

CABINET (HOUSING) COMMITTEE

29 JUNE 2016

PACKAGING AND PROCUREMENT OF HEATING MAINTENANCE CONTRACTS

REPORT OF THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

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RECENT REFERENCES:

CAB2361 – Packaging and Procurement of Heating Maintenance Contracts – 4 July 2012

EXECUTIVE SUMMARY:

This report seeks to confirm, and seek approval for, officer recommendations in respect of the re-packaging and procurement of the constituent parts of the existing appliance servicing contracts.

Although the overall scope, nature of the works and service standards remain essentially unchanged, the opportunity will be taken to update and incorporate within the new contract documentation appropriate measures to address current performance issues highlighted within the body of the report and/or within the Scrutiny Report (Appendix C).

RECOMMENDATIONS:

1. That, the existing Package 1 (gas servicing and responsive repairs currently awarded to Liberty) not be extended beyond 30/9/2017.
2. That, for appliance servicing and responsive repairs, delegated authority be given to the Assistant Director (Chief Housing Officer) in consultation with the Head of Legal and Democratic Services and the Head of Finance to select a

suitable competitive procurement option, to determine evaluation criteria, to select candidates to be invited to tender or mini competition (existing Framework), and to evaluate tenders and to select a preferred bidder.

3. That, for appliance servicing and responsive repairs, the Councils Contracts Procedure Rule paragraph 2.4 b) i be waived, and delegated authority be given to the Assistant Director (Chief Housing Officer) in consultation with the Head of Legal and Democratic Services and the Head of Finance to select and subscribe to (if deemed appropriate and necessary) an existing external Framework agreement to procure these works.
4. That, for the appliance servicing and responsive repairs, a tender acceptance report be submitted to Cabinet (Housing) Committee before 1/4/2017 to approve selection of the successful tenderer(s).
5. That, the delegated authority detailed in recommendations 2 and 3 above is also given in respect of the central heating installations. .

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REPORT OF THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

DETAIL:

1 BACKGROUND

1.1 At Cabinet on 4 July 2012 (CAB2361 refers) it was resolved:-

- a) That, subject to contract, Package 1 (gas servicing and responsive repairs) be awarded to Liberty Gas Ltd.
- b) That, subject to contract, one Lot from Package 3 (central heating installations) be awarded to RJ Williams, and the remaining four Lots be awarded to Liberty Gas Ltd.

1.2 The initial contract term for Package 1 (gas servicing and responsive repairs) is five years (from 1/10/2012 to 30/9/2017); with the option to extend by a further two years (to 30/9/2019) should both parties mutually agree to do so.

1.3 The contract term for Package 3 (central heating installations) is for five years only (from 1/10/2012 to 30/9/2017) and is not extendable.

1.4 [for completeness, Package 2 (solid fuel servicing and responsive repairs) was let separately and formed no further part in these larger contracts)]

1.5 The purpose of this report is to review past and present performance of both contractors, to agree whether or not Package 1 should be extended, review procurement options, and seek approval for the preferred approach for works issued beyond 1/10/2017.

2 Performance

2.1 Package 1 (gas servicing and responsive repairs)

- a) These works are carried out by Liberty Gas Ltd. Performance has been spasmodic and inconsistent from the start of the contract, and can probably best be summarised as generally unsatisfactory and falling below the required and expected standard.

- b) Appendices A & B summarise the two key performance indicators for the contract (Completions within Target by Priority, and Customer Care Card responses respectively) for the last three financial years.
- c) The ongoing problems also prompted the Repairs & Maintenance Performance Review Group to carry out a formal scrutiny investigation into the detailed workings of the contract processes and procedures and to propose a number of recommendations/suggested improvements (see Appendix C).
- d) Notwithstanding the scrutiny group recommendations, the roots of the problems appear to lie in the following:-
 - poor/insufficient management controls
 - unstable workforce/high churn rate of employees/subcontractors
 - no dedicated (i.e. WCC only) contract workforce
 - the draw of more profitable works elsewhere
- e) Any new contract arrangements/measures should seek to eliminate or reduce these issues wherever practically possible.

2.2 Package 3 (central heating installations)

- a) The Lots carried out by Liberty Gas Ltd. have been plagued, albeit by differing degrees, by the same issues as above and therefore it is considered that performance has often been below the required standard.
- b) The Lot carried out RJ Williams has effectively been trouble-free from the start of the contract and continues to be so. This contractor, who has carried out works for this Council for over 20 years, should be congratulated for the consistently high level of service and performance always afforded the Council and tenants.

3 Future Packaging

3.1 Servicing and Responsive Repairs (estimated value £600k p.a.)

- a) Appliance servicing and associated responsive repairs have always been the centre piece of the heating maintenance contracts. The terms, conditions and service standards contained therein ensure appliances are serviced in a timely and safe fashion, and that responsive repairs are actioned quickly and appropriately to ensure heating and hot water is maintained.
- b) The small value, large volume, nature of servicing and ad-hoc responsive repairs necessitates modern appointment and resource deployment systems to ensure efficient and co-ordinated working across the district's 250 square miles. This type of contract is

inherently more complex and therefore typically necessitates longer lead-in/mobilisation periods. Although the works could be split into different contracts, making the appliance servicing and associated responsive repairs the responsibility of the same contractor straightens the lines of accountability and facilitates the issuing of the works by the Council. For these reasons, it is deemed appropriate that the servicing and responsive repairs to the boilers and all distribution pipework, radiators etc. remain together in the same package - and irrespective of the final number of packages or Lots for these works overall.

- c) For completeness (and consistency in future electronic record keeping), the intention is also to re-introduce into the servicing/responsive packages/Lots as a whole, the servicing and responsive repairs to solid fuel appliances and associated distribution pipework - even though this small element of the whole (<5%) is quite likely to be subcontracted by the main contractor to specialists. This element of the works will decline over the forthcoming years as the Council consolidates to gas-fired and electric systems only (CAB2791 (HSG) refers).
- d) The contract with Liberty in current form could be extended for a further two years, but that is not being recommended due to the ongoing performance issues and a desire to modernise the existing terms and conditions.
- e) The current failures/problems, and the returns from the recent pre-procurement engagement exercise with the leading suppliers in this business (see para.5 below), will be used to inform and modernise the existing terms and conditions so any new arrangements will hopefully attract good competition and have a much better chance of success – particularly in terms of sustainable service delivery/tenant satisfaction.
- f) In no particular order or priority, the following are just a few of the areas that will be reviewed as part of that modernisation process:-
 - scheduling of the annual servicing visits
 - new KPIs/priorities to better reflect the operational/practical realities
 - revised appointment slot allocations
 - use of contractor scheduling/appointing tools
 - simplified billing/payment arrangements
 - measures to properly resource and retain dedicated contract workforce
 - better early warning/escalation systems to detect failings as they occur
 - better ways to update client systems/reduce duplication
 - contractor incentivisation to encourage and maintain good performance

- g) The appliance servicing and responsive repairs could be split away from each other and managed as two separate entities. This would give the option of either re-tendering both separately, or the servicing could be re-tendered and the responsive element awarded to Osborne as a variation or “bolt on” to their existing responsive repairs contracts. Although this offers some procurement advantages for the Council, and Osborne have indicated their willingness to take this on, gas works are not part of Osborne’s core business, and therefore these responsive gas works would almost certainly be fully subcontractor to a third party. This effectively creates an unnecessary “middle man” where value for money then becomes difficult to prove.
- h) As mentioned in para. 3.1b) above, the appliance servicing and responsive repairs are inherently linked, and therefore need to stay together in the same package (although not necessarily in one package/Lot only). If the appliance servicing and responsive repairs do remain in the same package/s, it is unlikely this combination could then be issued as a variation or bolt on to the Osborne contract because this would probably constitute a significant change in the scope of their existing contract. This would greatly increase the risk of challenge from other suppliers who had not been given the opportunity to tender for the servicing works.
- i) Another option would be to bring the appliance servicing and responsive repairs “in-house”. In short, this would mean the appliance service engineers would be directly employed by the Council and the need for any external main contractor would disappear. Although this appears very attractive and would offer significant advantages in terms of direct management control of the engineers and paperwork, fluctuating demands, value for money concerns and cover arrangements present themselves as new problems. The market is already very well developed to meet the demand in this service area, and therefore this is still considered to be the best way to source a good contractor and to be able to demonstrate value for money - the enduring challenge is to find the right contractor.
- j) The gas servicing and responsive repairs are currently carried by one contractor covering the whole district. This contract could be re-let in one package/Lot or, alternatively, split into more than one package/Lot. Although more than one contractor covering the district would help to lessen or spread the risk (i.e. should a contractor default or go out of business), this is far outweighed by the procurement and operational benefits of having just one contractor. The risk of business failure always exists, and although the two previous service providers both went into receivership mid-term, this is still very rare - and in both cases interim arrangements were put in place very quickly and with relatively little negative impact on tenants.

3.2 Central Heating Installations

- a) The central heating renewal programme is generated in-house using the Keystone asset management system and, in broad terms, uses the heating system age and parts/spares availability to determine the replacement cycle. The average predicated capital spend over the four years immediately following the expiry of the current contract is estimated to be approximately £400K/500k p.a. maximum , although this very much depends on the final choice of new system (gas or electric) and refusal rates.
- b) The central heating installations are effectively no different in nature (i.e. high value/low volume) to the other capital renewals (e.g. kitchens; bathrooms; roofs; etc.), and therefore the intention is that the content and scope of these contracts should stay essentially unchanged. Ideally, the central heating installations contracts should be kept separate, and awarded to contractor/s different from the servicing/responsive contractor. With this arrangement, the servicing and responsive contractor can be truly objective when recommending whether or not an appliance should be changed.

3.3 Contract Periods

- a) The proposed term for the appliance servicing and responsive repairs is three years initially, but extendable by one, two or three years by mutual agreement (i.e. six years maximum). This term reflects the size and complexity of the contract balanced against a realistic timeframe within which partnership principles can be developed. Three years is also the minimum term that is likely to attract most competitive interest.
- b) The proposed term for the central heating installations is less critical and can be determined nearer the expiry of the current contracts. The size and length of any contracts will be very much depend on the renewal volumes generated by the asset management system and whether or not the replacements are to be gas or electric systems.

4 Tendering/EU Procurement

- 4.1 Delegated authority is being sought to determine the most appropriate form of procurement, which will comply with the Council's Contracts Procedure Rules and the Public Contracts Regulations 2015.
- 4.2 A report will be brought back to Cabinet (Housing) Committee once the tender process has been completed.

5 Pre-procurement Engagement (PpE)

- 5.1 Pre-procurement engagement (engaging with the market before starting the formal procurement process) is now deemed best practice and helps to maximise value for money from the resulting procurement.
- 5.2 The benefits of PpE may be summarised as follows:-
- helps to assess the feasibility of the requirement, the best approach, the capacity of the market and possible risks involved
 - helps to define the requirement at an early stage and minimise later changes
 - stimulates competition and innovation
 - ideas/suggestions from technical/specialist suppliers can be pooled and used to improve the attractiveness of the requirement
 - Lot/package sizes to get best value for money/better outcomes
- 5.3 The PpE questionnaire (Appendix D) was sent to 41 No. companies. 11 No. completed and returned the questionnaire, 11 No. declined the invitation for various reasons and 19 No. did not respond.
- 5.4 The completed returns will be used to re-shape and update the existing ITT (Invitation to Tender) so the Council's requirement is as attractive as possible.

6 Vanguard and Systems Thinking

- 6.1 Some housing providers, including two Hampshire local authorities have commissioned this type of service adopting the Vanguard "Customer First" principles. This approach puts the Customer at the heart of the way things are done and focuses very much less on value for money and best value. In short, completing a tenant request how and when that customer would like it takes precedence over the costs of providing that level of service.
- 6.2 Typically, such contracts attempt to guarantee faster response times and maximum flexibility for customers and can often achieve higher customer satisfaction.
- 6.3 However, such an approach demands increased investment and resources from contractors. Where the approach has been successful elsewhere, contracts have been based on a "cost plus" approach. In short, this means all contractor costs (and added profit element) are fully reimbursed monthly by and therefore there is little or no incentive for the contractor to be either efficient, or effective, in the management of their costs. Whilst the level of service provided by such contracts may be higher than the current City Council service, landlords adopting such an approach are paying significantly more per property (as much as double) than the anticipated market rate for services procured and managed via traditional methods.

- 6.4 The City Council is in the early stages of adopting Vanguard principles to service review. This will attempt to build on the customer focus already embedded in services through the Customer Service Excellence programme. Whilst the specification and contract for gas servicing and repairs will take full account of customer expectation, adopting a “cost plus” approach cannot be recommended. With the pressures the City Council is already facing with regard to Housing finance, any significant increase in contract costs would create real pressure on other priority areas such as Decent homes repairs or New Build.
- 6.5 Improving existing customer satisfaction rates has to be a key priority as part of this tendering process. However, a “cost plus” approach is not recommended as the best way to achieve the right balance of customer satisfaction with individual jobs and achieving value for money.

7 Timescales

- 7.1 For the appliance servicing and responsive repairs, a tender acceptance report will be submitted to Cabinet (Housing) Committee before 1/4/2017 to approve selection of the successful tenderer(s).

8 Employment Protection

- 8.1 It is likely that the Transfer of Undertakings (Protection of Employment) Regulations 2006, together with such other legal obligations relating to the transfer of employees on the transfer of an undertaking, will apply to Package 1 and some of Package 3. Officers will be contacting the current contractors to ascertain the relevant information, which will then be passed to tenderers as part of the tender documents.

OTHER CONSIDERATIONS:

9 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 9.1 The proposals accord with the principles of making the best use of available resources by continued clear financial planning.
- 9.2 Statutory requirements and delivery of best value in services provided by the Council.
- 9.3 Relevant to the strategic priority of being an efficient and effective Council

10 RESOURCE IMPLICATIONS:

- 10.1 HRA current and future budgets are based on the current and known levels of spend on these contracts. When these contracts are re-procured, tender results are anticipated to return similar unit costs and thereby present no additional pressure on HRA financial resources.

- 10.2 The cost of these service contracts will be met from within next years and subsequent HRA and capital repairs budget and the expenditure will therefore be approved as part of the normal budget-setting/business planning process.

11 RISK MANAGEMENT ISSUES

- 11.1 A comprehensive appliance servicing and repairs contract is essential to meet the Council's legal obligations as a landlord.
- 11.2 The central heating contracts will be re-tendered in accordance with standard contract procedure rules. The technical and contractual risks associated with these contracts/s are seen as minimal.
- 11.3 To eliminate the risk of appliances being prematurely condemned by the appliance servicing and responsive repairs contractor, the successful appliance servicing and responsive repairs contractor will not be allowed to tender for the central heating installation contracts. This will need to be made clear during the re-procurement process and as pre-condition to the award of the former.
- 11.4 Two or more gas servicing and responsive repair contractors operating across the district would reduce the risk should a contractor fail financially and /or perform poorly, but this is out-weighed by the operational and value for money benefits afforded by having just one contractor.

12 TACT COMMENT

- 12.1 The Repairs Performance Review Group (which includes members TACT, other tenants and officers who work within the specific service area) highlighted their concern with Liberty Gas and decided that a Scrutiny Group should formed to carry out a more in depth investigation.
- 12.2 TACT have not had the opportunity to review this cabinet report, but a representative from TACT will be present at Cabinet (Housing) to provide a verbal comment on this paper.
- 12.3 The Chair of the Liberty Gas Scrutiny Group has also been invited to attend Cabinet (Housing) to introduce and present the scrutiny report.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

- Appendix A - Completions within Target by Priority (1/4/2013 to 31/3/2016)
Appendix B - Customer Care Card Responses (1/4/2013 to 31/3/2016)
Appendix C - Scrutiny Group Report
Appendix D - Pre-procurement Engagement Questionnaire

Liberty - Completion of Works within Response Repair Priorities - 2013/14

Appendix A YR 2013-14

Period	2013									2014		
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Actual	91%	76%	79%	79%	84%	78%	75%	72%	66%	65%	81%	89%
Priority												
Call-outs	100%	73%	78%	60%	70%	42%	75%	66%	67%	63%	86%	98%
Emergencies	87%	74%	85%	79%	84%	81%	77%	77%	64%	66%	84%	98%
Urgents	91%	78%	73%	78%	83%	81%	72%	65%	68%	62%	72%	73%
12 Day	92%	83%	86%	100%	80%	83%	89%	83%	69%	73%	94%	90%
30 Day	90%	83%	100%	95%	100%	85%	86%	100%	100%	83%	100%	100%
Total jobs completed	413	335	283	242	231	335	464	639	513	530	527	409
Total jobs in-target	374	256	223	191	193	262	346	458	340	344	425	363

Liberty - Completion of Works within Response Repair Priorities - 2014/15

Appendix A YR 2014-15

Period	2014									2015		
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Actual	88%	86%	82%	83%	88%	86%	80%	96%	97%	91%	96%	83%
Priority												
Call-outs	100%	98%	100%	100%	100%	100%	100%	99%	100%	98%	100%	100%
Emergencies	95%	90%	84%	92%	83%	93%	72%	96%	97%	90%	96%	79%
Urgents	75%	81%	77%	77%	87%	84%	80%	95%	97%	89%	95%	76%
12 Day	93%	91%	82%	83%	82%	65%	64%	90%	92%	100%	80%	80%
30 Day	81%	78%	89%	96%	91%	93%	100%	96%	92%	91%	100%	100%
Total jobs completed	407	359	242	221	275	287	463	592	613	658	468	516
Total jobs in-target	358	309	199	184	241	248	369	566	597	601	450	428

Liberty - Completion of Works within Response Repair Priorities - 2015/16

Appendix A YR 2015-16

Period	2015									2016		
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Actual	81%	80%	79%	90%	86%	81%	84%	85%	86%	90%	89%	89%
Priority												
Call-outs	100%	100%	100%	100%	100%	100%	99%	98%	96%	98%	100%	100%
Emergencies	83%	77%	78%	90%	78%	73%	79%	84%	92%	93%	93%	90%
Urgents	76%	82%	76%	87%	86%	79%	83%	80%	74%	81%	69%	73%
12 Day	88%	64%	100%	100%	100%	89%	83%	76%	73%	76%	91%	91%
30 Day	94%	94%	94%	100%	90%	86%	86%	86%	94%	80%	67%	9%
Total jobs completed	411	327	311	260	279	365	508	541	476	675	575	489
Total jobs in-target	334	263	245	234	241	295	428	462	407	605	510	434

WINCHESTER CITY COUNCIL



Scrutiny Report Response

Actions to be taken following the findings of the Liberty Gas Scrutiny Group

10th June 2016

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Summary of Report

This group was formed following a number of concerns raised by officers and tenants in relation to the contract operated by Liberty on behalf of the Council.

This has been a long process as new issues were continually being presented to members of the group from tenants. In the end we had to draw a line under further issues as this was preventing the group from completing the scrutiny exercise.

Following their investigations the group have made 18 key recommendations, which they feel will make a positive difference to the running and administration of the contract.

In general Liberty found many aspects of the report to be fair and proactive in helping all of us achieve goals of an excellent service, Many of the conclusions were found to be areas in which Liberty were already working on. Liberty were disappointed that a more in depth review were not taken on the overall procedures on the contract, which often we find prevent a good service from being provided. A review of different working practices we believe we benefit all parties and allow us to work in a more proactive manor. As an organisation we have repeatedly asked for discussions on more suitable KPI's and an IT interface which unfortunately have never been received positively. Many improvement items are obviously cost driven and whilst Liberty are committed to the agreements in the contract, we have found certain areas difficult to provide continued investment in the contract with no increase of rates for over three years, but wages increased (and the introduction of pensions), increase in all manufacturers costs on top of Winchester being the highest debt at any time throughout 2015/2016 places increased pressure on the contract performance. Liberty believes this is an area that the report could have also focussed on as the partnership does require true effort on both sides.

Liberty have welcomed this input and will look forward to working with all parties in an effort to improve the service delivered.

Who has reviewed this Report?

Tenant Scrutiny Group	Property Services	Liberty Gas
Steve Ruggles, Chair of Repairs and Maintenance Performance Review Group	Andrew Kingston, Property Services Manager	Jason Bartlett, Regional Director
David Light, Secretary of TACT	Steven White, Responsive Maintenance Manager	Chris Gilmore, Contract Manager
Sue Down	Keith Miles, Planned Maintenance Manager	Ryan Kennedy, Contract Manager
Christine Bone	David Lindsay, Surveying Support Officer	
Roy Mansfield		
Trevor Lynas, Tenant Involvement Support Officer		

Responses to Recommendations made by the Scrutiny Group

1. The group were made aware of several instances whereby the smoke and carbon monoxide alarms have not been checked as part of the service. Furthermore, the group found that it was hit and miss as to whether the alarms are replaced every three years as recommended.

In order to address these failings, the group recommends changes to the Liberty servicing paperwork/ hand held devices. The group would like to see alarms included in these reporting mechanisms so that engineers can be held accountable should they not be checked. In addition, the group would like to see a colour code or date sticker system introduced whereby a sticker is placed on alarms and batteries to show they have been checked as part of the service. A sticker system will help the engineer identify the age of the alarm, thus ensuring they are replaced every three/five years.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>Agreed – sticker system to be introduced on all detectors. Paperwork and software/handheld changes to be investigated and implemented as soon as practically possible.</p>	<p>The smoke alarms and co alarms are now labelled on each test, we have implemented a replacement programme and issued all engineers adequate smoke alarms and CO alarms within each van stock, the engineers have been asked to label in each case. This also will be added to the engineers hand held PDA's as positivity recorded item and also become part of the QC regime to check each item. <u>ITEM AGREED AND ACTIONED</u></p>	

2. The group found that it has become common practice to service a boiler in under thirty minutes, thus raising concerns as to whether a thorough service has taken place. The group have been advised that a service should take no less than 30 minutes with Liberty management confirming a full service should take a minimum of forty-five minutes.

In order to address these concerns, the group would like to see a similar sticker system to the one mentioned above for checking boilers and meters. The date of the service, engineer's initials and whether the boiler has passed the service should be placed on the side of the boiler and meter unit. This will also address problems with tenants not knowing whether their boiler has been serviced, especially in shared areas such as common rooms. The group recommends that a copy of the servicing record is sent to the tenant in addition to the test certificate within fourteen days of the service taking place.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>Agreed – sticker system to be introduced on all boilers/appliances. Paperwork and software/handheld changes to be investigated and implemented as soon as practically possible.</p>	<p>Whilst it is difficult to assess the “normal” time of a normal boiler service with many factors includes accessibility, Boiler type, servicing procedure and general engineer type affecting this. We believe it is more important to analyse the quality of the jobs being carried out both the regular “Corgi “ QC audits and those carried out in house show the quality to be of a high standard. Once again we are happy to implement stickers on the boilers highlighting the last service date. We can also arrange for a service “tick-list” to be supplied after each service visit and supplied with the Gas Safety Record but this will encounter extra costs to WCC. <u>ITEM PART AGREED AND AWAITING GUIDANCE FROM CLIENT</u></p>	

3. The group found several instances whereby an engineer failed to attend during the allocated timeslot. In some instances the engineer failed to attend at all, despite the customer remaining at home for the duration of the day.

Upon further investigation, the group found time management issues within the Orchard System. The group were shown examples of overbooking on the system and heard contradicting information from all parties regarding how it may have taken place. It was noted that overbooking tended to take place following a weekend, and at times when an emergency job is required and the timeslots are already full. Overbooking causes problems when allocating resources and may be linked to missed appointments, the quick turnaround of servicing boilers as detailed above and lower KPI figures. The group were unable to get to the bottom of how this has come about, however it appears to be a problem that needs addressing.

The group would like to see this concern investigated further and some of the following actions put in place:

- An agreed minimum number of daily service requests/ slots made available as standard on the system.
- Additional slot availability to be added to the system by Liberty as these will depend on staff availability and the time of year.
- Liberty to make use of the Delay Card system and update the Orchard system accordingly as stipulated in the contract.
- It may be possible to set aside a number of slots for the high priority service requests that are entered on a Monday as a result of weekend call-outs. Liberty could have the flexibility to use these to revisit properties or to bring work forward should they remain empty.
- There may be an opportunity to trial new ways of using the number of slots available, for example slots for different priorities or specific areas of the City (i.e. slots for Winchester City, Northern or Southern Parishes).

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>Agreed – sticker system to be introduced on all boilers/appliances. Paperwork and software/handheld changes to be investigated and implemented as soon as practically possible.</p> <p>The Orchard diary slots have been set up in accordance with Liberty wishes and can be further amended. That said, any resource planning tool (diary) becomes quickly out of date/irrelevant unless Liberty updates Orchard in a timely manner to reflect changed appointments and available resources.</p> <p>Many of the missed appointment complaints would suggest that the problem lies with scheduling and resourcing levels and no amount of diary slots will correct this. The number of slots created/ available is irrelevant unless it is true reflection of the resources available in the field.</p> <p>Irrespective of the number of slots available, the nature of the demand is inherently spasmodic and ad-hoc. If, for example, 15 jobs need doing today (i.e. as dictated by statute/local KPIs) then whether or not there are 5 slots or 10 slots becomes somewhat irrelevant.</p> <p>Additional slots could be set up to cover the Monday “loading”, but this has been tried before - and will afford no additional</p>	<p>With many off the items held within the report the need for a direct interface between Orchard and our EVO system. Nationally and locally we have numerous clients that have an interface, showing engineers workloads availability providing live updates etc. This and the continued “smoothing” of the service period will help Liberty provide a more responsive service. Due to the area covered by the Winchester contract over 250 square miles we believe the resource on Orchard needs to be more specific with allocated resource for certain areas <u>WORKING PARTY TO BE SET UP HIGHLIGHTING INTERFACE AND ORCHARD ISSUES</u></p>	

<p>benefits unless the labour resource is correspondingly weighted/matched.</p> <p>The very high turnover of staff in the Liberty admin office, and the corresponding loss of skills, remains a key and ongoing issue.</p> <p>The Orchard diaries are not , and never have been, a dynamic scheduling tool - hence the need for real time and timely manual updating by Liberty. That said, the Council will be investigating the practicalities/ pros and cons of using a contractor`s dynamic resource scheduling (DRS) tool/s as the central and only record of scheduled resources to avoid/reduce duplication and missed appointments .</p> <p>The Council will be investigating the practicalities/ pros and cons of a summer servicing programme. This will also be informed by the pre-procurement engagement questionnaires (sent to all leading gas servicing contractors) which have recently been returned.</p>		
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4. It was raised at the R&M panel meeting in January 2016 that it may be of benefit to have the annual servicing part of the contract taken out and carried out within the council (this would mean employing some engineers). As an alternative to this it may be possible to establish a separate section within Liberty or employ a small local certified contractor(s) to work on servicing in isolation to the maintenance contract. This would enable the contractor to focus on delivering the essential responsive repairs service.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>The current contracts come to an end in Sept 2017. The future packaging and procurement of the gas contracts is currently under formal review and out to consultation with service providers. A report with recommendations will go Cabinet (Housing) in late June 2016.</p>	<p>Liberty have already implemented the requirement for a service only team, this have be implemented at the start of the summer 2016, this will allow more specific ownership of this task both administration and operatives wise. We also believe this team should have designated staff on WCC as we often find delays on 10 day letters etc ACTION <u>IMPLEMENTED</u></p>	

5. The group heard contradicting information in relation to work orders that had been incorrectly prioritised. The Orchard system appears dated with insufficient space on the main screen to enter information from the customer. In addition, it appears that follow up calls made by the customer are not always recorded causing frustrations for the customer and those handling the call.

The group would like to see improvements made to the Orchard system, such as the word limit being increased or removed. The operative should be able to enter more information at the time of the call. This should assist the call handler, those allocating priorities and the staff at Liberty with allocating resources and materials. In addition, the group would like to see all follow up calls logged on the system so that there is a chronological order of events.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>There is already sufficient/plenty of space available on Orchard to enter information from the customer, and this job information is then interfaced directly to Liberty. All follow up information should already be logged on Orchard by both Liberty and Council officers/operatives.</p>	<p>Orchard Issues <u>Not Liberty</u></p>	

6. The group found there are also frustrations with the information logged on Orchard following a responsive repair visit. The Winchester City Council contact centre is often the first port of call for a customer enquiry; however they are often unable to help as there is a delay with Liberty entering information on the Orchard system. The group found that calls are often passed between the Contact Centre, Property Services and Liberty at the expense of the customer.

In order to address this, the group would like to see the contractors contact number added to all appointment letters. A 'what happens next' leaflet with contact information could also be left at the property to address frequently asked questions i.e. follow up visits, servicing certificates, what the customer should do should they have a reoccurring problem or complaint

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>As mentioned above, the ability of Liberty to keep Orchard up to date remains an ongoing issue. Until such time as Orchard is Liberty`s top updating priority (as opposed to Liberty`s EVO system), and Liberty afford this issue appropriate resources, then the problem will persist.</p> <p>Liberty`s contact number is already on the gas servicing appointment letters. The CSC tel. number is on the green appointment card (as per the PRG`s previous request) so the Council remains "in the loop" with any problems.</p> <p>The Council will investigate the practicalities/ pros and cons of a "what happens next leaflet".</p>	<p>As previously highlighted the need for an Orchard/Evo interface would allow real time updates of the system, this is used for other clients including Saxon Weald and Sanctuary with great success, preventing the need for chasing information. This should be part of the working groups remit to allow all parties to benefit for real time information.</p> <p><u>ACTION TO BE DISCUSSED WITH CLIENT</u></p>	

7. In addition to the frustrations noted in number 6 above, the group found that there was often a delay with closing down jobs and responding to issues raised by the customer on the Orchard system. Interestingly the group also discovered that Liberty staff are often unaware of the comments raised via the Green Card system.

The group recommends that Liberty train additional staff on these elements to address the bottleneck, and that they make full use of the comment codes available to them in the Orchard system i.e. that a complaint is being investigated. The contract states that “any additional training requirements provided by the Council will be charged at a rate of £500 per day”. The group recommend that training is available free of additional charges on a yearly basis as part of the contract and that the Council work with the contractor to bring their staff up to speed with the system.

The tenant led Performance Review Group have complimented Osborne on their use of the reporting systems – with their permission, an example of their reports should be made available to Liberty.

All positive comments received by the Council should be passed to Liberty in the same way as negative comments.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>All positive and negative customer card cards should already be forwarded to Liberty.</p> <p>Despite numerous reminders/chasers, Liberty do not afford sufficient or timely resources to the administration of CCC negative follow-ups.</p> <p>Additional Orchard training can be given, but more effort should be made by Liberty to retain trained and experienced staff.</p>	<p>Much of the delay is the same as above, although due to the extra time and effort recently involved with completing the SOR element of completions this will continue to cause further delays, we also suffer from a large number of incorrectly rejected jobs that cause a further delay's. However again we highlight the need to implement an IT interface to allow at least practical completion of jobs. However due to the possible delay Liberty have implemented an upgraded system with the improvements currently showing only 3 jobs overdue and only 18 outstanding overall <u>ACTION TO DISCUSS VIA INTERFACE AND ONGOING IMPROVEMENTS</u></p>	

8. The group would like to see more work undertaken as part of the out of hour's agreement. At present, contractors are advised to make safe and to spend no more than an hour on site. The group noted several instances whereby the engineers spent minutes on site before leaving without carrying out any work.

The group would like to suggest that the current out of hour's works agreement is extended to two hours onsite rather than one as stipulated in the contract. It makes sense for the contractor to complete work onsite if possible given the time already taken to travel to the address and the tenant being at home. Furthermore, this may prove more cost effective in the long run, reduce the number of follow up visits, reduce the overbooking problems detailed earlier in the report and improve the level of customer satisfaction.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
Liberty staff already have the ability to work for up to two hours (under clause 4.02.04 of their contract) and operatives regularly spend longer than two hours on individual call outs.	Liberty welcome the idea of a more comprehensive out of hours service but this will encounter further costs to the client and also a more compressive set of questions would be required for out of hours calls, as response times would be effected by longer attendance times, as previously discussed with Winchester the call out service is currently abused <u>ACTION REQUIRED TO DISCUSS OUT OF HOURS</u>	

9. The group heard that Liberty are experiencing a large number of aborted visits as a result of them turning up and the customer not being at home. Jason explained that this was equivalent to losing two of their engineers each week. This is clearly a waste of resources and should be investigated further.

The group welcome the new appointment texting system introduced by Liberty and would like to see it more widely used. Improvements could be made to appointment cards and the Tenant Handbook, for example more emphasis could be placed on safety, the importance of being at home for appointments and the recharges tenants can face. Further information on the timeslots could also be added.

The group feel that tenants should be made aware of their obligations, but are unsure how best to achieve this. They welcome ideas from officers at Winchester City Council and Liberty.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>Difficult to agree or disagree with these statements baring in mind the number of Liberty missed appointments reported by tenants (and experienced first hand by WCC staff). It is not an uncommon statement for a tenant to say that they did not stay in because Liberty do not turn up anyway – viscous circle? Liberty will need to prove that they have become reliable before action can be considered against tenants.</p>	<p>Liberty continue to have a high percentage of no access calls, some service visits are as high as 11 missed calls, all of which he resident and WCC have no extra costs presently. We have recommended a far more robust in reference to WCC’s approach and pleased to see Winchester are now implementing a more hard line approach but we believe this should become even more prevalent going forward and would welcome the opportunity to discuss successful procedures used elsewhere <u>ACTION AGREED WITH DISCUSSIONS REQUIRED</u></p>	

10. The group were made aware of tenants whom had been experiencing problems with their boilers for some time. They found that it wasn't uncommon for an engineer to be called to the same job several times.

The group would like Property Services to investigate such repeat visits further to see whether there have been any failings by the contractor and whether there are any reoccurring issues that need addressing, such as problems with specific boiler models or parts. This information could be used to improve services, whether that be retraining or expediting the replacement of certain boiler models.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>Agreed. - WCC officers are still investigating ways to reduce the incidence of repeat calls. Easily identifying where and when repeat calls are happening (and as they happen) remains the challenge - particularly with such fragmented reporting systems (Property Services/CSC). Once we can easily/automatically identify where repeat calls are taking place, we can then drill down to identify the reasons (assume most stem from poor diagnosis). The detail behind individual failures (and therefore any trends) is not easily accessible by WCC officers as the detail is not stored within WCC systems. Solutions to this will be investigated and considered in the re-procurement of the gas contracts.</p>	<p>The engineers on Winchester have recently completed training and the role of the field manager has started to have more prevalent role, the current performance is showing this and Liberty are monitoring this weekly, However as already highlighted to WCC the largest amount of "call backs" can be highlighted to the installation of new boilers on old existing systems, something which Liberty have highlighted as a major risk <u>ACTION AGREED AND ONGOING</u></p>	

11. The group heard from a number of tenants who reported that Liberty were unable to replace detectors or change the batteries in their alarms as Liberty did not have the items in their vehicles.

In order to ensure that no tenant is left without working alarms, the group would like the following to be added to section 7.05 of the contract:

“The Contractor is to ensure that at the end of every working day, the Customer has facilities available to him/her by the way of light, heat, power, drinking water and sanitation services, together with washing and cooking facilities. The Customer is to also be left with a fully operational carbon monoxide and smoke alarm.”

WCC Property Services Response	Liberty Gas Response	Actions to be taken
Agreed. This clause in the ITT will be updated/amended during the re-procurement of the gas contracts.	All engineers are carrying an adequate number of alarms and will aim to replace them in line with your requirement; however Liberty would highlight presently difficulty in getting paid for these items <u>ACTION AGREED AND ONGOING</u>	

12. The group understand that Liberty was awarded the contract purely on cost and therefore additional systems/initiatives to improve the overall customer experience have been difficult to implement during the term of the current contract.

In an effort to improve the overall quality of service offered, the group would like to see community investment and other optional services offered by the company considered during the tendering process. The group understand that such additions come at a cost and therefore recommend they form the basis of a separate document, which is considered in addition to the core contract.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>The contract was finally awarded on cost, but only after all the tenderers had proven they had the technical and financial ability to provide the services required. This in no way limits the implementation of additional systems or initiatives post contract. If tenants would like to see community investment/optional services formalised within tenders, we would suggest these are covered as fixed provisional sums and only expended at the discretion of WCC officers. The costs, whether unspecific or specific (i.e. as provisional sums) still fall to the Council, but set provisional sums makes the assessment of the tenders more easily transparent and fair.</p>	<p>Contract issue <u>NOT LIBERTY</u></p>	

13. When reviewing the original invitation to tender, the group noted that 2327 jobs were completed during the financial year 2009-2010, 1759 during 2010-2011 and 2279 during 2011-2012. There has been a large increase in the number of responsive repairs jobs being awarded to Liberty with 3478 jobs being raised so far this financial year (to January 2016).

The group can not find any reason as to why the number of responsive repairs has increased in this way and would like the matter investigated further – are there underlying issues with workmanship, are there sufficient staffing resources and training in place?

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>There is a general issue with the quality of the diagnosis on the part of certain engineers at Liberty and this has been raised with Liberty management. It should also be noted that, on recommendation from Liberty (as part of their KPI recovery Plan – Call Out Jobs) a new procedure was instigated whereby separate “follow-on” work orders were raised after every call out. This will have increased the overall number s of jobs that have been raised.</p>	<p>Liberty have also highlighted the number of calls being increased, On reviewing a years worth of date in can be highlighted to the number of new boilers on old systems, we have compared the data used on Winchester against all other contracts and have found the increase in line with other clients, Once again we have spoken to Winchester and highlighted this issue and are working with the client to have solutions to this issue <u>ACTION AGREED AND ONGOING</u></p>	

14. The group understands from the contract that work orders below the value of £350 are typically processed automatically without inspection or questions being raised. The group are aware that there are plans to reintroduce spot-checks.

The group would like to see the auditing process for low value jobs reintroduced as soon as practical given the rise in jobs being allocated to Liberty and the concern surrounding carbon monoxide and smoke alarms.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>There is already a 2 week payment delay on jobs under £350 to allow for spot checks and /or obvious errors/issues. That said, resources are limited and do not allow many site checks to confirm what exactly has been completed. The incidence and necessity for these checks will be further reviewed during the re-procurement process.</p>	<p>Whilst we understand the position of checking all SOR's presently we are finding over 40% of jobs are incorrectly rejected, this added to the fact Winchester remains the slowest paying client in Liberty nationally, (average 70 days after completion of job in 2015/16 average debt throughout this period £220,000) we suggest the contract is adhered to in which random checks are carried out and reductions are made in the following weeks, The poor cash flow position of this contract actually impacts directly on the ability of the engineers working on this contract to carry stock etc. <u>ACTION AGREED BUT DISCUSSION WITH CLIENT REQUIRED</u></p>	

15. During the process, the group heard conflicting information from both parties as to why the contractor may not be hitting their key performance indicators. It is understood that performance statistics have historically been lower for this sector and it has been suggested that the 95% target may be too high.

The group hope their recommendations will help improve statistics, but would also like to suggest the City Council explore the Wim system used by Portsmouth. The Wim system provides a more achievable and flexible target band (i.e. 85-95%) for each predetermined date range (i.e. daily, weekly etc.). This system could help all parties investigate issues quicker, including any concerns relating to workmanship and staff members.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
<p>Whilst officers do not necessarily agree that the existing KPIs are unrealistic or unachievable, new KPIs will be explored during the re-procurement exercise.</p>	<p>Liberty have long held the view the KPI's are in fact damaging the contract and impacting badly on the service, Any KPI target must have a positive effect on the service given. The KPI's on this contract are unbalanced and are in fact creating bad behaviour within the contract Liberty have suggested replacement KPI's in line with other contracts with greater customer satisfaction (PCC, Saxon Weald) and more relevant KPI's <u>ACTION TO SUGGEST CLIENT REVIEWS KPI's</u></p>	

16. The group would like to see the introduction of financial implications should key performance indicators fall below an acceptable level for Liberty or any other contractor, much in the same way that they have been introduced for the Biffa and The Landscape Group contracts. The Liberty contract stipulates that work can be awarded to other contractors. The group would like to see this take place, even if it is just to trial the services of other companies in advance of the new contract being awarded.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
New or different remedies for non or poor performance will be explored during the re-procurement exercise. One option will be to have 2 contractors operating across the district with, perhaps, turnover to each based on performance.	Any financial penalties would be a fundamental change to the contract and the whole contract would have to be changed accordingly otherwise this would be considered a fundamental breach. Any other work changes would result in TUPE and legal issues, we have had greater success where targets achieve a "bonus" payment whilst maintaining service and ease of management of the contract by our clients. But we understand this would also be a change of contract <u>ACTION NOT AGREED</u>	

17. The group heard from a number of officers regarding the issues of retaining staff. There appears to a high turnover of engineers at Liberty and Customer Service Officers at Winchester City Council as other career progression opportunities arise.
- The group would like to see a staff retention programme introduced. This could include additional employee benefits for long service i.e. additional annual leave, time for approved external training or a monetary award system based on performance.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
Property Services agree in principle - but for Liberty and CSC to comment.	Overall Liberty can put to an exceptional high staff retention rate, however the Winchester contract does suffer a higher than average "office" based turnover, this despite a number of incentives introduced extra holidays etc. With a large number of call centres based in the area we often lose staff to higher paid positions locally, We suggest a number of joint ventures and more of a collaborative approach on the contract, as highlighted early better payment terms would also allow us to look at increased packages on attempt to maintain staff levels <u>ACTION AGREED DISCUSSION REQUIRED WITH CLIENT</u>	

18. The group have reviewed a KPI Recovery Plan from December 2013 (appendix 6) that lists a number of suggestions put forward by the contractor. It appears that many of the issues identified in this document are still present today.

The group have not seen the response to this document, but would like to suggest that the concerns and comments within this are revisited and that they form part of the recovery solution.

WCC Property Services Response	Liberty Gas Response	Actions to be taken
Agreed.	As KPI 15	

Pre-Procurement Engagement Questionnaire Results

Question 1: Lot Size

What is the smallest Lot size (No. of properties) you would be interested in tendering for to provide a 3 star service?

	1000 Properties	2000 Properties	3000 Properties	4000 Properties	5000+ Properties
Total	5	2	3	1	

Question 2: Billing/Pricing arrangements

What is your preferred billing arrangement/pricing mechanism?

	Re-measure on completion (i.e. schedule of rates)	All inclusive rate per property, per year	Don't mind/no particular preference	Other
Total	3	5	3	

Question3: Expertise in other heating systems

In addition to domestic gas installations, please indicate whether or not you also have the internal capacity and expertise (i.e. directly employed labour) to service and repair the following systems

	Total	
	Yes	No
Domestic solid fuel boilers/appliances	10	1
Domestic electric boilers/appliances	11	
Domestic biomass systems	9	2
Domestic ASHPs	9	2
Domestic oil boilers	10	1

Question 4: Frameworks

Please list all domestic heating (EU compliant) frameworks you currently belong to

Framework	Framework	Framework
London and Quadrant	Peabody Housing Trust	The AA
Family Mosaic	London Borough of Lambeth	Edinburgh Council Domestic Heating/Pipework
Bedford Pilgrims Housing Association	South East Consortium (SEC)	Works Framework Lot 7
London Housing Consortium	RE;Allies	Contract (contract incorporates care homes and some fold housing)
Fusion 21	Southwark Commercial	Procure Plus
Northern Housing Consortium	Eastern Procurement	Procurement for all
Tandridge District Council	Great Places	Bristol City Council
London Borough of Ealing	Places for People	
London Borough of Hounslow	Homeserve	
CityWest Homes	Npower	

Question 5: Slots and resource allocation

What is the minimum time you would expect a service to take on a domestic gas boiler?

	15 minutes	30 minutes	45 minutes	60 minutes	60+ minutes
Total		8	2	1	

Question 6: Contract term/period.

What is your preferred term of contract?

	Minimum Term (Years)					Other Number
	1	2	3	5	10	
Total		1	9			

	Maximum Term (Years)					Other Number
	1	2	3	5	10	
Total				3	7	

Question 7: Gas Boiler - best make and models

What do you consider to be the best (top 3) make and model of domestic gas boiler?

Make	Model	Total
Ideal	Logic	3
Worcester	Greenstar	8
Vailant	EcoTech	7
Intergas	Eco-Combi RF30	1
Alpha	Tex25x and 28x	1
Valiant	Eco Max	1
Worcester	Si	1
Baxi Duo-Tec	Combi	1
Valiant	830/831	1
Intergas	Combi Compact HRE	1

Question 8: Inflation/deflation

How would you prefer to see price increases/decreases dealt with and/or allowed for within the contract?

	Annual uplifts using RPI	Annual uplifts using CPI	Annual uplifts using BCIS	No annual uplifts (fixed term)	No Preference	Other
Total	4	3	3		1	

Question 9

(a) Responsive repairs. Who do you think should raise the initial job (and book the appointment with the tenant)?

	Council	Contractor	No Preference
Total	1	10	

(b) Annual gas servicing. Who would you prefer to manage, organise and arrange the appointments for the annual gas servicing?

	Council	Contractor	No Preference
Total		11	

Question 10: Gas Servicing - annual scheduling

When would you prefer the annual gas servicing to take place?

	All year round servicing	Servicing Summer months only	No Preference	Other	Other Total
Total	8		1	No servicing December & January	1
				12 month Flat line	1

Question 11: No Entry/access problems

Where access to carry out a gas service is proving difficult, which do you consider to be the most effective at ensuring the Council achieves and maintains continuous 100% compliance?

	Court Injunction	Notice seeking possession	Forced entry as per tenancy	Other
Total		1	9	We will attempt to schedule the visit 3 times failing option 3 force entry (with Notice) as allowed for under standing tenancy conditions

Question 12: Payment terms

How often would you like to be paid?

	Daily	Weekly	Monthly	Other		
Total		1	10			

Question 13: appointment slots/periods

Which is your preferred appointment allocation for works to be completed?

	Hourly appointment	Morning or Afternoon appointment	Day only	No specific Date	Other	
Total	1	10			specifics , first call and avoid school runs and evenings	1

Question 14: Target periods

Which priority response periods would you prefer for responsive repairs?

	Emergency +3 day +12 day	Emergency +5 day +12 day	No Preference	Other		
Total	7	3	1			

Question 15: Scaffolding

If ad-hoc scaffolding is required, how would you prefer to recover the cost?

	Included in 'all in one rate'	Billed separately when needed	No Preference	Other		
Total		11				

Question 16: Assessment and award of tenders

	Detailed Client Specification	Output based with price/quality split	No Preference	Other		
Total	1	10				

Question 17: Continuous good performance

What mechanisms or client approach would incentivise and encourage you to continuously perform well throughout the contract?

Suggestions
Financial incentive for exceeding KPI targets
High levels of customer satisfaction from the client and residents
Increases in rates
Bonus payments
To ensure that all employees contribute to a culture of continuous improvements, we have provided the technology to produce KPI's relative to the work that they have completed. In autumn last year, we rolled out an operative KPI matrix, monitored weekly for various elements designed to improve service delivery and provide incentives for our staff to encourage loyalty through an appropriate award. These KPI's include first time fix and customer satisfaction. Operatives who achieve high level results are rewarded with higher hourly rates and weekly bonuses. In this way we transfer the focus of the core group to operational level and align values. Where excellence is noted, we analyse the reasons why and use this as an example to other staff and share best practice.
Robust KPI suite + compliance incentivisation and strong Partnering processes.
Collaborative working, clear communication links and touching on the positive not just the negative at review meetings
Incentivised Key KPI and pain and gain sharing.

We endeavour to perform at the highest standard at all times however we do appreciate any feedback to help improve the service we provide. We do not require any incentive or encouragement to perform well however if the level of service was acceptable then an opportunity to do more work, or work in different areas, i.e. planned programme boiler replacements or any electrical work. We would report weekly on KPI's and the results will indicate any issues which need addressing. We enter into a Contract trying to achieve good customer satisfaction with high standard of workmanship which will hopefully bode well for a Contract extension. This is a reward for providing an excellent service and having an excellent working relationship between the Contractor and the Client. We aim towards collaborative working to achieve the values set out in the Egan Report

The following are potential mechanisms that could be used to incentivise performance:

- The exploitation, wherever possible, of continued cost improvement and gain sharing opportunities in the context of specific contract provisions which all contractors to keep a proportion of the costs saved under innovative proposals throughout the life of the contract
- Arrangements whereby the level of profit is linked to enhancement of the service
- Payment of profit related to overall service performance (customer satisfaction) provides incentive to perform, but clear targets must be set
- Paying bonuses where value is added and is beyond the baseline contractual requirement and where value for money can be demonstrated
- Options in contract to extend contract if performance is above expected
- Sharing of future contract savings

Equal understanding from clients that in a busy service environment complaints are inevitable and assistance in supporting us on responses will help the partnership as would taking equal responsibility for no entry for gas servicing.

Open partnership approach with willingness to move away from contractual obligations if it will ultimately improve the service to the customer.

KPI's linked to profit.

The allocation of additional works such as a boiler replacement programme.

Good communication.

We have a strong preference for high levels of integration with our clients, and have found on our current contracts (e.g. for Bristol City Council, Stroud District Council and United Communities Housing) that this approach helps both sides ensure continuously high levels of tenant satisfaction, which we consider to be our primary KPI.

In terms of the mechanisms to achieve this integration, we do not have a 'one-size-fits-all' approach and would seek to understand Winchester City Council's internal resourcing structure and preferred systems before making concrete recommendations.

However, examples that we would wish to explore include:

- 'Monday briefing' meetings at Winchester offices to plan for the week ahead
- Real-time access to our service management software (Clik) for Winchester's in-house team
- Jointly-designed customer satisfaction questionnaires, reviewed quarterly in a ####/Winchester City Council joint meeting (ideally with a tenant representative)
- Hiring of local apprentices – we consistently find that when our teams are engaged with the local community they are more motivated to deliver excellent levels of service

Question 18: Contractor suggestions

Could you please add any other additional comments or suggestions below that are important to you when considering whether or not to submit or respond to a client tender

Suggestions
<p>### bases it's bid/no bid decision on the following factors;</p> <ul style="list-style-type: none"> - clients' location and the locality to other projects we may have within the area. - The contract specification - Value of work - Tender return guidelines
<p>Prices need to be sustainable and more consideration should be given to SME's who do the work themselves and do not sub work out to others.</p> <p>Installation work must be part of the contract as servicing and maintenance work on its own is not sufficient. 1 star contracts are also far more viable for contractors, and organisations should be seeking a quality service and not buying down to the cheapest option.</p>
<p>There are a number of items we consider in deciding whether or not to submit or respond to a client tender. These include: length of contract, geographical location, number of properties and evaluation criteria (quality vs. price). We also are keen to work with clients who are eager to work in collaboration towards a shared goal. An essential element of our partnering approach is to gain an understanding of each other's role and objectives, enabling decisions to be made swiftly at the most appropriate level of management.</p>

<p>For us the most important issue is whether or not installations are included. We do not believe a contract that is only repairs and servicing represents good value for you. Where installations are included, we take a whole0life view of the entire tender.</p>
<p>Geographical spread of properties covered on the contract and length of time given to complete the tender.</p>
<p>Inclusion of social value initiatives and opportunities, commencement date and reasonable mobilisation period 12 weeks minimum</p>
<p>When considering whether to respond or submit to a tender we always look at the potential client. We want to work with good clients who we can build a partnership with, working together to achieve the end result. We always take on board the values that are important to the client.</p>
<p>Quantity of tenderers/ Companies invited to tender Quality versus Price score- if quality weighting is very low we are less likely to consider</p>
<p>We consider any tender opportunity against the following factors: Size of portfolio - <3000 properties would be considered too small to tender Location and spread of properties. Scope of work - We would consider the fuel types within the contract and the requirement for renewable technologies TUPE - if this applies or not and the liabilities associated with it</p>
<p>At ### we consider two main evaluation factors when deciding whether to respond to a tender: Factor One: Can we deliver excellent results against the client's requirements? We will only submit tenders where we have a high degree of confidence that we can exceed the client's expectations. What is of primary importance is evidence that we have consistently, and successfully, delivered similar contracts for other Housing Associations and Local Authorities. In that respect, it is extremely helpful to be given as much information as possible regarding the nature and geographic dispersion of the housing stock, and as much clear detail as possible regarding the services required within the tender. Factor Two: Does the client share our passion for tenant care, transparent dialogue and continuous innovation? As a company we pride ourselves on being a 'value-added' partner for our clients – we aim to deliver a service, not a commodity. We are actively seeking to build relationships with Local Authorities & Housing Associations who value this approach, are forward-thinking and willing to engage with us to find new ways of delivering a high quality service while also improving efficiency. For example, we are rapidly expanding our expertise in smart / connected-home technologies, and many of our manufacturer partners have expressed interest in working with us in the Social Housing Sector. Such technologies could allow us to provide remote monitoring and diagnostic services that could dramatically reduce costs, and we place high value on clients who have a progressive and interested in collaborating on innovation with us.</p>

Additional question:

What is your preferred period of warranty for new boiler installs?

Company	Response
	We act as Warranty Agents for a number of manufacturers; the firm relationship we have with our supply chain partners enables us to secure discounts and extended warranties on behalf of our clients at no extra cost. Typically, our warranty period for new boiler installs varies from 7 to 10 years, depending on the manufacturer.
	Our preferred period of warranty for new boiler installations is 2 years.
	Our preferred period of warranty is two years.
	Our preferred period of warranty for new boiler installs is normally the 12 months as standard, unless the manufacturer offers enhanced warranties.
	We believe that a 12 month installation warranty is suitable, although boilers generally have 2 years on parts, however this is irrelevant to the council if they are operating a 3 star contract – different rates for ‘in warranty’ systems should not be used.
	There is no particular preference of the warranty period although it can influence costings. We currently work with several clients who have a range of warranty requirements. We can offer anything from 12 months up to 10 years. On all our boiler replacements we will be Approved Service Providers for the manufacturer. This enables all the engineers to have stock items to minimise any delays with completing a repair if the boiler was to fail. A longer warranty period can push up the initial planned/reactive replacement cost however the maintenance cost can be reduced. On the flip side, a shorter warranty period can bring the planned/reactive replacement cost down however the maintenance cost would be higher.
	We do not have a preferred period of warranty for new boiler installations. We do of course provide a 1-year defects period and the boiler warranty is usually provided by the manufacturer. Most of the boilers we install usually have a manufacturers’ warranty period of between 2 and 5 years. In some cases, there can be a warranty of up to 7-years for large projects of 500-100 boilers per annum for specified contracts.
	12 months on all workmanship undertaken by ###, and up to 7 years on the boiler system (depending on chosen manufacturer).
	I can confirm that our preferred period of warranty for new boiler installs is 2 years. However we can offer anything up to 10.