

HOW TO DO BUSINESS WITH



A GUIDE FOR SUPPLIERS AND CONTRACTORS

2006

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CONTENTS

About This Guide

How Much Does the Association Spend?

The importance of effective procurement

Opportunities to supply the Association

How to find out about opportunities

Applying for inclusion on an approved list of Contractors.

Appendix 1 - Procurement Rules and Regulations

Appendix 2 - Contacts

About This Guide

This guide has been produced to assist suppliers and contractors who wish to supply the Association with goods, materials, services or works. It helps in the following ways:

- It outlines the rules that the Association must follow.
- It alerts companies to the opportunities to supply the Association.
- It explains how to bid for Association work.
- It advises of the other contacts within the Association that companies may need to make.

It also supplements the Association's standard procedures and ensures we obtain value for money.

DAMHA encourages competition and welcomes enquiries from new and established suppliers.

Contracts are awarded for their value for money and whilst the Association cannot discriminate in favour of locality, we are committed to supporting and encouraging local firms to compete for contracts.

What are the benefits of working with the Association?

We are:

- Fair
- Non-discriminatory
- Professional
- A long established organisation
- Prompt to pay

If any company is interested in pursuing business opportunities with the Association, they should respond as requested to an advertisement or contact the officer responsible for that area of business. (See contacts section – Appendix 2)

PLEASE NOTE: DAMHA do not require unsolicited mail shots. If literature is required this will be formally requested. Please think environmentally and only submit literature when formally requested.

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How Much Does the Association Spend?

Serving 1,600 homes across the North East the Association spends £1.5M per annum excluding loans interest and direct employee costs. In addition the Association has a Capital Budget of approximately £5M, which varies each year according to the resources and Government Grants available.

The Association deals with contracts of varying types from one-off purchases to contracts for services or works that will have specific period of time before coming up for renewal.

The importance of effective procurement

Effective procurement supports the Association's aims and objectives helping the Association to deliver quality services which meet its current and future needs and are based on value for money.

Opportunities to Supply the Association

The Association's services are delivered through 2 departments:

Finance & Administration
Housing & Development

Contact details are available for each group in Appendix 2 at the end of the document. Opportunities to supply the Association are available through the following Departments within the above groups.

Finance & Administration Department

Responsible for:

- Operating the Association's central purchasing policy to ensure co-ordination of buying.
- The procurement and delivery of information and communication technology supplies, services and systems.
- Annual valuation of property
- Insurances

- Loans Portfolio
- Income Management

Housing & Development Department

Responsible for:

- Providing a property management service.
- Maintaining the Association's Asset Management Plan.
- Assisting in the preparation of project briefs and budgets, commissioning, managing and monitoring construction projects and programmes and maintaining the Association's approved list of Building Contractors and Consultants.

N.B. In respect of Social Housing Grant capital funded projects, DAMHA has a partnership agreement with Nomad Housing Group Ltd. A copy of Nomads Procurement Strategy for Capital Schemes is attached as Appendix 3.

How To Find Out About Opportunities

A detailed list covering the relevant services responsible for the Association's procurement activities is provided within Appendix 2. This list is not exhaustive and may be increased or decreased from time to time without notice. No warranty is given as to present or future volumes or types of business.

Goods and services contracts and works contracts over a certain amount are advertised in the Official Journal of the European Union (OJEU). These contracts can be viewed at www.ted.europa.eu (see links below for up to date thresholds).

Works related contracts below the OJEU financial limits will generally be awarded following an Invitation to Tender from Contractors included on the Association's approved list. Details of how to apply to be considered for inclusion on an approved list are given below:

Applying For Inclusion On An Approved List of Contractors

The Association maintains a list of approved contractors for the provision of building and civil engineering works. Companies applying to be included on the approved list must complete an application form. The questions on the form are designed to give the Association sufficient information to make an assessment as to the suitability of a company for inclusion on the list. In addition to ensuring that the company can demonstrate its ability to undertake the work the Association also wishes to ensure that the company carries out its responsibilities in respect to

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health and safety and equal opportunities. Details of the different approved lists and whom to contact to obtain information are included in Appendix 2.

Tendering for contracts

Companies will either be invited to tender (where a competitive tendering procedure is being followed) or be sent either a pre-qualification questionnaire or in the case of procurement of ICT systems and solutions, a specification of requirements (SOR) prior to issuing an invitation to tender. The purpose of a pre-qualification questionnaire and SOR is to assess the potential bidder's suitability to supply the Association and ability to satisfy the contract before tenders are issued. It saves time and money being unnecessarily spent on completing tenders by a bidder.

Tender evaluation and contract award

Returned tenders will be evaluated against the pre-determined criteria as specified on the tender documentation. Evaluation will focus on examining how the tender proposals will deliver the service (quality) cost of the service (price). The balance between quality and price will depend on the particular service area. Normally the Association will award the contract on the basis of the most economically advantageous tender. All tenderers will be notified in writing of the outcome.

Procurement of Major ICT system solutions.

The Association follows different procedure for the procurement of ICT systems solutions and issues a Specification of Requirements (SOR) prior to the issue of the tender. As part of the initial response, the Association will request expressions of interest from potential suppliers who will be assessed using the criteria specified. The SOR is then issued to all suppliers included on the first shortlist with the requirement that they provide a detailed response. The response is then assessed for compliance with requirements and a second shortlist produced. Successful suppliers may then be asked to give a scripted demonstration to a number of users, allowing for a more detailed assessment of the solution they are proposing to supply. Users are asked to score the demonstrations and once these are assessed a final shortlist is produced. At this stage the users may also visit reference sites for the systems included on the final shortlist. The tender document will then be issued to all suppliers who still remain in the procurement.

Debriefing

Within the limits of commercial confidentiality, the Association will always endeavour to offer unsuccessful tenderers feedback to find out why their bid has failed. This information can be used to help with any future bids as being unsuccessful in one contract does not mean that a company will be unsuccessful in future.

Contract Performance

DAMHA has to monitor its performance as part of its duty under Best Value, and suppliers and contractors to the Association are monitored to assess their compliance with pre-defined performance criteria. Contracts have to be performed in accordance with the requirements set out in the contract documentation. Contract conditions will be strictly applied.

The Association is continuously striving to improve its own performance and it expects its contractors to do the same.

Complaints Procedure

The Association will adopt a variety of contract monitoring arrangements appropriate to the value and nature of each contract. Most complaints will be discussed and resolved through these arrangements. However, if any contractor or prospective supplier has a complaint about unfair treatment or discrimination that cannot be resolved through normal commercial contact with the Association, the complaint can be made in writing through the Association Complaints Procedure. This procedure details the Association's policy for dealing with complaints and ensures that the Association acts promptly. Copies of the Complaints Procedure can be obtained from the Director or by email to info@damha.org.uk. Anyone who has supplied a tender to the Association under the European Public Procurement Rules can take action in the High Court if they have been harmed, or are at risk of harm by the Association breaking these regulations. Anyone who feels they have not been treated fairly can also complain to the European Commission.

Local and Smaller Suppliers

The Association is committed to supporting and encouraging smaller and North East based organisations to compete for business and to improve their ability to meet the Association's requirements whilst complying with the requirements of EU Regulations, Standing Orders and best practice guidance. It is recognised that suppliers play an important part in government's core business. Although more than 50% of the UK private sector workforce is employed in small organisations (less than 50 employees) they are finding it increasingly difficult to compete for public sector contracts. In order to assist these organisations the Association's aims are to:

- Give guidance as to the processes and making sure they are kept up to date.
- Keep tender documents simple to understand and jargon free.
- Set realistic timetables.
- Encourage suppliers to adopt supply chain management practices.
- Develop partnering arrangements, where appropriate.

APPENDIX 1

PROCUREMENT RULES AND REGULATIONS

1. As a housing association, there are regulations at a European, national and local level which the Association has to follow when procuring goods, services and works and when establishing approved tender lists.
2. European Rules – all public sector contracts no matter what their value within the European Union are covered by a treaty which incorporates the free movement of goods and services and which prevents discrimination against firms on the grounds of nationality. The principles of the treaty are backed up by a series of EC Procurement Directives. These directives are included in UK law as a number of regulations. The directives and regulations require the Association to follow detailed procedures for all procurements above financial thresholds. The thresholds are reviewed every two years.

The Association must follow some basic principles:

- A specific Tender Notice must be placed in the supplement to the Official Journal of the European Union (OJEU) to give all suppliers in the EU an equal opportunity to tender.
- Tenders must be invited in accordance with one of the prescribed procedures (open, restricted, negotiated – there are also two separate urgency procedures). Each procedure imposes minimum time-scales covering the tender activities to ensure that reasonable time to respond to adverts and prepare submissions is given to interested parties.
- A notice of contract award must be placed in OJEU. Unsuccessful contractors must be debriefed if requested.

Further information about the EC Procurement Directives can be viewed at

3. National Rules – Whilst there is no prescription on housing associations to tender out specific services, the Association has a duty under Best Value legislation to fundamentally review its services and make arrangements to ensure continuous improvement having regard to economy, efficiency and effectiveness. Performance indicators and targets for improvement are set and published in an annual Best Value Performance Plan. The Association recognises that effective procurement is at the heart of Best Value and that the Best Value review process will help deliver it's commitment to provide the best possible services for the people of Gateshead.

The Association has Construction Clients Charter Status and as such is committed to the 'Egan' principles outlined in 'Rethinking Construction', specifically:

- Leadership and Client Focus
- Product team integration
- Quality
- People

The Association's Performance Plan can be viewed at [.](#)

4. Local Rules – Procurement activities must also comply with the Standing Order and Financial Regulations of the Association.

Contracts below £2,500 – whilst it is not necessary to obtain quotations it is necessary to ensure value for money is obtained by periodically testing the market.

Contracts between £2,500 - £7,000 (Building Works) and £2,500 - £16,000 (other goods and services) will be subject to three competitive quotations being obtained. All building contracts over £7,000, and £16,000 for other goods and services will be subject to three competitive tenders or if this is not possible from all capable contractors or suppliers.

Approved lists – where an approved list of contractors is maintained, tenders may be invited from some of the contractors on the list. Contractors are selected from the relevant list on a rotational basis and the company that was successful for the previous job will also be considered. Further information is given in this guide on how to apply to get on one of the Association's select list.

Tender lists – tenders can be restricted and invited from some (or all) providing they comply with selection criteria.

5. The Association's procurement policy is based upon fair, transparent, open competition and the procedures ensure that the process is reasonable as far as it is commercially possible and auditable.

APPENDIX 2

ASSOCIATION CONTACTS – All except Residential Home based at:

The Grove,
168 Front Street,
Chester-le-Street,
County Durham
DH3 3YH
Telephone: 0191 3881111
Freephone: 0800 0432642
Fax: 0191 3882838
Email:

Housing & Development Department

Development Works

New Build Projects
Mr Gordon Gray
Head of Housing & Development
Telephone: 0191 3895826
Email:

Asset Management

Mr Brian Stobbs
Asset Management Officer
Telephone: 0191 3895823
Email:

Repairs & Maintenance including Cyclical Works

Mr Allan Hedley
Senior Technical Services Officer
Telephone: 0191 3895820
Email:

Stationary, Office Supplies & Advertising

Mrs Helen Sinden
Service Improvement Officer
Telephone: 0191 3895824
Email:hsinden@damha.org.uk

Finance & Administration Department

Mr Paul Mullis
Head of Finance & Administration
Telephone: 0191 3895830
Email:pmullis@damha.org.uk

Information Technology

Mr Keith Flook
I.T. Officer
Telephone: 0191 3895835
Email:kflook@damha.org.uk

Staffing & Training

Miss Caroline Rogers
Human Resources Advisor
Telephone: 0191 3895829
Email:crogers@damha.org.uk

Insurances

Mrs Nicola Local
Finance Officer
Telephone: 0191 3895821
Email:nlocal@damha.org.uk

Langley House Residential Home

Mrs Joy Atkinson
House Manager
Sunderland Road
Horden
Peterlee
County Durham SR8 4NL
Telephone: 0191 5861342
Email:

**Nomad Housing Group
Number Five
Gosforth Park Avenue
Gosforth Business Park
Newcastle upon Tyne
NE12 8EG**

Mr Ian Higginbottom
Assistant Director Development
Telephone: 0191 2297200
Email: ihigginbottom@nomad-housing.co.uk

APPENDIX 3

NOMAD HOUSING GROUP – SCHEME PROCUREMENT

1. Nomad acknowledges the Housing Corporation drive towards Partnering and is in the process of registering for Clients Charter Status. Nomad has for many years recognised that new developments are best procured by a team approach with all parties being given the opportunity to contribute ideas which further enhance the success of Nomad's new housing projects whilst also achieving value for money. During 2005/06 Nomad intends to further develop its approach to Partnering in a manner which ensures that its long standing principles can also be accommodated.

2. During 2005/06 the majority of new housing projects will be delivered via a partnering approach incorporating:
 - a. A contractor assessment process which allows companies to be scored on their experience of partnering along with their approach to four key issues – site welfare, liaison with neighbours, creation of training opportunities for local people, minimising defects in the completed product.

 - b. A tendering process to identify building rates for component parts of a project.

For 2005/06 the scoring of contractors will be weighted 25% on criteria a above and 75% on criteria b.

3. Where Partnering is not adopted as the chosen method of procurement one of the following will be progressed:
 - a. Traditional tendered contract with full consultant supervision.
 - b. Two stage tendering with full consultant supervision.
 - c. Negotiated contract with full consultant supervision.
 - d. Design & Build.
 - e. Project Management.

Appendix D

New Products

The PfH procurement team is working towards delivering a broad range of new deals over the coming months. All tenders adhere to the new EU procurement regulations and contract notices are issued through the official Journal of the European Union (OJEU)

Current timetable for launching products (correct as of 13th July 2006) is:

Product	Launch Date	Awarded to
Office Supplies	November 2004	Office Depot
Print Management & Design Services	December 2004	Extrinsic plc
Communication Services (Mobiles)	December 2004	T-Mobile Housing Communications (02)
Communication Services (Landline & Data)	January 2005	Ntl:Telewest
Personal Computers	January 2005	European Electronique
Photocopying Equipment & Services	March 2005	Canon (UK) M2 Digital
Energy	June 2005	Inenco
Vehicle Leasing	August 2005	Bank of Scotland Vehicle Finance Automotive Leasing
Central Heating Supplies	August 2005	PTSplumb Center
Janitorial Supplies	February 2006	Nationwide Hygiene Services
Bathrooms	February 2006	PTs Plumbase
Knowledge Based Services - Consultancy	March 2006	Delivered by PfH, Housemark & Just Housing
Residential Furniture & Furnishings	June 2006	Carleton Furniture Group Furniture Resource Centre Huntleigh Renray Peel Mount Contract Furniture
Workwear & Personal Protective Equipment	August 2006	Arco
Decorating Vouchers	Summer 2006	
Kitchens	September 2006	
Domestic Appliances	Estimated September 2006	
Windows/Doors	Estimated Autumn 2006	
Digital TV Reception Systems	Summer 2007	
Materials for Responsive Repairs	Currently being piloted	
Insurance/Financial Services	Undergoing feasibility study	

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