



To: Executive Councillor for Housing: Cllr
Catherine Smart
Report by: Liz Bisset Director of Community Services
Relevant scrutiny Community Services Scrutiny 15.03.09
committee: Committee
Wards affected: All

Housing Procurement Strategy

Key Decision

1. Executive summary

- 1.1 This paper outlines a new procurement strategy for the maintenance and improvement of the Council's housing stock for the next three years. Suggested areas of work to be considered during the life of the strategy are outlined, together with abstracts from governmental procurement guidance provided by the Office of Government Commerce (OGC), the Improvement and Development Agency for Local Government (IDeA) and others. Recommendations are made for a future procurement approach to be adopted for each area highlighted.
- 1.2 A number of procurement options are available for the Council in order to be able to demonstrate value for money and rigour in its selection of preferred service providers and also when assessing the value for money of current in house service provision. Procurement options range from soft market testing to, ultimately, outsourcing and/or prime contracting. Benchmarking although now widely employed within current practice, (but not for all service areas) is now considered insufficient on its own to determine how the demands of an increasingly challenging operating environment may be met.

- 1.3 Many of the service areas referred to here are currently provided in house, by City Services. They are considered strong, providing good value for money along with high levels of customer satisfaction.
- 1.4 The performance of both City Services and Apollo, in relation to Decent Homes, has been excellent. However some aspects of service provision are less strong and require significant improvement if they are to demonstrate performance in line with current best practice elsewhere, for example, response repairs.
- 1.5 The strategy detailed is intended to complement the corporate procurement strategy, the Council's Medium Term Objectives and, in particular, the Council's sustainability aspirations.

2. Recommendations

The Executive Councillor is Recommended to:

- 2.1 Approve a dual approach to the future procurement of the Housing Department's repair and maintenance works. Soft market testing is recommended for services for which future annual budget allocations are likely to be relatively stable. Hard Market testing is recommended for services for which future annual budget allocations may fluctuate over the medium term, or where more specialist services may be involved.
- 2.2 **Approach 1 – That soft market testing exercises be undertaken in respect of the following services:**
 - Response repairs
 - Voids maintenance – revenue repairs
 - Cyclical redecoration and associated external minor repair of housing properties
 - Grounds maintenance within Housing Revenue Account estate
 - Building Cleaning
 - Aids and adaptations

2.3 Approach 2 – That hard market testing be undertaken in respect of the following services:

- Decent Homes works post 2010
- External landscaping works
- Hard wire testing
- Refurbishment of sheltered housing schemes (strategic partner)
- Cambridge standard works (one off schemes on case by case basis)
- Fencing
- Garage improvements
- Asbestos removal

2.4 A provisional draft action plan for implementing the above is provided in appendix B subject to approval of these recommendations.

3. Background

3.1 This document sets out the new procurement strategy for housing maintenance and improvement activity for the next three years. The document supports the Council's Corporate Plan, Corporate Procurement Strategy and Medium Term Objectives. This document provides the strategic framework within which all housing related asset management services will be procured.

3.2 The strategy is also in line with Governmental guidance and good practice as set out in section 4.

3.3 The strategy sets out how the Department will drive the procurement agenda forward and develop further long term partnering arrangements to achieve value for money in the delivery of property maintenance and investment programmes. It also sets out how procurement practice will be improved and how it will contribute to wider social objectives, better client and contractor efficiency and enhanced customer satisfaction.

3.4 The strategy also acknowledges the following statements set out in the corporate procurement strategy:

‘The Council believes that in-house service provision can provide high quality, flexible frameworks for developing and delivering services. It acknowledges, however, that internal provision is only one of a number of potential service delivery options. The Council will support in-house providers where they clearly deliver value for money and operate in the best interests of service users.’

‘The Council will expect all its service providers, whether internal or external, to respond to service development opportunities (including technology change) and to identify and demonstrate an appropriate balance between quality, value for money, good employment practice and sustainability.’

3.5 Procurement Principles

The following corporate procurement strategy principles will guide all procurement conducted within the Council. We will:

- Strive to achieve best value in all our procurement by making it more economic, efficient and effective.
- Consider all practical delivery options
- Commit to a mixed economy of suppliers to meet the needs of service users and the local economy.
- Be fair, transparent and consistent in the conduct of all of our procurement.
- Be informed by the views of service users (and non users where appropriate) in designing our procurement.
- Improve and be open to innovation when planning procurement.
- Use our procurement activities to promote the social economic and environmental wellbeing of the City where this will achieve best value for the Council.
- Identify and manage risk including those relating to the health and safety of the public and officers.
- Be effective and committed members of any partnership relationships.
- Manage contractual relationships effectively from start to the end.
- Recognise the importance of well-motivated and well-trained staff to the delivery of best value services.
- Use our procurement activities to promote equality of opportunity.

3.6 Current position

- 3.6.1 Investment in the housing stock has grown significantly since the commencement of the Decent Homes programme in 2005. The Council currently spends £21.7m per year in total on maintaining and improving its housing stock. This is set to reduce from 2011 onwards to £14.5m per year, (Revenue and Capital) following completion of the Decent Homes programme. The Council will however continue to be a major contributor to the local construction market. The Department currently delivers the full range of asset management through two main sources, the council's own City Services Department and through private sector contractors.
- 3.6.2 Current long-standing contracts have been procured in line with the National Procurement Strategy for Local Government (2003-6) and the Egan 'Rethinking Construction' agenda.
- 3.6.3 The Rethinking Construction Agenda principles were launched following the report of the Construction Task Force chaired by Sir John Egan in 1998. The 'Rethinking Construction national debate that took place in 2001 identified six guidelines:
- Traditional process of selection should be radically changed because they do not lead to best value.
 - An integrated team which includes the client should be formed before design and maintained throughout delivery
 - Contracts should lead to mutual benefit for all parties and be based on a target and whole life costing approach
 - Suppliers should be selected by Best Value and not by lowest price, this can be achieved within EU and central government procurement guidelines
 - Performance measurement should be used to underpin continuous improvement within a collaborative working process
 - Culture and process should be changed so that collaborative rather than confrontational working is achieved.
- 3.6.4 The Government had previously established milestones targets that all district councils by 2004 would have adopted an approach to partnering in construction and service delivery within its procurement processes, which this Council achieved.

3.6.5 The current primary Decent Homes contractual arrangements with Apollo and City Services run through to completion of the Decent Homes programme in 2010 and are extendable for up to another two years, should the Council so desire

3.6.6 Due to the anticipated overall decline in investment levels post 2010, extension of the existing arrangements with two major contractors and their associated overheads (particularly fixed overheads) is not considered to be an appropriate course of action due to reducing volumes of work from which to recover overhead costs from 2011 onwards. Therefore new and revised arrangements will be required post 2010 which attract lower overhead costs.

For 2008-9 Decent Homes works the anticipated full year overhead and profit cost breakdown is as follows:

	Decent Homes Turnover	Total overhead including profit	Overhead as a % of turnover
City Services	£5,024,303.00	£634,445.00	12.63%
Apollo	£3,487,698.00	£670,424.00	19.22%
	£8,512,001.00	£1,304,869.00	

As may be seen above, some £1.3m of overhead and profit costs are currently incurred on a total turnover of just over £8.5m of Decent Homes expenditure. Budgetary provision available for DH works post 2011 will vary between £4 and £4.5m p.a. for several years, which is roughly half of the current level. It follows therefore that overheads at the level being incurred with the two current providers will no longer be sustainable post 2010/11.

4.0 New drivers for change

Comprehensive Spending Review (CSR07)

4.1 'The Comprehensive Spending Review 2007 (CSR 07)¹ which covers the period 2008-9 until 2010-2011 challenges councils to 'up their game' within a tight fiscal environment'. The 2007 national budget published in March 2007, confirmed that the whole public sector, both central and local government, will be expected to achieve at least 3% per annum cash releasing efficiency gains over the CSR07 period, that is, part of the period covered by this strategy. In addition to the foregoing and perhaps more importantly for the housing service, are financial restrictions impacting on investment activity resulting from the annual determination of the Maintenance and Repair Allowance (MRA). The determination for the current year was particularly poor and has resulted in significant amendment being required to the capital plan so as to maintain a balanced budget in the medium term. In addition National Procurement guidance contains the following comments;

'In the social housing field Communities and Local Government (CLG) takes the lead in respect of facilitating the achievement of efficiency gains in social housing. This covers four areas of work, new supply, capital works, housing management and maintenance and the procurement of commodity goods,

In relation to capital works, the establishment of local housing procurement consortia across England is intended to achieve efficiencies by making available to social landlords more effective and economical arrangements for the procurement of goods and services'.

Further, the national procurement strategy document clearly states that 'from CSR07 they will need to collaborate with other councils and public sector agencies as they cannot deliver it individually'.

'Council's are expected to explore a partnership approach to service delivery with other local authorities and organisations in

¹ The National Procurement Strategy for Local Government – Final Report April 2008

the public, private and/or voluntary and community sectors. Shared services and collaboration are seen as principal options available to councils in seeking to achieve the twin objectives of improved service delivery and reduced costs across a wide range of services.'

4.2 Egan revisited

4.2.1 New 'Construction Commitments' and targets have been published by the 'Strategic Forum for Construction' 2008. These commitments are intended to provide a new impetus to the Rethinking Construction Agenda² and partnership working within the construction industry.

4.2.2 For example, Client leadership is expected to achieve 60% of client activity by value which embraces the principles of the 'Clients Commitments', these being:

- Procurement and integration
- Commitment to people
- Client leadership
- Sustainability
- Design Quality
- Health and Safety

4.2.3 The foregoing will also be at the core of a new simplified Construction Clients Charter designed to encourage higher levels of adoption of the Charter, in particular, by local authorities. Take up by L.A.s has been very low since the introduction of the original Charter.

4.3 Procurement or commissioning

4.3.1 The Local Government white paper Strong and Prosperous Communities 2006, sets out the need for local authorities to continue to move away from narrow service delivery to a commissioning role.

Procurement may be seen as the process involved in identifying and selecting a provider, which may involve, for example competitive tendering and stimulating the provider market

² Construction Commitments The Strategic Forum Targets to 2012

.Commissioning is seen as a broader and deeper process of meeting needs for whole groups of service users and/or whole populations. It provides for a whole system approach to developing improved outcomes,. policy directions, service models and delivery capability to meet needs in the most appropriate and cost effective way’.

Importantly, the CLG draft consultation for the statutory guidance on best value and commissioning contained the statement that ‘Local authorities should represent the interests of Citizens and service users when faced with under performing services and where improvement is unlikely, seek new supply arrangements’.

4.4 Corporate procurement policy context

4.4.1 Procurement is regulated by European and UK legislation and the Council’s Constitution, which includes requirements in respect of financial, contract regulations and appropriate training. These requirements are also embodied in procedures and desktop instructions designed to provide guidance to staff involved in the procurement process.

4.4.2 Community Services whilst itself undertaking procurement, acts within the corporate framework and with procedural, commercial and advisory advice and support from the Corporate function. partly acting independently of the corporate procurement function and with Legal, Finance and others so as to ensure consistency, compliance with the correct procedures, transparency and probity.

4.4.3 The Council operates a corporate project appraisal process within which proposals for major projects are considered and scrutinised in depth prior to being submitted for approval by elected members. More major projects are scrutinised by the Asset Management Group and/or the Corporate Management Team prior to submission.

4.5 Application of Procurement Principles to Specific Categories of Work.

For procurement purposes, the Department’s asset management activities can be split into two primary categories:

- a) Reactive or day to day maintenance and void repairs. (The service also includes an out of hour emergency service and helpline). These works generally have a short priority period within which to complete the works on site.
- b) Planned maintenance and improvement projects funded from both capital and revenue resources, including improvements (Decent Homes), resurfacing works, cyclical redecoration, asbestos removal, provision of aids and adaptations, grounds maintenance, building cleaning, hard wire testing and others. These works generally have a longer priority period in which to complete the works on site, and orders are raised in relation to a planned programme of work.

4.6 Reactive Maintenance

- 4.6.1 The reactive maintenance service is currently provided by the Council's City Services Department through a non legally binding 'contract' entered into in 2005 for a period of five years extendable by two years up to a total of seven years. The service provided is generally considered to be satisfactory although recent Audit Commission Inspection has indicated that performance does not meet the levels of service being generated in top performing housing organisations.

As the Audit commission inspection summary states:

'Appointments are not offered to customers for urgent repairs and performance in completing urgent and routine repairs in target times is weak in comparison to other organisations.

The cost of some service activities are not known, and value for money in some service areas cannot be robustly demonstrated, relying on benchmarking rather than, market testing or analysis'.

- 4.6.2 Service costs were benchmarked comprehensively during the life of the last procurement strategy and were found to be competitive at that time, but the service has not been subjected to formal market testing for over 10 years. Lack of market testing had previously been highlighted by a number of external scrutiny sources, including several consultants engaged for mock inspection purposes and by the Audit Commission itself during

the last inspection of the repairs service in 2003. Current feedback, however, is that the Audit Commission will no longer insist on hard market testing and it is known that in recent years there has been a significant shift back towards direct labour organisations by Registered Social Landlords.

- 4.6.3 Budget pressures now mean it will be a challenge for current reactive maintenance arrangements to demonstrate savings in the future, whilst at the same time, provide the ability to demonstrate continuous improvement in meeting resident aspirations and expected upper quartile performance levels. Key areas for improvement in any future service will, therefore, include technological advance to increase efficiency, sustainability issues, examination of service delivery patterns and proactive engagement with residents in service shaping.

4.7 Planned Maintenance and Improvement

- 4.7.1 Planned maintenance and improvement programmes are defined for this purpose as generally more extensive repairs, services or renewals that are undertaken as part of regular or short programmes of works undertaken on a planned basis, to prevent the breakdown of major elements or components or to improve dwellings to an acceptable standard.
- 4.7.2 These programmes are principally driven by the Council's investment plans and ongoing stock condition surveys which are designed to establish actual and future maintenance needs by balancing the remaining life of the dwelling fabric, services and finishes against future, legal, financial and social criteria.
- 4.7.3 For this type of work, the Department now has long term investment programme requirements identified, which will allow firm forward programmes of work to be produced and delivered in a timely manner. To make the most effective use of this approach and to deliver value for money, longer term partnering arrangements with good quality contractors have and will be pursued where this route is considered to be appropriate.
- 4.7.4 Some planned works currently undertaken by City Services i.e. works which lie outside of the Decent Homes programme and have not therefore been the subject of market testing for many years. Advice received by Housing Quality Network consultants

prior to this year's Audit Commission inspection of housing services recommend urgent consideration of the market testing of repairs, aids and adaptations, and the planned cyclical redecoration work programme.

4.7.5 It is worth highlighting that both City Services' and Apollo's performance on Decent Homes work has been excellent.

4.8 Customer Service Centre

Elements of the administration of the housing maintenance and repairs service are due to transfer to the Customer Service Centre in due course. It will be vital that the CSC is kept informed as to any procurement processes likely to impact on service delivery and that contractual arrangements are understood and managed. The service centre will therefore be involved in the contractor selection and award processes together with any handover arrangements. Detailed working processes are usually formulated in the period post contract award but prior to works actually commencing on site.

Areas scheduled for procurement/examination during the life of this strategy

Service area	Currently provided by	Suggested period	Indicative annual value	Procurement option(s)
Reactive maintenance Service post 2010	In house	3 + 2 years	£1,450,400	Soft/Hard market testing
Voids maintenance work post 2010	In house	3 + 2 years	£1,260,720	Soft/Hard market testing
Refurbishment of sheltered schemes	External contractor(s)	3 + 2 years	Equates to approximately £1m per year	Hard market testing
Decent Homes works post 2010	External contractor and In house	3 +2 years	£9.9m declining to £5.1m and thereafter from 3 rd year	Hard market testing or extension of existing arrangements for two years with negotiated reduction in overheads. Procurement will still be required during the life of the strategy should the latter option

Service area	Currently provided by	Suggested period	Indicative annual value	Procurement option(s)
				be taken.
The provision of Aids and adaptation works both major and minor within Council housing post 2010	In house	3 + 2 years	£850,000	Soft/Hard market testing
Planned cyclical redecoration works	In house	7 Years	£828,500	Soft/Hard market testing
Hard wire testing within council housing	In house via nominated sub contractor	3 + 2 years	£100,000	Soft/Hard market testing
Maintenance of housing amenity footpaths (slips trips and falls)	In house via sub contractor	3 +2 years	Inc in response maintenance budget	As per reactive maintenance
Grounds maintenance within council housing estates	In house	3 + 2 years	£228,430	Soft/Hard market testing
Cleaning of Communal areas and housing estate	In house	3 + 2 years	£220,490	Soft/Hard market testing
Other (Cambridge standard etc)	In house and external contractor	1 years	£200,000	Treat on case by case basis
Hard landscape, hardstandings footpaths external works etc	In house and external contractor	3 + 2 years	£250,000	Hard market testing
Fencing	In house and external contractor	3 +2 years	£100,000	Soft/Hard market testing
Garages	In house and external contractor	3 + 2 years	£50-£100,000	Soft/Hard market testing
Asbestos removal (Nb. Could be included in Decent Homes)	In house and external contractor	3 + 2 years	£300,000	Hard market testing

4.9 Our approach to Contractor and Supplier Selection

4.9.1 The output of this strategy will be a propensity towards the use of fewer contractors and suppliers appointed on a longer-term basis to provide flexibility of service provision. It will be essential that existing contractors are engaged at the earliest possible time in order for procurement intentions to be clearly communicated.

4.9.2 For most projects there will continue to be a two stage approach to the selection process in accordance with legislative and Council requirements.

4.9.3 At tender stage, quality criteria used for the selection process will involve an assessment of historical performance, suitability and those aspects of quality that will add value. The assessment criteria and weightings will vary between procurements but will be transparent and consistent throughout each procurement exercise.

4.10 Public sector framework agreements

4.10.1 Public sector framework agreements are vehicles established by large local authorities or established public sector buying organisations that other public sector bodies may enter into for the purposes of procurement. Procurement by this means results in fully compliant tendered arrangements with groups of contractors or suppliers for a specific purpose. A framework would normally last for four years with subscribing public sector bodies being able to 'call off' projects at any time within the four years or run a 'mini competition' to determine a particular contract with a contractor or supplier from within the framework. Cambridge City Council's Constitution makes specific provision for the application and use of framework agreements.

4.10.2 Framework agreements and public sector procurement organisations are increasingly being utilised by the Council to source suitable contracts. They provide an efficient and cost effective means of procuring contractors and suppliers and are fully compliant with public sector procurement requirements. The use of framework agreements support economies of scale being achieved and are a visible sign of local authorities and other public sector clients coming together for the purposes of procurement.

4.11 Addressing Growing Skills Shortages

4.11.1 The construction industry until very recently demonstrated strong concerns regarding the construction industry having considerable skills shortages, now relying heavily on imported skills from abroad. Although the credit crunch has currently eased this

situation, forecasts still indicate potential skill shortages in the longer term.

4.11.2 As part of the procurement process the Department will seek to support initiatives to assess future resource requirements and to find new ways of attracting new recruits into the industry. Good examples of employment practice and training can be demonstrated within current partnerships with City Service employing both male and female operatives and operating mature apprenticeships.

4.12 Sustainability

4.12.1 The Department will look for evidence of policies practice and track record relating to:

- Reduced waste to landfill (Site waste management)
- Reduced CO2 from works related activities
- Responsible sourcing of materials from sustainable sources
- Minimising energy consumption on site.
- Water

5.0 Procurement options

5.1 Soft Market Testing

There does not appear to be any single or common definition for soft market testing although the approach appears to be widely used by local authorities. The process provides a useful technique for engaging with the private sector with no contractual commitment in order to gain market intelligence and/or to inform the procurement process.

For this strategy, soft market testing is defined as obtaining market intelligence in order to allow an assessment and comparison with existing service provision to be undertaken. This assessment would then be used so as to subsequently recommend whether the service area concerned should be subjected to hard market testing or whether an improvement programme may be implemented in order to address any identified gaps highlighted during the soft marketing process.

- 5.2 Hard Market Testing
The term hard market testing refers to the formal tendering of a service and subsequent entering a binding contractual arrangement for the provision of that service.
- 5.3 Outsourcing or prime contracting
Hard market testing of a service areas or areas in which the Council retains an 'eyes and ears' client role with a contractor undertaking a much wider range of activities which could include some traditional client functions.
- 5.4 Extension of current partnered relationships to the maximum term permissible but with renegotiated overheads to reflect lower levels of activity in later years.
- 5.5 A mix of the foregoing
- 5.6 Strategic partnership(s) for major sheltered scheme refurbishment
- 5.7 Hard market testing for the refurbishment of sheltered housing contracts and appointment of single preferred provider for all remaining schemes during the life of the relationship. Alternatively market testing on a project by project basis.
- 5.8 A fundamental review of the relationship with City Services to remove the Client Contractor split in order to make efficiencies, ensure fully integrated working arrangements and joint working to eliminate perceived weaknesses in service delivery.
- 5.9 It should be noted that tendering is an expensive and labour intensive business and the appointment of a new service provider always incurs risk. TUPE would apply in the event of a service currently provided in house being outsourced and there will be exit and other costs to be considered as part of any assessment.
- 5.10 No matter which procurement options are subsequently adopted, it will be important to ensure that elected Members are informed and made aware of the implications inherent in long term partnered contractual relationships. This may be catered for by

including in the Members development programme and/or involvement of Members in the procurement process itself

6.0 Recommended approaches for the procurement of particular service areas are:

6.1 Hard market Testing.

All of the areas of work highlighted for hard market testing have traditionally been so by the Council. Often these services relate to major programmes of improvement or replacement and, as such, are subject to available investment capital and revenue resources which may fluctuate significantly over time.

6.1.2 Some areas are considered 'specialist' areas within the industry and are often sub contracted out by primary contractors (including City services). Whereas some contractors are able to provide both general and specialist services, others are not. The procurement process will seek to obtain an optimum balance between the two.

6.1.3 Ultimately the aim here is to obtain quality, flexible services, value for money and satisfied customers. Also important however, will be the ability of contracting parties to be able to respond to fluctuating demand levels over time and be able to adjust costs accordingly.

6.2 Soft market testing

This is not a soft option but does allow a measured and thorough examination of potential market offerings for comparison against current provision but is also a two stage process allowing consideration of a range of other factors, prior to any contractual commitment.

6.2.2 If, as part of the exercise, major service weaknesses, or gaps are identified then further recommendations may subsequently be made to Members for hard market testing of the services involved.

6.2.3 Conversely if gaps are relatively minor in nature, improvement plans may also be recommended together with their associated scrutiny arrangements.

6.2.4 For the Council as a whole however, there are also other important factors to be considered prior to relinquishing current in house provision. Such factors include contribution to overheads both departmental and corporate, risk management, logic and fit with Medium Term Objectives, external Council partnerships, strategic planning processes and others. A two-stage approach is therefore preferred and will allow all of these issues to be considered in consultation with other stakeholders prior to any recommendations subsequently being made.

6.2.5 Tenants and Leaseholders are now actively involved in procurement processes as a matter of course.

6.3 Performance monitoring

6.3.1 Measurement processes will be developed within all contractual relationships which contribute to jointly agreed contract objectives, National Indicators and local performance indicators. Reports will subsequently be submitted to the Housing Management Board annually following appointment of suitable contractors.

6.4 Resources

6.4.1 Project teams will be required for all procurement exercises involving representation by the Corporate procurement advisor, Finance and legal teams. Depending on how works are packaged some funding may required for external legal advice.

7. Implications

7.1 There are major exercises to be undertaken in the period covered by this Strategy. Some areas referred to are already the subject of significant operational change relating to the Customer Service Centre for example the repairs service.

- 7.2 Loss of particular areas of work could have significant implications for City Services and ongoing contribution to central overhead recovery. Other costs, for example exit costs, will need careful examination and consideration prior to any contract award
- 7.3 Additional funding may be required in due course where internal resources are unable to service the procurement process.

8. Background papers

- Housing Asset Management Strategy
- Draft Housing Repairs and Maintenance Strategy
- Audit Commission Inspection of Landlord Services report 2008
- Housing Service improvement plan
- Residents Status Survey 2008

9. Appendices

Appendix A Performance against previous strategy
Appendix B Action plan new strategy

10. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Appendix A
Performance review against existing procurement strategy 3 year targets

3 year targets	2005/6	2006/7	2007/8	Comments
Evaluate and develop work programmes for strategic or project partnering	X			Completed
Adopt a partnering strategy for all appropriate contracts		X		Completed
Complete review of role of the DLO in delivering maintenance and improvement service and agree scope and basis of work undertaken.	X			Decent Homes was market tested and City Services successfully bid. Repairs were subjected to major benchmarking exercise with successful outcome.
Develop risk based approach to selecting procurement route	X			Completed
Undertake skills and training audit of staff involved in the procurement process and providing necessary support and/or training	X			Completed and refreshed
Undertake scoping exercise of local construction market to establish indicative capability and capacity levels	X			Completed
Adopt plan to phase out the need to maintain an approved contractors list		X		Approved list has been overhauled corporately with new selection criteria established for use by all. All contracts over £10,000 are registered centrally.
Review the role of the centralised procurement		X		Corporate procurement

3 year targets	2005/6	2006/7	2007/8	Comments
function in light of approach adopted in this strategy.				overhauled and corporate procurement advisor appointed. Supplier based rationalised. Major analysis of all Council suppliers undertaken.
Develop baseline Key Performance Indicators for all work types	X			Completed
Review standing orders and Contractual Procedures	X			Completely overhauled and new constitution adopted.
Develop objective and relevant assessment criteria for contractor selection	X			Completed
Provide procurement briefing sessions for contractors, suppliers and tenants	X			Completed
Establish working group to undertake cost/benefit analysis in the potential use of or requirements for: Considerate contractors scheme Construction Skills Certificate Scheme Respect for People Investors in People		X		Both primary contractors have been awarded considerate constructors status. Apollo were a national gold medal winner for the Cambridge Contract in 2007/8
Obtain Construction Client Charter Status		X		Awarded Charter. The Charter however was subsequently allowed to lapse the following year due to resource issues, delivering major increased programmes and need for major ongoing commitment to

3 year targets	2005/6	2006/7	2007/8	Comments
				maintain Charter. Consideration is currently being given nationally to simplifying the Charter process due to the lack of take up by local authorities. We will therefore reconsider membership, if and when the process has been modified.
Set up working group to develop a strategy to respond to the construction skills shortage		X		Need did not arise. The procurement process identified adequate resources to complete the programme.
Evaluate and implement appropriate and cost effective E Procurement Processes.		X		Being undertaken corporately. Supply chain has a separate management group within partnered relationships. Major savings identified.

Appendix B
Priorities and actions for next three years 2009-12

3 year targets	2009/10	2010/11	2011/12
Explore possibility of establishing regional/sub regional framework agreement with ESPO for Hard market testing of services	X		
Ditto but for soft market testing	X		
Review selection criteria model for appointment of contractors in Cambridge			
Identify costs and bid for resources for procurement exercises where required	X		
Identify and engage resident representatives as part of project groups			
Identify appropriate consultancies working with soft market testing	X		
Establish project groups for duration of procurement process including all key stakeholders	X		
Refresh construction Client Charter Status if modified for Local Authorities			X
Consult existing service providers regarding procurement strategy and processes	X		
Complete soft market testing exercises		X	
Complete hard market testing exercises		X	
Review performance PIs for all areas of activity		X	
Ensure linkages to housing service improvement plan,	X	X	

3 year targets	2009/10	2010/11	2011/12
Repairs and maintenance strategy, Status survey are embedded in selection process and performance indicators			