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| 13 July 2016 | | ITEM: 11 (Decision 01104373) |
| Cabinet | | |
| Procurement of Disabled Adaptations Services | | |
| Wards and communities affected: All | Key Decision: Key Decision – spending above £500K | |
| Report of: Councillor Robert Gledhill, Portfolio Holder for Housing | | |
| Accountable Head of Service: Richard Parkin, Head of Environment and Housing | | |
| Accountable Director: Roger Harris, Corporate Director of Adults, Housing and Health | | |
| This report is Public | | |

1. Executive Summary

1.1 This report sets out the proposals to procure a contract to provide works and services in residents' homes where disabled adaptations are required. Primarily the contract will be utilised for Thurrock Housing properties; however, in some instances where owner occupiers are eligible for adaptations funded by the Disabled Facilities Grant (DFG) and the individuals concerned are unable to manage the project themselves; then in these cases it is proposed the client role will be covered by the Council, using this contract.

1.2 The contract will be divided into two elements (Lots) covering:

- Supply, installation, maintenance and repair of mechanical aids (stairlifts, ceiling hoists, step and through floor lifts etc)
- Major adaptations (building works) over £1,000 per home but outside of the scope of the Transforming Homes Programme

2. Recommendation(s)

Cabinet is recommended to:

2.1 **Agree the proposed process for procurement of the works and services referred to above for a period of 4 (four) years under a framework agreement.**

2.2 Approve delegation to award the contract to the Corporate Director of Adults, Housing and Health in consultation with the Portfolio holder in order to expedite the process for this critical provision.

3. Introduction and Background

3.1 The previous contract providing various elements of disabled adaptations work in Thurrock Council Housing properties expired over two years ago and during the recent past, officers have undertaken small projects by way of quotes or waivers where requests have been made.

3.2 Up until now, owner occupiers in receipt of DFG funding have been required to get three quotes for their planned work, which has then been approved to an agreed level by the Council, subject to a “benchmark” set of rates. The funding amount was then paid by the Council to the recipient once the work was completed.

3.3 The exception to the individually contracted arrangements set out in 3.1 is a term contract that Thurrock holds with one contractor for the testing and servicing of the mechanical installations (such as Ceiling Hoists), all of which have a range of statutory requirements the Council is required to meet. This contract is with Mountfield Services Ltd and expires on 31st March 2017. It is proposed that the new contract will take over this element of the service from that date.

3.4 There are in addition, contracts already in place for the delivery of the Housing Transforming Homes programme which include undertaking any adaptations required to the areas where the programme is undertaking works. The new contract is to cover properties outside the Transforming Homes programme.

3.5 As part of the arrangement with Essex County Council, the Essex Cares Service also currently provides minor adaptation work to a value up to £1,000.

4. Issues, Options and Analysis of Options

Spend/Cost

4.1 Across the contractors currently used for individual Disabled Adaptation Projects, the identified cumulative spend is in the region of £250,000 per annum at current activity levels, which is above the EU threshold for supplies and services. Adding the DFG element will increase the spend further, but as each case differs, this is difficult to estimate.

4.2 Therefore, formal procurement needs to take place to ensure both compliance and best value, through economies of spend. An EU Procurement process will be followed, commencing mid-July, subject to approval by Cabinet of the recommendations set out in this report.

- 4.3 The current ad-hoc methods of securing contractors for work, although not unsuccessful, is unlikely to be delivering best value financially. Consolidation of the different services into one contract, with the comfort of a four year framework agreement (although volumes are not guaranteed), should deliver relatively fixed rates plus economies of scale.

Service

- 4.4 Under the current arrangements, residents in Council properties receive a service that owner occupiers do not in terms of project and client management. Whilst the principle of the DFG supports the idea that individuals should receive the funding but be responsible for their own project; in many cases, the level of vulnerability is such that they are unable to do so. Also a recent LGO report recommended that there is a much clearer process around how DFG grants are administered and monitored. This contract will provide the ability for the Council to project manage DFG works using a framework of contractors that also deliver within the Housing portfolio – thus ensuring consistency.

Contract Model

- 4.5 The contract will be a framework, with no guaranteed spend, for a four year period as is allowed by the Public Contracts Regulations. Current spend is approximately £250,000 per annum, split approximately 50:50 against the two elements (Lots) set out below:

| Element | Description | Number of Suppliers |
|------------------|---|----------------------------|
| Lot 1 – Services | Supply, installation, inspection/testing, servicing and repairs ¹ of mechanical aids and adaptations. This includes stair lifts, ceiling/track hoists, step and through floor lifts. It will also include building works where this is needed for an installation. | One supplier |
| Lot 2 – Works | Major adaptations (building works) from ramps, conversions, extensions, and including Kitchen and Bathroom Works where this falls outside of the Transforming Homes Programme | Three suppliers |

- 4.6 Bidders may apply for one or both lots, with the opportunity to offer a discount if awarded both. The rationale for three suppliers in Lot 2 will support applications from local businesses who currently undertake this work and deliver good standards.

- 4.7 It is proposed that the contract will commence on 1 November 2016 for four years, with the exception as will be made clear in the tender, that the

¹ Note that servicing and repairs will only apply to Council owned aids and adaptations. The majority of equipment supplied through DFG funding transfers to the client (owner occupier) on completion of installation along with the responsibility for maintenance. Clients may decide to enter into a direct maintenance arrangement with the installing contractor, or choose an alternative.

testing/inspection and servicing element of Lot 1 will commence on 1 April 2017 after the current contract expires.

- 4.8 It should be noted that the value of the contract is variable; subject both to demand and need, and the funding available for DFG through the Better Care Fund. It is anticipated that spend may increase, but this is not guaranteed.

5. Reasons for Recommendation

- 5.1 This report is submitted to Cabinet in accordance with the Council's Contract Procedure rules to seek approval to proceed to tender for a contract with a whole life cost valued above £750K. The total estimated value for this contract over the 4 year period of delivery is up to £1.5 million. The required Procurement Stage 1: Approval to Proceed Form is attached as Appendix 1 to this report.

6. Consultation (including Overview and Scrutiny, if applicable)

- 6.1 This proposal has been discussed and agreed with relevant officers across Housing and Adult Social Care.

7. Impact on corporate policies, priorities, performance and community impact

- 7.1 This new contract aims to meet corporate priorities overall through the delivery of high quality services, ensuring pride in Thurrock properties occupied both by Council tenants and owner occupiers when they receive the service.
- 7.2 The following two examples show how priorities will be delivered through the contract:

| Priority | Delivered By |
|---|--|
| Protect and promote our clean and green environment | Requirement for Environmental accreditation and a sustainability policy for reuse, recycling and disposal. Lot 1 (Mechanical Aids) Suppliers will be required to store and reuse equipment ² once it is no longer needed. |
| Improve Health and Wellbeing | Fundamentally this contract supports individuals to remain independent in their own homes for longer by ensuring their living environments are suitable for their needs |

² The re-use element relates only to Council owned equipment under Lot 1. Where ownership of the aids and adaptations transfers to the client(owner occupier), the decision to reuse, recycle or dispose remains with them.

8. Implications

8.1 Financial

Implications verified by: **Julie Curtis**
HRA and Development Accountant

The procurement aims to secure a contract with fixed rate prices within or below the current annual rates. Savings in relation to these services have already been factored into the medium term financial strategy.

7.2 Legal

Implications verified by: **Kevin Molloy**
Solicitor

7.2.1 This report is seeking approval from Cabinet to tender the contract noted in the report. The proposed procurement being considered is estimated at above EU thresholds for supplies and service contracts . This means that there is a legal requirement to competitively tender the contract via the Official Journal of the European Union (OJEU). Legal Services note that this tender will be conducted in accordance with the Public Contract Regulations 2015 (the 'Regulations') using the Open Procedure .

7.2.2. Taking the above into account, on the basis of the information in this report, the proposed procurement strategy should comply with the Regulations and the Council's Contract Rules.

7.2.3 The report author and responsible directorate are advised to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any questions that may arise.

7.2.4 The value of the Disabled Adaptation Service requires full compliance with EU Procurement Regulations and therefore a tender will be advertised in OJEU and follow the established timescales.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development Officer

This contract delivers a service specifically intended to improve the living environment of residents who have physical disabilities. Contractors will be required to ensure they have not only the technical skills to deliver the

required elements, but also have a strong customer focus and understanding of the needs of vulnerable people.

The contract model supports Thurrock Council's Social Value aspirations through promotion of a local responsive supply chain for the individual elements and bidders will be asked to submit proposals within their tenders to enhance this further.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None specific

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

Appendix 1: Procurement Stage 1 Form: Approval to Proceed

Report Author:

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Corporate Procurement Strategy and Delivery Manager

Corporate Commercial Services