

Trial project: Circle Housing	New delivery model / procurement route: Two Stage Open Book
Cost savings targeted: Minimum 15%	
Other key benefits targeted: Collaboration across the supply chain through a multi-party alliance to achieve service improvements, streamlined systems and drive efficiency / innovation via new contracts. This will include improved sustainability, employment / skills outputs and resident opportunities.	

Stage at which first report will be published:	Kick off meeting	Brief / Team Engagement	Decision to Build	Build and Occupy
Cost saving basis:	Outline saving aspiration	Challenging cost target	Award cost	Outturn cost

Trial project details	
Project title	Business Transformation R&M Strategy
Client department	Circle Housing
Project value	£1.2billion (pre-saving)
Form of project	Social Housing. Repairs, maintenance and improvement works
Main contractors	Kier Services Limited, Apollo Property Service Group Limited, United House, Circle Housing Property Services (Direct Labour Organisation)
Lead designer	Main contractors
Key suppliers	Mace – Cost Consultant Others – Tier 2/3 partners to be confirmed as alliance develops



Executive summary:

Circle is one of the UK's largest housing groups, with an estate of more than 63,000 homes, and has adopted the Two Stage Open Book (2SOB) process in procuring and implementing a programme of responsive, planned and cyclical works across its estate. Circle is about to embark on a multi-party alliance with three main contractors and their own in-house direct labour organisation that sets out 2SOB processes for engaging with integrated teams of sub-contractors and suppliers. Their objectives are to integrate and harness the contributions of all Tier 1/2/3 supply chain members so as to improve services, streamline systems, achieve savings and drive innovation to deliver the benefits highlighted above.

Circle has recently completed its EU procurement process using a "lean" version of Competitive Dialogue, designed to ensure a tight timeframe and reduced cost while allowing for Early Contractor Involvement. Long-term contracts have been awarded to main contractors committed to work alongside Circle's direct labour organisation (Circle Housing Property Services). The main contractors listed are about to enter into a Strategic Alliance Agreement. This will support adoption of a number of common processes including: joint supply chain arrangements to achieve improved efficiencies, use of consistent long-term contracts and efficient procurement of materials and equipment.