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Contract Management Policy

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Documentation Master Sheet

Amendments to this Document are Detailed Below

Version Number	Date Amended	Comments	Date Approved	Author	Approved By
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02	04/09/06	Further updates	05/09/06	PM	AG
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14	27/02/2019	Review – change of Job Titles	05/03/19	SWT	MH

INTRODUCTION

GCH manage and maintain over 4400 properties in the locality of Gloucester. As part of our on-going commitment to maintain and invest in our housing stock, we procure a range of contractors and partners to complete day to day maintenance, cyclical testing and capital improvement programmes. We aim to form partnerships with contractor to deliver efficient and cost effective services and believe that good contract management is essential in achieving this.

SCOPE OF POLICY

The aim of this policy is to outline our approach to managing our Partners and Contractors.

The policy relates to contracts which are procured and managed by the GCH Asset Management Team. It will outline a number of aims which we believe are essential in achieving good contract management, identify the relevant legislation and confirm the service standards we expect.

Gloucester City Homes aims to:

1. Manage contractors to ensure that services are delivered to the highest standard and in a cost-effective manner.
2. Ensure that our homes are safe and that GCH and our contractors comply with our statutory duties as a landlord.
3. Protect the asset value of GCH housing stock and increase Net Present Values.
4. Maximise the impact of investment in existing and if appropriate, new stock and to contribute to neighbourhood regeneration.
5. Ensure that any building maintenance activities are completed in accordance with current legislation and best practice.
6. Encourage and facilitate resident involvement throughout the investment process through communication and consultation at all stages.
7. Manage the performance our contractors to ensure that GCH receive value for money and that our Customers receive a good service.
8. Obtain customers' views on the service delivery of planned maintenance by means of, tenant surveys.

LEGAL AND REGULATORY EXPECTATIONS

GCH will consider the following legislation when addressing Contract Management

1. The Landlord and Tenant Act 1985.
2. The Health and Safety at Work Act 1974
3. The Construction (Health, Safety and Welfare) Regulations 1996
4. The Construction (Design and Management) Regulations 1994
5. The Construction (Design and Management) Regulation 2015
6. The Building Act 1984
7. The Building Regulations 2010 and subsequent revisions
8. The Building Regulation 'Approved Documents'
9. The Public Contract Regulations (2015)

SERVICE STANDARDS

When managing contracts GCH will:

1. Procure all contracts in line with our Procurement Policy and Procedure, incorporating Standing Orders documents and seek to employ contractors with a track record of delivering value for money and high standards of health and safety.
2. Specify materials which provide long term value for money
3. Ensure that Surveyors are adequately trained to effectively monitor performance or procure 3rd party expert support to assist them
4. Wear adequate PPE for any site visits that they are undertaking
5. Manage contractors through the use of Key Performance Indicators (KPI). These may include but are not exclusive to:
    a. Accuracy of cash flow forecast
    b. Adherence to programme
    c. Defects on handovers
    d. Recalls to complete work
    e. Safety (reportable incidents per 100,000 hours)
    f. Number of justified complaints
    g. Customer satisfaction
    h. Accuracy of information supplied to GCH
6. Produce a five year Future Maintenance Plan to highlight the areas where we will complete planned works.
7. Produce a more detailed one year Annual Maintenance Plan which identifies addresses where work will be complete in the upcoming year.
8. Work with our contractors to identify savings and efficiencies
9. Post-inspect work to ensure that our contractors are delivering a high standard of workmanship and that payment applications are accurate.
10. Hold regular contract meeting with contractors to monitor performance

All contractors and subcontractors working for GCH will:

1. Ensure that they adhere to the all relevant health and safety legislation when undertaking work.
2. Adhere to GCH's health and safety policy
3. Complete suitable and sufficient risk assessments for work they are undertaking.
4. Ensure that our Tenants have a clear point of contact for all work being completed in their home.
5. Where possible, offer a choice of style and colour of kitchens, bathrooms, floors, doors, fires and surrounds etc.
6. Provide proof of identity before entering residents homes
7. Wear uniforms that display the Company name
8. Ensure that all works completed are done so to the agreed specification and standard.
9. Manage their own quality of work ensuring adequate levels of supervision and post inspection.
10. Where possible, carry out the work whilst residents remain in occupation.
11. Ensure residents are not left overnight without electricity and essential facilities.

AUTHORISATION LIMITS

GCH Team

Any member of the Asset Management Team will have the capability to raise work orders to contractors. In order to ensure adequate controls are in place each team member will have an authorisation limit for works raised. The limits are set out below and relate to both the issuing of works orders and variation orders.

1. Support Team Members: £500
2. Support Team Manager: £5,000
3. Surveyors: £5,000
4. Head of Asset Management: £50,000
5. Assistant Director of PropertyCare: £100,000
6. Director of Asset Management: £500,000

If a surveyor requires work orders to be issued to a contractor which are over their authorisation limit, this must be agreed with an appropriate signatory beforehand. This will normally be agreed at the monthly Surveyor meeting. All work must signed-off by an appropriate signatory prior to payment.

Contractors

Generally contractors will not have the ability to authorise additional expenditure without prior permission from GCH.

In order to reduce the levels of variations to work orders issued, where possible any amendments to the tendered specification should be agreed prior to works commencing on site. For example, Kitchens should be pre-surveyed and the contractor should agree works over and above the specification prior to commencing on site.

Any additions identified once work has commenced on site should be agreed with the Surveyor.

This will normally be done verbally, however Surveyors will need to ensure that variations are correct prior to agreeing month end valuations. The effect of any variation orders should be monitored via Surveyors cash flow forecasts and financial projections.

GCH strive to build successful and efficient partnerships with our contractors and therefore it is accepted that where contractors have proven a track record of good variation management they may be given permission to progress with variations under an agreed value (normally £100-£300) without prior permission. The orders will be progressed at the contractors risk and GCH retain the right to withhold payment if the additional cost is deemed unreasonable.

Although the above policy will generally apply, ultimately the specific variation limit for each contract will be defined in the contract documentation associated with the works being undertaken.

INSPECTION OF WORK

We will regularly post inspect works to ensure that contractors are delivering the required standards of workmanship and that payment are accurate and reflect works completed on site and the contract pricing structure.

For each request for payment/valuation, we aim to inspect:

1. 100% of works over £5,000

2. 30% of works between £2,500-£5,000
3. 20% of works between £0-£2,500
4. Note: It is understood that on occasion payment may be made without completing the full quota of inspections, however Surveyors and the Head of Asset Management must ensure that the above aims are generally adhered to throughout the course of the contract.

For the purpose of this Policy a post inspection will normally mean a site inspection by a Surveyor, however it is also accepted that post inspection can include a check of the certification supplied by the contractor or an inspection by a third-party auditor or compliance officer.

The above thresholds will also apply to the levels of pre-inspection required for the authorisation of variation requests.

Surveyors will complete regular inspections of work in progress to monitor the contractors working practise and workmanship. The frequency of these inspections will be determined by the managing surveyor but they should consider factors such as the risk associated with work, the contractor's previous performance and the existing relationship with the contractor.

From time to time GCH may instruct a third party to complete auditing and post inspection work on our behalf. The focus of these inspections will be on high risk work such as Gas Installation or Electrical Rewiring.

CONTRACTOR INFORMATION

In order to ensure that we have up-to-date information regarding contractors, we will complete a Contract Spread Sheet to log the details of all major contractors. This will include items such as primary contact details, Insurance Renewal Dates and CDM Information.

This will be held on Sharepoint.

CONTRACTOR REVIEW