

To change or not to change service supplier?

Do not underestimate the transition time, cost and process involved!

Background

Having successfully delivered procurement and contract management training in early 2023, GBS Procure were invited by a housing association with 4000 homes to review its materials supply; the existing contracts hadn't delivered the operational or financial results originally envisaged. The housing association were seeking providers who could:

- Provide a dependable range of building and electrical materials;
- A responsive delivery service, which would reduce operative down time;
- An effective way to manage the new contracts
- Competitive pricing.

GBS were appointed to project manage the end-to-end contract procurement process and additionally to provide a project management office service to oversee the demobilisation of the incumbent contract and the mobilisation of the new building material contracts.

Results

GBS Procure managed the end to end management of the ITT process and delivered the following:

- Successful award of a directly procured 5-year contract to providers of building and electrical materials;
- By going direct to market, achieving significant savings estimated in excess of £500,000 over the term of the contract;
- Successfully mitigating the majority of demobilisation (exit) costs;
- Mobilisation of the new contract using GBS Procure's proven contract management methodology including relevant key performance indicators;
- Working closely with the incumbent to ensure existing stock was successfully transferred from the incumbent to the new provider in a timely and efficient manner.

Approach and challenges

The approach and challenges on this project included:

- **Demobilisation Costs** - Utilising our contract demobilisation methodology, we worked with the client and the incumbent to reduce costs, achieving significant savings on exit costs. A key learning is to know your data and maintain accurate up

"I have been really impressed by the service that GBS and team have provided. They have worked with us in procuring a new materials contract and helped in the demobilisation of our current contract, achieving significant savings and a smooth transition to our new suppliers. They have been extremely professional throughout. I can't thank Paul and Gary enough for all their hard work and look forward to working with them in the future."

Compliance Supervisor

to date records of van stocks and mandated stock held in store which will be chargeable at the end of a contract.

- **Choice of Contract** – it's important to consider a contract which would work for all parties. Working with the client and our knowledge we decided to utilise the new [cabinet office mid-tier contract](#) which provided the scope for a consistent approach. The contract includes a variety of schedules to fit every contract situation e.g. a contract exit clause which helps to make sure clients avoid potential additional costs at the end of a contract as these are agreed up front.
- **Available client resources** – in our experience a new contract can quickly turn sour without proper resources on the client side. In agreement with the client, we provided a project management office for all contract mobilisation plans through all toll gates from go live to steady state with new suppliers.
- **Managing Supplier Performance** – To support effective performance management we wanted to make it easy for the client to manage the suppliers. We set up a performance management process and methodology using our Service Assessment Scheme (SAS) template with all parties having signed it off to underpin a win-win ongoing collaborative operational relationship.



WE'RE HERE TO HELP

If you would like support for your procurement of a maintenance materials contract (or a related project), guidance on contract management or procurement and contract management training, please get in touch via our [website](#).