



HOW WE AWARD CONTRACTS

Advantage SW is a procurement consortium that operates in the social housing sector. Housing Associations and Local Authorities with housing stock can join Advantage SW, becoming a Partner.

Advantage SW uses a “restricted procedure” methodology for awarding contracts. The defining element of this procedure is that there is a pre-qualification process for companies wishing to be invited to tender. Those companies who we judge as best able to meet our requirements will be invited to tender. Normally we seek between 5 and 8 companies. We use a web-based electronic sourcing system to manage the tendering process, www.advantageswtenders.co.uk, and we use e-auctions for price submission.

- Advantage SW Partners**
- ⇒ Coastline Housing
 - ⇒ Devon & Cornwall Housing Association
 - ⇒ North Devon Homes
 - ⇒ Ocean Housing
 - ⇒ Penwith Housing Association
 - ⇒ Riviera Housing Trust
 - ⇒ Tarka Housing
 - ⇒ Taunton Deane Borough Council
 - ⇒ Teign Housing
 - ⇒ Tor Homes
 - ⇒ Westcountry Housing Association
 - ⇒ Yarlington Housing

There are five main principles that we work to when awarding contracts

- The principles we work to are
- ⇒ tenant involvement
 - ⇒ partner involvement
 - ⇒ value for money, not lowest price
 - ⇒ e-auctions for pricing
 - ⇒ legislative compliance

Tenant involvement

Tenants’ representatives have told us that they want to assess the products that are being tendered. To do this we hire a hall and have the tendering companies display their products. We ask tenants representatives to assess how they would feel about having the products in their homes, on a scale of 1 to 5:

We anonymise the products, ensuring that:

- ⇒ there is no indication as to the manufacturer or tenderer
- ⇒ there are no salesmen, brochures, merchandise or giveaways
- ⇒ no salesmen are present

- 5 - I would be **delighted**
- 4 - I would be **happy**
- 3 - I would be **satisfied**
- 2 - I would be **disappointed**
- 1 - I would **refuse**



The table to the right shows the percentage of the overall decision that the tenants have made.

We average the scoring of each Partner’s representatives. We then take an average of the Partners’ scores to ensure that each Partner has an equal input into the assessment.

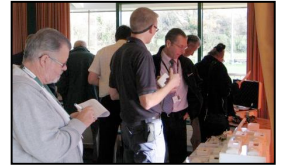
Tenants’ Representatives’ Assessment	
Contract	Percentage
Heating controls	30%
Doors	20%
Electrical heating	16%
Kitchens	15%
Bathrooms	10%
Radiators	5%



We have the right to disqualify from the process any tenderer that scores less than 2.5 overall.

Partner involvement

Advantage SW works through participative collaboration. Each contract is awarded by a Product Group. Each Product Group is chaired by a senior manager from one of the Partners and each Partner has an employee on the group.



The Product Group:

- ⇒ Produces the specification
- ⇒ Produces the tender analysis methodology
- ⇒ Identifies the companies to invite to tender
- ⇒ Analyses the tenders
- ⇒ Recommends the tenderer that should be awarded the contract
- ⇒ Communicates the decision within their RSL
- ⇒ Progresses the implementation

Each Partner independently analyses the non-price elements of the tenders. This is then collated and any large discrepancies between Partners scoring is examined and, if possible, reconciled. This is then combined with the tenants' representatives scores to give an overall non-price assessment score.

Prices are not submitted with the tender, they are provided later through the e-auction.

Value for money, not lowest price

Advantage SW does not award contracts for cheap products. Instead, through the input of the Partners and Tenants, it arranges contracts which will give the best value for money. The starting point for this is a product specification that ensures that the products bought will meet the expectations of tenants, maintenance teams and investment programmes.

Examples of non-price criteria:

- ⇒ Tenants assessment
- ⇒ Void response times
- ⇒ Delivery, lead time & availability
- ⇒ Improved product guarantees
- ⇒ After sales service
- ⇒ Spares availability
- ⇒ Technical support
- ⇒ Training of maintenance operatives
- ⇒ Product size
- ⇒ End of life disposal issues

Tender Analysis Weightings		
Contract	Price	Non-Price
Radiators	70%	30%
Heating controls	60%	40%
Doors	60%	40%
Electrical heating	60%	40%
Kitchens	55%	45%
Bathrooms	55%	45%

Based on the contracts that have been awarded, all Partners will save considerably more than they have invested in Advantage SW.

E-auctions for pricing

The overall non-price assessment score is given to the e-auction provider to be loaded into the e-auction system. When tenderers enter their prices during the e-auction, the system incorporates the prices and the non-price

Electronic reverse auctions are a fair and transparent way of ensuring that we get the best prices possible for the products that Partners need.



assessment score and calculates the tenderer's net score and position. Each tenderer can reduce their prices with the objective of having the lowest net score. The e-auction will continue until there are no more bids. At the end of the e-auction the company with the lowest score is the successful company. For more information on e-auctions please visit www.tradingpartners.com.

Legislative compliance

All contracts awarded are in compliance with the EU Procurement Directives and UK Public Contract Regulations.