

NHMF Maintenance Conference – January 2006

Kenneth Spencer and Simon Reed
Procurement of Materials

NHMF Maintenance Conference
25th/26th January 2006

procurementforhousing

Today's Workshop

Ken will report on:

- Achievements in 2005
- Strategy for materials procurement

Simon will cover:

- Making the strategy work
- Tools for controlling the process

Discussion of the operational issues.

procurementforhousing

Strategic Building Blocks

Complexity

Time

'Big Ticket' Commodities

Materials for Repairs

Procurement for Tenants

procurementforhousing

Key Achievements

- Recognised by **Central Government**
- Accredited by **National Change Agent**
- **326** housing organisations have joined
- Members manage **1.7 million** homes
- Key **Commodities** deals in place
- Groundbreaking **Materials Portfolio** launched
- **Local consortia** taking up materials deals
- Substantial **cashable** and **non-cashable** efficiencies reported.

procurementforhousing

Current Product Groups

Business Supplies	ICT	Energy	Repairs Materials	Financial Services
Office Supplies	Desktop PCs	Gas	Responsive	Fleet Management
Furniture	Mobile Phones	Electricity	Central Heating	Payment Cards
Print Management	Landline	Consultancy	Bathrooms	
Photocopiers	Data comms		Kitchens	
White Goods			Doors	
Brown Goods			Windows	
Janitorial			Roofing	
Workwear				

procurementforhousing

A Member's View

"The service PfH provides is very similar to the service we would receive if we employed a team of specialist in-house buyers – but at a fraction of the cost. As well as cost savings we also benefit from considerable time savings as we don't have to research the market, write lengthy specifications or instigate long tendering processes."

Linda Campling,
East Thames Group

procurementforhousing

NHMF Maintenance Conference – January 2006

Materials Strategy

- Separate materials from labour – no more supply and fit
- Source materials and distribution nationally
- Source labour sub regionally
- Provide new management tools.

procurementforhousing

Benefits

- Transparent and cheaper costs of materials
- Reduced like for like costs
- Manage materials further down the supply chain
- Wider choice of labour providers
- Better process control - reduced costs
- Non cashable improvements.

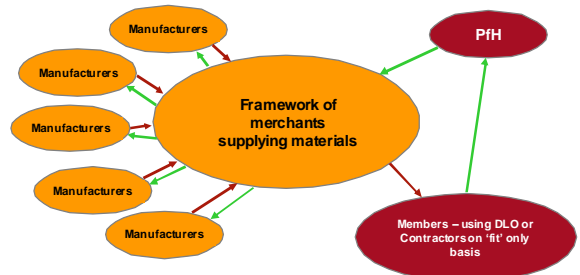
procurementforhousing

Costs

- Additional demands on project managers
- More information, more things to do with it
- Getting used to new forms of partnership.

procurementforhousing

PfH Supply Chain Model



procurementforhousing

PfH Supply Chain Model

- Framework agreements that are fully OJEU compliant
- Distribution through merchant network
- Appropriate choice
- Working back down the supply chain
- Better prices as volumes grow.

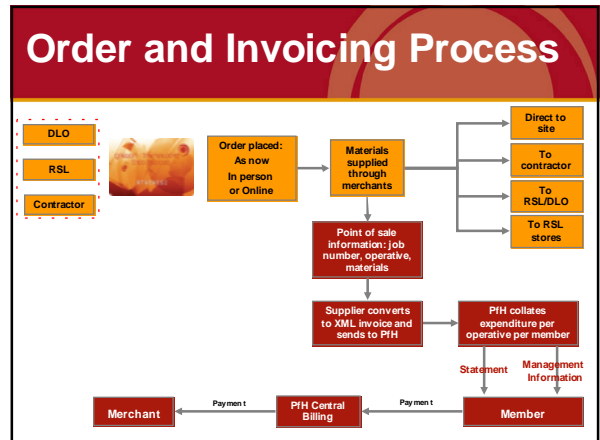
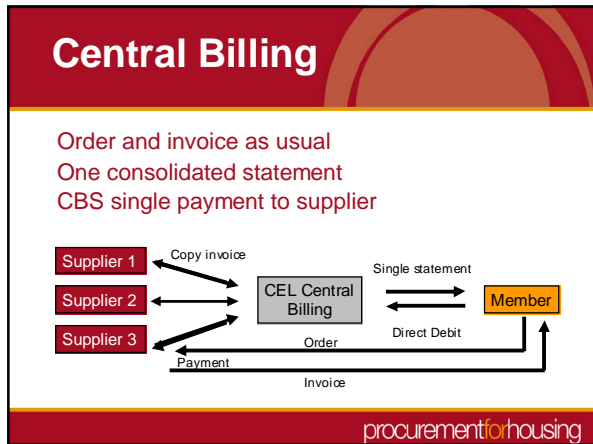
procurementforhousing

e-systems now

- Central Billing
 - Single electronic payment
 - Electronic statements
 - Analysis of purchases
- The Purchasing Card
 - Improved control
 - Detailed electronic information on purchases.

procurementforhousing

NHMF Maintenance Conference – January 2006



- ## Benefits & Efficiency Gains
- Highly efficient transaction processing
 - Estimated transaction process savings = 80%
 - Quality Management information
 - Transactions can be linked to job numbers for security and control purposes
 - Seamless integration between planned and responsive materials purchasing
- procurementforhousing

Tel: 01457 891906 Web: www.procurementforhousing.org.uk

procurementforhousing