsidiary, who would become their legal employer. As this employment transfer would be subject to the TUPE and pensions regulations, any Gilmartin employees transferring their employment to the Subsidiary would be likely to retain their current terms and conditions of employment and their existing pension's rights.
- 6.3 Under this model, the existing Contract would continue and Gilmartins would continue to warrant the performance of the Term Programme. Gilmartins will be incentivised to use the Subsidiary employees to deliver the Term Programme, and responsible for the day-to-day management of the Subsidiary employees.
- 6.4 Origin, Gilmartins and the Subsidiary would also enter into a separate form of TPC2005 Term Partnering Contract (which was provided as part of the procurement process and discussed during the CD process) under which the Subsidiary would agree to supply sufficient labour force to Origin to deliver the Term Programme, and Gilmartins would agree to manage the Subsidiary employees.