



# POLICY

**Subject/Title:** Appointment & Use of Contractors' and Technical Consultants

**Business Units:** The Community Housing Group and all subsidiaries

**Date of Document:** September 2008

**Date for Next Review:** September 2011

**Authors:** Director of Asset Management & Commercial Services Manager

---

## 1.00 INTRODUCTION

1.01 The Community Housing Group Limited (hereafter referred to as TCHG or the Group) aims to ensure:

- probity in the awards of contracts, and
- fairness and equality in the treatment of contractors and technical consultants.

1.02 TCHG will have proper regard to the requirements of the Human Rights Act 1998 and the Data Protection Act 1998 and all other statutory or regulatory guidance in the implementation of this policy.

## 2.00 DEFINITIONS

2.01 **Contractors:** A Company, partnership, unincorporated association, or single trader employed to carry out work on or around TCHG properties or land, or engaged on work that TCHG is contracted to do for third party customers.

**Technical Consultants:** A company, partnership, unincorporated association, or single trader employed to provide specialist technical/construction professional advice and services on TCHG properties or land, or engaged on work that TCHG is contracted to do for third party customers.

**Constructionline:** Is the UK's register of pre-qualified local and national construction contractors and consultants [www.constructionline.co.uk](http://www.constructionline.co.uk).

**Bromford Development Consortium Framework Agreement** (hereafter referred to as the framework agreement): A framework of approved Contractors and Technical Consultants that have been procured via the Bromford Development Partnership, satisfying OJEU rules. Members of the development consortium can draw down approved contractors and consultants on new build developments.

**Official Journal of European Union** (hereafter referred to as OJEU): This is the publication in which all contracts from the public sector which are valued above a certain threshold must be published to satisfy European Union (EU) legislation. There is a specified process for the selection of successful tenderers.

**Business Innovation Group** (hereafter referred to as BIG): A working group of senior managers established to review corporate strategy, policy and performance before referring to subsidiary Boards/Committees.

### 3.00

#### **POLICY**

#### 3.01

##### Appointing Contractors and Technical Consultants

#### 3.01.1

There are three ways that Contractors and Technical Consultants can be commissioned to carry out work on behalf of the Group:

- Where the estimated annual value of the work is below £250,000 Contractors and Technical Consultants can be appointed from the Group's Contractors and Technical Consultants Approved database.
- Where the estimated annual value of the work or the project exceeds £250,000 the Contractors and Technical Consultants will be selected from Constructionline.
- For Development (new build) projects, Contractors and Technical Consultants can be appointed from the 'framework' agreement or any of the other categories above.

#### 3.02

##### Contractor and Technical Consultants Database

#### 3.02.1

A database of Contractors will be held by TCHG (via the CHG Property Services team) on the IT system accessible to all staff.

#### 3.02.2

The database will list the names of companies able to provide services to TCHG.

#### 3.02.3

The database will be presented annually to the CHG Property Services Committee for review and will include a summary of the performance of the companies on it, whether they should be considered for future commissions, how many times a company has been used, together with the total value of work undertaken for the relevant year. Companies added or removed since the last annual review will be highlighted in the following year's annual review.

#### 3.02.4

Companies may be suspended or removed between annual reviews under the authority of two Directors. Companies can be added between annual reviews under the authority of one Director. On a day to day basis this function will be delegated to the Director of Asset Management.

#### 3.02.5

Where there are insufficient companies on the database to either tender for or perform the services required by TCHG at any time, advertisements

may be placed in the trade or local press inviting companies to apply to be considered to be included on the database.

- 3.02.6 No employee, Board Member, former employee or Board Member, or close relative shall have an interest in any individual, firm or company on the Contractors Database. Anyone with such an interest will inform the Company Secretary immediately in writing.
- 3.02.7 A system of rotation of contractors will operate and will be reviewed annually by the Director of Asset Management and any proposed changes will be approved by the CHG Property Services Committee.
- 3.03 Small Contractors
- 3.03.1 TCHG wishes to encourage small local contractors undertaking elements of work.
- 3.03.2 Assistance will be offered to small local contractors in completing the application form and associated documents for approval for the contractor data list.
- 3.03.3 Where a company is too small to obtain a credit check, the responsible Head of Service in conjunction with a Finance Officer will document a risk assessment against the value against the value of work likely to be awarded to the company.
- 3.03.4 The decision on whether to or not to add the contractor to the database lies with the Director of Asset Management.
- 3.04 Risk Management
- 3.04.1 Before an agreement is entered into with another company (from the database) to provide services to TCHG, documented evidence must be obtained on the company and held to demonstrate that at least the following criteria have been taken into account, to manage TCHG's exposure to risk:
- Competence
  - Past performance
  - Financial health and status
  - Organisational capacity
  - Tax status
  - Adequacy of liability and other insurance
  - Current workload
  - Experience of comparable work
  - Commitment to customer service and TCHG policies
  - Health and Safety
  - Equality and Diversity
  - TCHG Contractors Code of Conduct

- 3.05 The Appointment of Contractors and Technical Contractors
- 3.05.1 A contractor will not be appointed unless they have provided TCHG with documented evidence that is adequate and relevant to Public Liability Insurance and where relevant, Professional Indemnity Insurance, is held for the nature, scale and timing of the commission proposed.
- 3.05.2 Excluding development schemes no one contractor shall have more than 10% of the Group's total workload in progress on site at any one time, as determined at the time of appointment, except where TCHG partners with a contractor in accordance with the principles of "Rethinking Construction" and "Accelerating Change" and in compliance with the partnering aspects of the 'Clients' Charter.
- 3.05.3 Partnering with contractors in accordance with the principles of paragraph 3.05.3 above and will be subject to approval by the relevant Board on individual projects.
- 4.00 IMPLEMENTATION**
- 4.01 The policy affects all contractors and sub contractors and details regarding this Policy will be published on the Group's web sites.
- 5.00 CONSULTATION**
- 5.01 Consultation will take place through Business Innovation Group (BIG). All existing contractors and consultants will be consulted, every three years to coincide with the policy review date.
- 6.00 STANDARDS OF DELIVERY**
- 6.01 Performance Monitoring will be carried out to Constructionline standards as follows:-
- The officer appointing a company will arrange to have the performance of that company recorded on the TCHG database at each of the following stages:
- 1) Practical Completion of a Contract.
  - 2) Upon it becoming apparent during a current commission that a company should not be used for future commissions owing to their unsatisfactory performance.
  - 3) Any term contracts will require recording of contract performance every six months.
- 6.02 The performance of all contractors will be published on the Group's web sites.
- 6.03 Performance monitoring for contractors and consultants selected from 'the framework' for development will be assessed in line with its key performance indicators and designated procedure.

## **7.00 EQUALITY AND DIVERSITY/TRAINING**

- 7.01 TCHG is committed to ensuring fairness and equality for all, operating with professionalism, integrity and openness. We aim to make sure we do not knowingly create an unfair advantage for anyone, directly or indirectly.
- 7.02 Before engaging a company, a commitment will be required that they conduct themselves in a way that reflects TCHG's Equality and Diversity Policy. Details of the company's relevant policies will be required. Assistance will be offered to small companies to ensure that standards are met, by asking them to agree to TCHG's Policy.
- 7.03 All employees /contractors are committed to promoting and following The Group's Equality and Diversity policy in relation to this policy.
- 7.04 All relevant employees will receive appropriate training in the effective implementation of this policy.
- 7.05 TCHG will provide training and support to small local contractors and consultants where necessary to meet the requirements of Group's Equality and Diversity Policy.

## **8.00 RESPONSIBILITY**

- i. The Director of Asset Management has overall responsibility for the operation of this Policy. The Managing Director has overall responsibility for this policy, with respect to the Group's Development Programme.
- ii. The Lead Officers who are responsible for the implementation of this procedure is the Head of Repairs and Maintenance (Repairs and Maintenance Department) and Head of Asset Management (Asset Management Department).
- iii. Heads of Services are responsible in their relevant departments across the Group.
- iv. The Head of Asset Management and Head of Repairs and Maintenance are responsible for ensuring that all staff involved in the procedure are trained and are encouraged to contribute suggestions for its continuous improvement, in line with Best Value principles.
- v. The Director of Asset Management will be responsible for ensuring the data base is maintained regularly.
- vi. It is also the responsibility of all employees to adhere to this policy.

## 9.00 REVIEW

This Policy will be reviewed tri-annually by TCHG unless:-

- There are significant changes to legislation or regulation.
- There are found to be deficiencies or failures in the Policy as a result of complaints/customer feedback or findings from any independent organisations.
- Any changes to the Business Plan, Internal and External Audit, Risk Assessment and current Best Practice.

In any event this policy will be reviewed no later than three years from the effective date of this version.

## 10.00 ASSOCIATED DOCUMENTS

### Internal

- Standing Orders and Financial Regulations
- Contractors Code of Conduct
- TCHG's Equality & Diversity Policy
- Appointment & Use of Contractors & Technical Consultants Procedure
- Contractor and Technical Consultant Database
- Tender Procedure

### External

- Constructionline website – [www.constructionline.co.uk](http://www.constructionline.co.uk)
- OJEU Procurement Regulations
- Bromford Development Partnership Framework agreement for selection of contractors and consultants