

PRESS RELEASE

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Buy4London signs up to £20m Vaillant boiler deal

Buy4London (B4L) has agreed to purchase boilers through Procurement for Housing (PfH), creating savings of over £6.6m over the next five years for the ten London RSLs that make up the efficiency consortium.

From April 2006, B4L will buy boilers from manufacturer Vaillant through PfH – the national purchasing organisation dedicated to the housing sector. The Buy4London consortium currently manages over 200,000 properties across the home counties and anticipates spending £20m on boilers by 2011.

Heating technology manufacturer, Vaillant has been appointed by B4L to supply more than 30,000 boilers over the next five years. The first boilers have already been delivered, and it is expected that most of the B4L Members will have started trading under the contract before autumn 2006.

Vaillant was chosen because of its knowledge and insight into the RSL market and expertise in high efficiency condensing boiler technology. Vaillant's long-term view of boiler replacement and the B4L analysis of life-time cost was also key.

B4L's boiler deal will benefit the ten member RSLs as they will receive high-quality, highly reliable products backed up with a comprehensive service agreement that covers repair, training, delivery and a two-year warranty. Tenants will also benefit from reduced energy bills as Vaillant will mainly be supplying high efficiency boilers.

All of B4L's Members have signed up to PfH and are already benefiting from savings made from other deals. As existing PfH Members they will be able to start trading on boilers straightaway. B4L and PfH can negotiate better terms because the consortium can commit such large volumes on long-term contracts.

Brian Hillman, Group Procurement Manager for Circle Anglia, a B4L Member says, *"We are very pleased to have Vaillant as a strategic partner to help B4L Members deliver to our Residents, the 'decent homes standard', and the 'efficiency agenda', that we are all striving to meet, We are very pleased to be working with PfH on this exciting change to the way that RSLs procure for their asset management functions"*

Julie Craig, PfH Director says, *"B4L and PfH have worked hard to negotiate this boiler contract and we're now developing a Bathroom Components and Kitchen Units Agreement with B4L."*

Roy Lynch, Southern Divisional Sales & National Specification Director, Vaillant Ltd says, "This is an extremely prestigious contract for Vaillant Ltd to have acquired and one that has taken several months and huge efforts to secure." www.procurementforhousing.co.uk

For media enquiries, interview opportunities or images, please contact: Rowan Atkins at PfH
T: 07834 158 725 E: rowan.atkins@nornir.co.uk www.procurementforhousing.co.uk

Notes to Editors:

Buy4London

Buy4London is currently a group of ten of the largest London based RSLs. Catalyst Housing Group, Circle Anglia Ltd, East Thames Group Ltd., Genesis Housing Group Ltd., Horizon Housing Group Ltd., London & Quadrant Housing Trust, Metropolitan Housing Trust Ltd., Network Housing Group, the Peabody Trust and Southern Housing Group which between them have over 200,000 properties in management, have joined together to set up a buying, and training consortium.

The key to the success of Buy4London will be the bargaining strength achieved by combining the purchasing power of the RSLs, as has been proved by the success of Fusion21 on Merseyside. Working with the Member RSLs' property refurbishment programmes, smoothing the demand to avoid the peaks and troughs, giving contractors and their suppliers more certainty and enabling improved efficiency - Buy4London plans to make 15% net savings after investing in training initiatives.. Through management and identification of further efficiencies, increased savings are expected to be identified as the contractual relationship matures.

Each of the current Members has pledged funding to facilitate the setting up of the consortium. Buy4London is currently working with consultants, appointed via competitive tender, to prepare a comprehensive Business plan.

Procurement for Housing

PfH is the only national procurement organisation dedicated to the needs of the housing sector. Following a successful two-year pilot, the National Housing Federation, Chartered Institute of Housing and HouseMark officially launched it in March 2004. The Housing Corporation and the ODPM also support PfH.

PfH has been created as an essential business tool to generate substantial savings by harnessing the collective purchasing power of housing organisations. By reducing procurement costs, organisations can reinvest resources in front-line services, decent homes and vibrant neighbourhoods.

PfH currently has 362 Members collectively managing over 1.8 million units, making PfH's purchasing power unparalleled in the sector. The consortium provides services in the following product areas: Office Supplies; Print Management; Communications Services (Landline, Data and Mobile); Energy Management, Personal Computers; Photocopying Equipment and Services; Materials - Repairs & Maintenance; Vehicle Leasing & Insurance/Financial Services and Janitorial Supplies and will soon be launching services in the following areas: Office and Scheme furniture and Work Wear & Personal Protective Equipment.

PfH Membership

Any social housing organisation (including Housing Associations, LSVTs, ALMOs, and Local Authorities) can become a Member of Procurement for Housing by paying a small refundable fee based on the number of housing units they manage. The fee is rebateable against purchases made through the scheme. HouseMark subscribers are eligible for free Membership.

Management of PfH

Procurement for Housing (PfH) is managed by specialist contractor Collective Enterprises Limited (CEL) – selected following an open tendering procedure through the Official Journal of the European Union. CEL has significant experience of collective purchasing in both the public and private sectors. The quality of the contractor's work is monitored and assured by HouseMark – the performance improvement subsidiary of the Chartered Institute of Housing. Further information can be obtained by visiting the website at www.procurementforhousing.co.uk

Vaillant

For over 130 years Vaillant has been at the forefront of heating technology and has built a reputation for quality, design and innovation. In 1977 Vaillant was the first company to bring combination boilers to the UK. Vaillant Ltd. is a subsidiary of Vaillant GmbH, which has its Head Office in Remscheid, Germany. Vaillant Ltd was founded in the UK in 1973, and now employs approximately 200 people nationwide. Besides its Head Office in Rochester, Kent, Vaillant has regional offices in Birmingham and Elland as well as customer training centres in Rochester, Birmingham, Elland, Slough and Bristol.

Vaillant is one of the foremost manufacturers of heating technology and has been leading the move to high efficiency condensing technology following the implementation of the new Building Regulations.

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