

Coalo Ltd.  
Presentation in support of the Materials  
and Managed Stores contract tender

FTS Contract Notice Ref: [2022/S 000-016381](#)

15 June 2022

# Introduction

Thank you for expressing your interest in this procurement.

The following slides provide information on the background of Coalo Ltd., the current arrangement for material supplies and associated services (including hire equipment), the outcomes Coalo Ltd. is seeking to achieve, and the outline procurement process & timelines.

# Introduction to Coalo Ltd.

## Coalo Ltd.

- A Teckal company wholly owned by the London Borough of Hounslow (LBH)
- LBH has circa 13,400 homes in the borough
- Coalo Ltd delivers housing repairs, works, cleaning and general maintenance services to houses, flats, and other buildings / spaces across the borough
- Started trading on 1 April 2017

# Current arrangement for Materials and Managed Stores

## Dedicated managed store in Feltham

- Managed by materials supplier, manages stores & issues materials
- Regularly used items immediately available
- Store caters for all business work streams

## Van stocks

- 40+ staff have vehicles holding stock
- Responsive, and minor works trades (electricians, plumbers etc.)
- 170 frontline staff across various workstreams

## Two smaller satellite storage areas

- Kitchens and bathroom supplies held in separate Brentford location (managed by Coalo staff)
- Additional (self-service) material stores held at another location within Brentford, this store are managed by service provider

# Current arrangement for Managed Stores and materials

Coalo operatives  
&/or delivery  
drivers pick-up  
materials

- Travel to & from Feltham depot for materials sourced from that depot
- Average of circa one hour round-trip plus any counter wait
- Majority of operatives go to Feltham first thing to receive materials for use during the current day or following day
- Van stock replenishment undertaken at depot by operatives
- Some Coalo collection of materials by internal fleet of drivers

Delivery of  
materials to site

- Depot delivery vehicles used to ship materials to sites

Agreed core basket  
of goods

- Prices agreed for most commonly used items
- Some supplier ability to substitute items by agreement
- Management information provided including (weekly/monthly/quarterly) spend profiles, operative spend , consumables, substitutions etc.
- Additional specialist products sourced as required

# Current scale of operation

Total value of the materials, hire and logistics service purchased by Coalo Ltd.

- 2020/2021            £4,500K including VAT
- 2021/2022            £5,000K including VAT

# **The need for change in delivering the service**

- Operatives having to spend too much time picking-up materials (including travel time)
- Inefficiency in operations through collection of materials from depot
- VfM of the total cost of service
- Out-of-basket materials often being required, excessive use of specialist materials
- First time fix impacted by inaccurate / inappropriate van stock
- Opportunity for increased use of automation when ordering replenishment of materials and van stocks

# Outcomes Coalo Ltd. want to achieve

## Service delivery model

- Hybrid of dedicated main stores supplemented with alternative stores and delivery methods
- Technologically enabled material supply solution
- Reduction in operative time taken to source materials from Depot store
- Delivery of materials to site for programmed works e.g. Voids / Component installations / Planned works
- Provision of hire equipment to support specialist requirements
- Alternative sourcing options for tactical requirements (i.e. trade card to allow access to alternative suppliers etc.)
- Fully automated transactional and summary level invoice, to allow interface with Coalo Ltd systems
- Social value contribution
- Improved environmental footprint through net reduction in travel to/from jobs

## Cost model

- Reduced overall costs of service
- Reduced preliminary costs
- Best in class unit pricing for agreed basket items
- Best in class unit pricing for special purchases
- Year on year cost reductions
- External bench-marking bi-annually on all materials

## Management Information

- Performance data and trend analysis Weekly/monthly/quarterly
- Transparency of costing data
- Granular level of data per operative spend

# Procurement process & timelines

- |  |                             |
|--|-----------------------------|
| • Prior Information Notice                   | 15 June 2022 – 18 July 2022 |
| • Pre Market Engagement – questions attached | 15 June 2022 – 06 July 2022 |
| • Invitation to Tender                       | 29 July 2022 – 27 Sept 2022 |
| • Mobilisation                               | 01 Dec 2022 – 31 March 2023 |

# Pre-Market-Engagement

- Specific questions
  - What variants to a traditional 'core stores plus satellite stores' service model do you believe should be considered?
  - Would a distributed branch network (either in addition to, or instead of, a core distribution centre) represent a viable option to serve Coalo's requirements, what do you believe should be considered?
  - Are there additional innovations you consider should be requested by Coalo Ltd.?
  - With a rapidly changing materials cost market, how would you propose to ensure best value for money (and specifically price) for Coalo Ltd and how would this be benchmarked?
  - With challenges of escalating fuel prices and the need to reduce carbon footprints, how would you propose to optimise operative travel and site deliveries?

# **The Procurement process – Expressions of Interest**

We are asking all interested parties to express an interest via the London Tenders Portal, we are only inviting parties who have expressed an interest to the tender opportunity.

# **Thank you for your interest in this procurement...**

Only if you are experiencing difficulties accessing, downloading and/or uploading to and from the Portal, please contact Martin Worboys, Procurement Manager, Procurement and Contracts by emailing;

[martin.worboys@Hounslow.gov.uk](mailto:martin.worboys@Hounslow.gov.uk)

For all other correspondence, queries, questions, submission of documents etc....please use the Portal.