

GROSVENOR PROPERTY MANAGEMENT

Contractor and procurement administration

In 2014 Grosvenor completed a radical and comprehensive procurement programme of all repairs, maintenance and services provided to our managed portfolio of properties. The purpose of the programme was to achieve high standards and best value pricing from a handful of contractors, who in time would become valued service delivery partners for Grosvenor. Prior to 2014, Grosvenor worked with over 50 contractors, this had become too difficult to manage and quality and value were suffering as a result.

Procurement Programme (2014)

The procurement programme considered on multiple stages were potential contractors to subject to rigorous checks, submissions and interviews. We carried out detailed due diligence to assess financial standing and reputation. We sought partners who could match Grosvenor's view on the importance of culture and excellent standard. We carried out site visits to evidence the quality and service being provides to similar clients elsewhere. A thorough list of all services required to every one of the near 500 properties was drawn up and potential bidders had to price this document.

At this time, Grosvenor consulted with all its customers in line with Section 20 consultation (as set out in the Landlord and Tenant Act 1975). This prescribes a consultation methodology for residential property owners. Over 100 contractors expressed an interest which made the programme the largest procurement exercise ever undertaken at Grosvenor.

We selected a handful of service partners and entered into robust contractual agreements that protect Grosvenor and its customers for the future. They also include ongoing requirements that each service partner must demonstrate, which include:

- Appropriate health and safety accreditations and policies
- Excellent standard of workmanship
- The appropriate level of insurance cover
- Compliance with all relevant regulations, including H&S and CDM
- Assurity and protection regarding the service partners financial standing

The contracts were proposed for an initial 5-year period, with a 5-year extension, subject to Grosvenor's being content that service levels were being met. We are pleased that all service partners currently in place have an excellent understanding of how we work at Grosvenor and the requirements of our leases. The procurement was fully compliant with Section 20 of the Landlord and Tenant Act 1985, which sets out a consultation methodology for residential property owners.

Grosvenor's contract management

Each of Grosvenor's RMS contracts are managed by an internal Grosvenor resource and relevant performance management checks are performed and reported on. This includes follow up audits on health and safety accreditations, financial, insurances and legislations are in place. Included within this contract management is annual financial indexation in line with Average Weekly Earnings Index (AWEI). This ensures that Grosvenor and their customers benefit from best value in the marketplace.

All of Grosvenor's contracts, and specifications are available for customers to review, at any time. Please contact your property manager should you wish to do so.

Current Service Partners

The service partners and their associated delivery on estate are listed in the table below.

Service partner	Carrying out	Relationship start date
Ethos Facilities	Facilities services, including: <ul style="list-style-type: none"> - Mechanical, electrical and fabric maintenance - Cleaning - Security - Utilities - Out of hours call centre 	2000
Jackson Lifts	Lift maintenance	2014
The Lift Consultancy	Guidance on large lift projects	2019
Frankham	Risk assessments <ul style="list-style-type: none"> - Water - Fire - Health and safety - Air conditioning - Accessibility? 	2014
WSP	Asbestos management	2010
Bastows	Major works – internal and external decorations	2014
Gaysha	Major works – internal and external decorations	2014
PJ Harte	Major works – internal and external decorations	2014
SW Bruce	Major works – internal and external decorations	2014
Knight Security Group	Manned security guarding	2019
Office Concierge	Front of house in commercial offices	2015
Lexington Reception Services (LRS)	Front of house in commercial offices	2018

Future Procurements

At Grosvenor, procurement for service contracts will always follow the above outlined processes and criteria. This ensures us of best value; and change where that value is not evident.

Use of Grosvenor's Service Partners

Grosvenor always use their service partners on all managed properties, including those properties that Grosvenor are acting as a managing agent. Grosvenor have long standing trustworthy relationships with these service partners, the service partners know the expected quality of works, they can meet the expected speed of response due to their presence on estate, and always adhere to Grosvenor's code of conduct. These service partners are in long term relationships with Grosvenor and are therefore motivated to do the right thing, first time.

Specialist Subcontractors

On certain occasions there is a specialist subcontractor that a client would like Grosvenor to use. The team will do this at the client's specific request. The specialist would join as part of Grosvenor's service partner's supply chain and our service partner would apply a 7.5% mark up on costs for management and admin of the service.