



Selection of Planned and Cyclical Maintenance Contractors Policy

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Selection of Planned & Cyclical Maintenance Contractors

This policy establishes the framework within which the Association selects contractors for cyclical and planned maintenance projects. The policy sets out performance criteria to be used in the selection process and with different procurement arrangements.

1. General

1.1 The Association has written procedures for monitoring and evaluating contractors being considered for maintenance projects. The Association's Maintenance Department will be responsible for ensuring that contractors are selected taking into account these evaluations.

1.2 The Association will select contractors in a fair, open and accountable manner. The Association selection procedures will be transparent and auditable and should aim to achieve and demonstrate best value and continuous improvement.

1.3 The Association will seek to become a "best practice" employer and its maintenance policies and procedures will aim to comply with all guidance, codes of practice and European Directives relevant to its obligations in this respect.

1.4 In considering the size and nature of our cyclical and planned maintenance programme, when selecting firms the Association will seek to incorporate the principles and best practice recommendations of the *Egan* (Rethinking Construction, 1998) and *Latham* (Constructing the Team, 1994) reports on procurement in construction. Particular reference should be made to Scottish Homes Policy Advice Note *Procurement and Partnering* and to *Development – Procurement of Contractors* (SFHA, Raising Standards in Housing).

1.5 The Association will adopt an integrative approach to selecting contractors. Firms will be assessed in terms of their ability to meet the Association's needs over a comprehensive range of performance standards. These standards will cover the requirements of the Association as a whole and its various sections.

1.6 The Association's Selection and Approval Procedures will comply with Schedule 7 requirements.

2. Planned Maintenance Work : The Association's Requirements

2.1 The scope of the Association's maintenance programme is complex. Accordingly, the Association will use different procurement methods, which range from tendering, negotiation to partnering (maximum period of 6 years).

2.2 Given this the Association will select a Procurement Strategy or contract to suit the specific requirements of the individual project.

Likewise the nature of the service required from a contractor will also vary from project to project. The Association recognises, therefore, that a firm selected for one type of project may not be suitable for another, and vice versa.

2.3 Because its contractual requirements vary from project to project the Association, although operating a standing list of approved contractors, may need to seek the services of additional contractors. Contractors will be selected on the basis of their suitability for individual projects. The Contractor's Selection and Appraisal Procedures will be applied to determine the contractor's suitability for the project.

3. Procurement Strategy

3.1 The selection process for contractors will form part of the project Procurement Strategy, which will vary from project to project, and likewise the selection process will also vary. The manner in which the contractors' selection process complements the Procurement Strategy must be clearly demonstrated and the reasons for choosing a particular selection process clearly set out in written documentation.

3.2 The Association regards fair competition as the most effective means of procuring a maintenance contract. However, in specific circumstances the Association may select non-competitive procurement strategy such as negotiation.

3.3 Where a solely price competitive route has been chosen the Association will normally select a tender list. The size of the tender list may vary in exceptional circumstances. The reasons for the variation must be clearly demonstrated.

3.4 The Contractors Selection and Appraisal Procedures will be used to select firms for tender lists.

3.5 The procedure will also apply to firms being considered for non- competitive procurement routes.

3.6 The Association recognises however, that price competition alone fails to address the key recommendations of the *Latham* and *Egan* reports, which propose that the most effective way of obtaining best value from the procurement process is to start with a quality based selection method for contractors.

3.7 In accordance with the recommendations of the *Egan* and *Latham* reports the Association's preferred Procurement Strategy for a particular project may involve the selection of a Partnering contractor. The Association will adopt a quality-based selection process when selecting a partnering contractor. The selection process will follow the good practice guidelines set out in *Raising Standards in Development (SFHA)* and *Procurement and Partnering (Scottish Homes)*.

4. Performance Criteria for Contractors

4.1 The Association will monitor and evaluate contractors against a number of performance criteria. These criteria will change from time to time depending on prevailing codes of conduct in the building industry and the dynamic needs of the Association.

4.2 The weighting given to different performance criteria will be determined by the specific needs of the project and the Procurement Strategy adopted for the project. In quality-based

selection processes the performance criteria should be clearly established at the outset with the weighting and importance allocated to specific criteria clearly understood by those involved in the selection process.

4.3 The Association will select contractors on the basis of the following performance criteria:-

- ☐ Value for money
- ☐ Ability to Partner
- ☐ Quality of product
- ☐ Quality of service, organisation and resources
- ☐ Management of contracts
- ☐ Cost control
- ☐ Constructive co-operation
- ☐ Financial standing and trustworthiness
- ☐ Eligibility to provide Third Party Warranties and Performance Bonds
- ☐ Health & Safety
- ☐ Commitment to sustainability
- ☐ Sub-contracting policy
- ☐ Ability to contribute to local economic regeneration, such as employment training initiatives

4.4 Firms being considered for Tender Lists, for either price or quality-based selection methods, will be assessed against this performance criteria.

4.5 Contractors selected by the Association will be required to comply with current legislation, statutory requirements and European Directives covering the building industry.

4.6 Contractors will be required to comply with the Construction (Design and Management) Regulations 1994. Firms will be expected to have a sound Health & Safety record.

4.7 Firms employed by the Association will be encouraged to make a positive contribution to the regeneration of the area. This contribution could take the form of participation in employment training initiatives or the use of local labour and sub-contractors.

4.8 Preference in selection procedures will be given to a local firm if it can be clearly demonstrated that the firm will meet the Association's needs and requirements for the project.

4.9 The Association will seek to become an Equal Opportunities Employer, both in terms of its obligations under Contract Law and European Directives but also in respect of "good practice" as outlined in the publication "Building Equality (SFHA, 1997)". The Association will aim to promote equal opportunities in its selection and appraisal procedures for contractors. Contractors will be asked to provide a statement detailing the action they are taking towards meeting their obligations as an Equal Opportunities Employer. These statements will be used by the Association when assessing the suitability of firms for employment.

4.10 The Contractors Selection and Appraisal Procedures will outline systems to monitor and evaluate contractors against the performance criteria detailed in this section.

5. Contractor's Database

5.1 A written history will be kept of all contractors who have previously worked with the Association. The history will include a record of the contractor's work for the Association and an appraisal of his performance against the criteria detailed in Section 4.

5.2 All construction firms who approach the Association for work will be asked to complete a Contractor Information Sheet. This will provide detailed information on the contractor's previous projects and clients and any other relevant information.

5.3 The Association's Maintenance Section will be responsible for maintaining the Contractor's Database.

6. Approval Procedure

6.1 Contractors selected for projects must be approved by the Association's Committee. The Committee will consider forms for appointment or inclusion on tender lists on the basis of detailed reports, including performance assets.

6.2 In quality-based selection processes, at least two members of the committee should be members of Selection Panels.

6.3 Tender lists, for either price or quality-based selections, must be approved by the Committee.