

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR FOR PEOPLE
Date of Decision:	20th September 2016
SUBJECT:	TENDER STRATEGY FOR THE PROVISION OF MAJOR ADAPTATIONS FOR HOUSING (P0344)
Key Decision: Yes	Relevant Forward Plan Ref: 002032/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Majid Mahmood, Value for Money and Efficiency Cllr Paulette Hamilton, Health and Social Care
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance Cllr John Cotton, Health, Wellbeing and the Environment
Wards affected:	All

1. Purpose of report:

- 1.1 This report provides details of the proposed procurement strategy for the provision of major adaptations for housing such as refitting of kitchens and bathrooms, installation of hoists, stair lifts and vertical lifts for citizens with disabilities in private housing. The framework agreement will commence on 1st April 2017 for a period of three years, with the option to extend for a further year subject to satisfactory performance and budget availability for an estimated value of £4.4m per annum.

2. Decision(s) recommended:

That Cabinet :

- 2.1 Approves the contents of this report and the commencement of the tendering activity for major adaptations for citizens with disabilities in private housing in accordance with the requirement and approach outlined in Section 5 of this report.
- 2.2 Delegates authority to the Strategic Director for People in conjunction with the Assistant Director of Corporate Procurement, the Strategic Director of Finance and Legal (or their delegate) and the Acting City Solicitor (or their delegate) to approve the award of the framework agreement with an option to extend for a further year subject to satisfactory performance and budget availability.

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3. Consultation

3.1 Internal

The Cabinet Member for Housing & Homes has been consulted regarding the preparation of this report and has agreed to the report proceeding to Executive Decision.

Officers from City Finance, Corporate Procurement and Legal and Democratic Services have been involved in the preparation of this report.

3.2 External

No consultation external to the Council has been carried out.

4. **Compliance Issues:**

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

4.1.1 The proposals are consistent with the Council Business Plan and Budget 2016+ which includes:

- Fairness: A healthy, happy city - housing quality and life expectancy are at national levels for all. This contract enables older people to stay in their own homes and communities.

Provision of major adaptations for housing is a statutory requirement and also fits well within the assessment and prevention of falls in older people which was highlighted in the National Institute for Health and Care Excellence (NICE) guidelines published in June 2013.

4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. Tenderers will submit an action plan that supports the local economy and creates much needed jobs and develop an apprenticeships scheme with their tender and this will be evaluated in accordance with the process outlined in paragraph 5.6.4. Action plans of the successful tenderers will be implemented and monitored during the contract period by the Corporate Procurement Services, Contract Management Team.

4.2 Financial Implications

The proposed framework agreement, which will not commit the Council to any given level of expenditure, will be for a period of three years with the option to extend for a further year commencing 1st April 2017.

The estimated value of the framework agreement, based on historical demand, is £4.4m per annum and will be funded by the Disabled Facilities Grant (capital) which is a specific government grant and forms part of the pooled budget within the Birmingham Better Care Fund. Prices will be fixed for the duration of the framework agreement.

4.3 Legal Implications

4.3.1 Part 1 of the Housing Grants, Construction and Regeneration Act 1996 sets out the statutory scheme for Local Authorities to provide grants for disabled people to allow for adaptations to be made so that they can remain in their homes.

4.3.2 Information Management

The Council will share personal details of the service user which includes name and address. The provider is expected to ensure that this data is kept securely and not shared any further without consent from the Council.

4.3.3 Pre-Procurement Duty under Public Services (Social Value Act) 2012

Although the Public Service (Social Value) Act 2012 does not apply to contracts that are for works, in accordance with Council policy, tenderers will be asked how their bid addresses social value as part of the overall evaluation.

4.4 Public Sector Equality Duty

A relevance test to decide whether the planned procurement for the provision of housing adaptations has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 in order to eliminate unfair/unlawful discrimination and to promote equality and human rights was conducted on 1st July 2016. The initial screening (Appendix 1) identified there was no requirement to assess it further and completion of an Equality Assessment form was not required.

5. Relevant background / chronology of key events:

5.1 Background

5.1.1 Disabled Facility Grants (DFG) are available to all citizens who need to make changes to their homes due to disability. The disabled facilities grant is a mandatory 'means-tested' financial grant. The means test, undertaken within the People Directorate, determines how much, if anything, the service user will have to pay towards the cost of the work. There is no means testing for families of disabled children under the age of 18.

5.1.2 The framework agreement will be for citizens who own their own homes or tenants in rented accommodation which is provided by either housing associations or the private sector rental market. Works for citizens in Council owned housing accommodation is provided through the Housing Repair and Maintenance contract and therefore is not included in this proposed framework agreement.

5.1.3 The DFG was transferred to the Better Care Fund Programme on 1st April 2015 and the Independent Living Service was transferred from the Place Directorate to the People Directorate as part of the Enablement Services in April 2016.

5.1.4 To access DFG, service users are advised to make a referral to the Occupational Therapy Service through People Directorate access teams: ACAP (adults) and MASH (children). The recommendation for provision of major adaptations for housing is made following a completion of an occupational therapy assessment. Last financial year just over 400 adaptations were completed and it is anticipated that future demand will remain the same.

5.1.5 There is not currently an EU compliant contract in place for the provision of the works required. The adaptations for privately owned accommodation are currently carried out by contractors from a list of suppliers managed by the Enablement Service and work is allocated to these companies on a rotational basis.

5.1.6 Following an Audit review of the service, a recommendation was made for a procurement exercise to be carried out for these works in line with the EU Procurement Regulations

and the Council's Standing Orders.

5.2 Service Requirements

5.2.1 Major adaptations include the following works:

- Supply and Installation of Specialist Lifts (stairlift, steplift, vertical lift and ceiling track hoist)
- Supply and fit Kitchen, Bathroom and Bedroom adaptations including extensions
- Installation of fixed ramps

5.2.2 During the financial year 2015/16 approximately 400 referrals were completed please see table below for a breakdown of this completed work and expenditure per area:

	ADAPTATIONS COMPLETED		DFG EXPENDITURE £		NUMBER OF PRIVATE DWELLINGS PER QUADRANT
NORTH	69		1,058,640		72,000
SOUTH	105		1,046,541		100,000
WEST / CENTRAL	75		718,645		73,000
EAST	154		1,581,616		102,000
TOTAL	403		4,405,442		347,000

5.2.3 The proposed framework agreement will be split into quadrant based lots, with separate lots for specialist lifting equipment.

5.2.4 It is anticipated that the annual number of referrals will remain at the current levels.

5.3 Outcomes Expected

5.3.1 It is anticipated that the following outcomes will be achieved as a result of this procurement. Without the provision of a responsive service, service users will be at a much higher risk of injuries and falls within their homes and therefore require more expensive forms of care:

- Supporting prediction and prevention agenda in conjunction with health and wellbeing policies and procedures.
- Promoting enablement
- Reducing dependence on more expensive care services including home care and residential care.
- Open and transparent process
- Value for money
- An effectively managed framework agreement

5.4 Market Analysis

The provision of major adaptation works is a mature market with a number of providers for this service ranging from small to medium enterprises. It is considered that the nature of this service will appeal to small, local providers; however larger organisations will not be precluded from tendering. There is however a limited number of organisations capable of supplying the specialist equipment (stair lift, step lift, vertical lift and ceiling track hoist) required as part of this contract.

5.5 Procurement Options

The following options were considered:

- Use a collaborative framework agreement – There were two framework agreements in place for the provision of housing adaptations led by Walsall Housing Group and the Northern Housing Consortium. Walsall Housing Group didn't respond to a request for further information and after reviewing the Northern Housing Consortium Framework it was decided that this was not an option as it would automatically preclude locally based companies that could tender for the opportunity.
- Tender as a Council only framework agreement. Given that we want to try and retain the local supply chain the preferred option would be to tender for a framework agreement split into lots details of which are given below.
- Tender as a Council-led framework agreement that would allow access to other public bodies. Discussions were held with neighbouring authorities who were currently in the process of tendering for their own arrangements or already had long term existing arrangements in place. There was no interest in collaborating at this time.

5.6 Procurement Approach

5.6.1 Duration and Advertising Route

The proposed framework agreement will be for a period of three years with the option to extend for a further year based on satisfactory performance and budget availability. The tender opportunity will be advertised via Contracts Finder, Find it in Birmingham and the Official Journal of the European Union (OJEU).

5.6.2 Procurement Route

The requirement will be tendered using the Open route as detailed in 5.6.4.

5.6.3 Scope and Specification

The requirements will be split into six lots:

Lot 1 Supply and Installation of Lifting Equipment (Stairlifts, Vertical Lifts, Ceiling Track Hoists and Step Lifts)

Lot 1a – North and East Quadrants

Lot 1b – South, West and Central Quadrants

The specification requirements for Lot 1 includes the supply and installation of specialist lifting equipment such as stairlifts, vertical lifts, ceiling track hoists and steplifts.

Lot 2 Adaptation Works (Bathrooms, Kitchens, Bedrooms and Ramps)

Lot 2(a) North Quadrant

Lot 2(b) South Quadrant

Lot 2(c) West/ Central Quadrant

Lot 2(d) East Quadrant

The specification requirements for Lot 2 includes:

- Provision of access requirements such as ramps
- Replacement of doors and windows in order to provide wheelchair access.
- Creation of circulation spaces for wheelchair users
- Modification of existing bathrooms including all appropriate fixtures and fittings
- Modification of existing kitchens including all appropriate fixtures and fittings
- Provision of extensions for a bedroom or level access shower

For lot 1(a) and (b) the Council will appoint a single provider for each lot given that there are a limited number of providers in the market. For lot 2 (a) (b) (c) and (d), three – five providers will be appointed for each lot, to encourage small to medium enterprises to apply for the work and to ensure that there is adequate capacity to deliver the works. A single provider will not be awarded more than one lot.

The scope and specification for each installation will be designed to ensure that works can be delivered in the most efficient and effective way.

5.6.4 Tender Structure

5.6.4.1 Evaluation and Selection Criteria

The evaluation of tenders will be conducted in two stages:

Stage 1

This stage will consist of mandatory pass/fail considerations which tenderers must pass before progressing to Stage 2. These are:

Part 1 Information about the Applicant

Part 2 Grounds for Mandatory Exclusion

Part 3 Grounds for Discretionary Exclusion Section 1

Part 4 Grounds for Discretionary Exclusion Section 2

Part 5 Economic and Financial Standing

Part 6 Technical and Professional Ability

Part 7 Additional Questions

- Environmental Management
- Insurance
- Compliance with Equalities Duty
- Compliance with Health and Safety
- Compliance with BBC4SR

Part 8 Previous Experience

Part 9 Declaration

Stage 2

The contract award will be based on the Most Economically Advantageous Tender. This

will be determined by a balance between the cost, quality of the service to be provided and the added social value offered as detailed in the tenderers' response.

Tenders received will be evaluated using a quality/social value/ prices balance in accordance with a pre-determined evaluation model. The quality element will account for 40%, social value 20% and price 40%. This quality/social value/price balance was established having due regard for the corporate documents 'Evaluating Tenders Procedure' which considers the complexity of the services to be provided and the degree of detail in the specification.

The quality of each tenderers submission will be assessed in relation to specific requirements set out in the tender documents. These are:

The evaluation criteria will be the same for each lot and sub-lot.

Quality (40%)

Criteria	Overall Weighting	Sub-weighting
Service Delivery	100%	40%
Organisation and Resources		30%
Customer Care		30%

Tenderers who score less than 60% of the quality threshold may not take any further part in the process.

Social Value (20%)

Criteria	Overall Weighting	Sub-weighting
Local Employment	100%	35%
Buy Birmingham First		20%
Partners in Communities		10%
Good Employer		15%
Green and Sustainable		10%
Ethical Procurement		10%

Tenderers who score less than 40% of the social value threshold may not take any further part in the process.

Supplier presentations and interviews may take place to clarify their understanding of the requirements and the scoring adjusted accordingly, if appropriate.

Price (40%)

Lot 1

The lifting equipment is specified and therefore bidders are able to tender a specific price for the supply and installation of the equipment required.

Lot 2

The price will be based on a percentage discount on a given schedule of rates based on historical requirements and volumes for adaptation works.

Overall Evaluation

The evaluation process will result in comparative quality/social value/price scores for each tender. The maximum score will be awarded to the tender that demonstrates the highest for quality and similarly for social value for each lot. The maximum price score will be awarded to the lowest acceptable price for each lot. Other tenders will be scored

in proportion to the maximum price score.

5.7 Evaluation Team

The evaluation of tenders will be undertaken by officers from People and Place Directorates, supported by Corporate Procurement Services.

5.8 Indicative Implementation Plan

Cabinet Approval to Strategy	20 th September 2016
OJEU Notice Issued	30 th September 2016
Clarification period	3 rd – 28 th October 2016
Tender Return Date	4 th November 2016
Evaluation Period (to include evaluation scoring, presentations and interviews)	7 th – 19 th November 2016
Delegated Contract Award	15 th December 2016
Mobilisation (3 months)	December 2016 – February 2017
Contract Start	March 2017

5.9 Contract Management

5.9.1 This contract will be managed at an operational level by the Head of Service Enablement, Specialist Care Services, with overall contract management by the Contract Manager, Corporate Procurement Services.

5.9.2 Robust Key Performance Indicators will be developed in line with the National Framework. These will be developed with stakeholders and included in the tender documentation.

5.9.3 Allocation of Work

Lot 1 – there is a single provider for each sub lot

Lot 2 – work will be allocated on a rotational basis so that each provider per sub lot receives roughly an equal number of call off contracts throughout the duration of the framework agreement.

6. Evaluation of alternative option(s):

6.1 Alternative options are detailed in paragraph 5.5 above.

6.2 The major adaptation for private homes was not included in the Housing Repair and Maintenance Contract that was awarded in April 2016.

6.3 These works also fall outside of the scope of the Acivico Ltd contracts.

7. Reasons for Decisions (s):

7.1 To enable the commencement of the tender process for the provision of a major adaptations for housing service.

Signatures	<u>Date</u>
Peter Hay: Strategic Director, People
Cllr Majid Mahmood: Cabinet Member, Value for Money and Efficiency
Cllr Paulette Hamilton: Cabinet Member, Health and Social Care

List of Background Documents used to compile this Report:
None

List of Appendices accompanying this Report (if any):
1. EA – Initial Screening

Report Version	14	Dated	1 September 2016
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