

**Report for:** Cabinet Member for Adult Social Care & Culture

**Item number:**

**Title:** Award of framework agreement for the provision of adaptation works to properties where residents have disabilities

**Report authorised by:** Beverley Tarka, Director of Adult Social Services

**Lead Officer:** Pauline Walker Mitchell, Head of Adaptations Service  
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**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key

## **1. Describe the issue under consideration**

1.1.1 That the Cabinet Member for Finance and Health approve the proposal to enter into framework agreements for the provision of disabled adaptation works with Keepmoat Regeneration Ltd, Richwell Construction Ltd, Effectable Construction Services and The AD Construction Group. This framework agreement will provide a contractual mechanism for the Council (Adaptation Services) and Homes for Haringey to access disabled adaptations works via the framework suppliers. The framework agreement does not provide a binding commitment to award work.

## **2. Introduction by Cabinet Member**

2.1 This framework agreement for the provision of disabled adaptation works will be available to be used in both council and non council properties. The framework will contribute significantly to reduce the time taken from referral to Adaptation Services to residents being able to use a disabled adaptation facility.

## **3. Recommendations**

3.1 That the Cabinet Member for Adult Social Care & Culture approve the proposal to enter into framework agreements for the provision of disabled adaptations works with Keepmoat Regeneration Ltd, Richwell Construction Ltd, Effectable Construction Services and The AD Construction Group as allowed under Contract Standing Order (CSO) 16.02, for a period of two years with the option to extend the framework agreements for a further two years on an annual basis subject to satisfactory performance of the suppliers.

#### **4. Reasons for decision**

4.1 The intention is for the proposed framework agreement to:

- Deliver value for money through a competitively procured schedule of rates, with scope for good economies of scale with the suppliers and the council working together to achieve cost reductions and continuous improvement;
- Provide four specialist adaptations suppliers to allow for a responsive service with good capacity;
- Ensure consistency and continuity over the term of the agreement;
- Allow for suppliers to be assessed on quality as well as cost to ensure a high standard of work and customer service; and
- Ensure delivery of housing adaptations in the shortest possible time.
- Ensure that through the term of the contract Value for Money is reflected in all commitments;
- Guarantee that the framework and call-offs issued under it are all fully compliant with the Public Contract Regulations 2015.

#### **5. Alternative options considered**

5.1 The options set out below have been considered by the Head of Adaptations Service and Strategic Procurement.

5.2 The options were considered in detail against the various project objectives. It was concluded that Option D was the preferred option.

5.3 Of significance, the adaptations works are classified as works under Schedule 2 of the Public Contracts Regulations 2015. The anticipated value of spend under the framework agreement over the next four years is over the EU threshold value for works and is therefore within the scope of the Public Contract Regulations 2015 and subject to a full EU wide compliant procurement route.

#### **Option A – Tender work in batches**

5.4 This would mean continuing with the current arrangement whereby the work is competitively tendered in batches which is both very time consuming and a lengthy process for already stretched internal resources.

5.5 The existing arrangement was only a short term expedient to maintain continuity in the provision of services pending the development of a more lasting solution that fully complied with the Public Contract Regulations 2015 which is necessary given the projected value of the work over the next four years which is in excess of the EU threshold for works.

**Option B - Access an existing Adaptations Framework operated by other public sector bodies.**

5.6 While this option might be efficient in terms of staff time in the procurement process there are the following disadvantages if joining an existing framework:



- There will be a cost to the council to access the framework;
- It may not provide the wide range of services that the council and Homes for Haringey require;
- It may increase the level of sub- contracting as suppliers on a framework may not have a local presence or have the capacity or capability to meet the council's requirements;
- It may prevent the council being able to determine its own contract terms as they are already prescribed in the framework structure ;

### **Option C - Measured Term Contract with a single Supplier**

5.7 This contract is suitable for a regular flow of adaptations works to be carried out by a single contractor over a specified period of time. The work is measured and valued on the basis of an agreed Schedule of Rate. The major concern about option C is reliance on a single contractor and is therefore not recommended.

### **Option D - Council Framework Arrangement with one or more Suppliers**

5.8 Framework Agreements can be either sole supplier or multi supplier frameworks and are an agreement between the contracting authority and the contractor(s) detailing the terms and conditions against which the contracting authority may place orders or tasks. The contracting authority is not obliged to order, accept or pay for any of the services other than those actually ordered and / or authorised under the terms of the framework agreement.

5.9 Each order or task raised against a framework agreement is a separate legally binding contract relating only to the services covered by the particular order or task, subject to the terms and conditions stated in the framework agreement.

5.10 Under a framework agreement that there is no commitment for either party to undertake any business until the first contract is 'called off'.

5.11 It is considered that a multi supplier framework is best suited to the council's requirements for housing adaptations. The possibility of incorporating the needs of Enfield's requirements into the framework agreement was explored but did not get off the ground as Enfield decided to develop their own framework agreement tailored to their specific requirements.

## **6. Background information**

6.1 The council had a Disabled Adaptations measured term contract with a single Supplier from October 2004 to 4 January 2008. The successor to the measured

term contract was a framework agreement which was established by the council on 23rd January 2009 following an EU compliant competitive tendering exercise. There were two suppliers on the framework. The framework agreement ran successfully until it expired on 22nd January 2014 and has not been replaced.

- 6.2 The intention was to set up a Pan- London Adaptations framework as part of the London Construction Programme but this did not get off the ground for a number of reasons.
- 6.3 From January 2014 to January 2015 the London Construction Programme framework agreement for minor construction works (Value up to £100,000) was used to carry out disabled adaptations works.
- 6.4 Since January 2015 individual projects have been competitively tendered in batches which is both very time consuming and a lengthy process for already stretched internal resources.
- 6.5 Having considered the options the conclusion was reached that a new disabled adaptations framework agreement should be put in place designed specifically to reduce the time taken from referral to occupational therapy to the provision of a major adaptation (end to end process) enhancing the service provided for the residents of Haringey living in council and non-council properties.
- 6.6 Following external legal advice, the procurement documents stated that should the framework agreement be awarded to more than one supplier, the council intend to choose a capable supplier with whom to place an Order in one of the following ways:
- by choosing the supplier who demonstrably offers best value for money for its requirement when judged against the criteria of: speed of available response, (including, without limitation, capacity to meet required deadlines and, where relevant, geographical location); quality (including as appropriate: capability, expertise, past performance, availability of resources and proposed methods of undertaking the work); and price;
  - by operating a rota system between capable suppliers; or
  - by consulting in writing all the suppliers and inviting them within a specified time limit, to submit a tender in writing for each specific contract.
- 6.7 The above approach provides the council with the required level of flexibility to commission adaptation works.

### **Scope of the framework**

- 6.8 The type of works which may be let under this disabled adaptations works framework agreement will include but not limited to the following:-
- Lift installations including ceiling track hoists, through floor lifts, stair lift, platform lifts and step lifts

- Shower/wet room installations including level access showers, over bath showers and clos-o-mat toilets, shower cubicles
- Wheelchair access within the property
- Wheelchair accessible ramps
- Kitchen adaptations
- Specialist kitchens for wheelchair users
- External adaptations including alterations to steps and installation of rails
- Door entry systems
- Rails external and internal
- Extensions to domestic houses
- Specialist equipment deemed a requirement for the user
- Works covered by the Disabled Facilities Grant including new extensions and/or adaptations to existing buildings. The end user has the right to privately tender this work even after the contractor has provided a quotation/works order which complies with the framework agreement.
- Works will be carried out for both public and private sector clients.
- The council will also require enhanced extended warranties for aspects of this work.

## **Procurement process**

- 6.9.1 The procurement strategy for the creation of the framework agreement was to ensure that sufficient suitably qualified specialist suppliers were given the opportunity to tender to meet the scope of works. It was decided to adopt the 'Open' EU procurement route to maximise market interest. The Open procedure allows an unlimited number of suppliers to tender for the requirement. It is a straightforward and transparent procurement procedure.
- 6.9.2 The framework agreement shall run for two (2) years with an option for the council to extend further period/periods of up to two (2) years in accordance with the terms and conditions of the framework agreement.
- 6.10 To invite tender responses, a Contract Notice was published in the Official Journal of the European Union (OJEU) on 11<sup>th</sup> March 2017.
- 6.11 The procurement documentation was published on Delta e-tendering system on 9<sup>th</sup> March 2017. The tender responses were required to be submitted by 1pm on 18<sup>th</sup> April 2017. Adequate time in the tendering period was allowed to enable the potential bidders to review the procurement documentation; to raise queries/points of clarification relating to the scope of work /documentation and for those questions to be fully addressed by the council in good time before the tenders were due for return.
- 6.12 Fifteen tender responses were received by the due date/time and these were evaluated in accordance with the approved evaluation process and methodology which were clearly stated in the procurement documentation. It was made clear in the procurement documents that post tender presentations/ interviews may be held but will not form part of the tender evaluation process. It

was subsequently decided that post tender presentations/ interviews would not be required.

- 6.13 The evaluation method was devised with a view to determining a clear order of merit from the quality and pricing point of view. Tenders were evaluated on the basis of quality and price. Quality merit formed 60% of the final score and pricing merit formed 40% of the final score.
- 6.14 The quality assessment was based upon a method statement comprising of a series of questions (1 to 11) relevant to this project which the bidders were required to answer within a specified word limit for each question.
- 6.15 Evaluation of the completed method statements were carried out by a panel of three council officers representing Adaptation Services. The technical merit scores of the tenders were assessed by each member of the technical evaluation team (working in isolation) in accordance with the assessment model set out in the procurement documents and without visibility of the tender prices.
- 6.16 Bidders were required to complete a Pricing Schedule which was based on the National Housing Federation (NHF) Schedule of Rates. To enable a comparable tender figure to be obtained, estimated values of works were included on the Pricing Schedule. The figures were split into value bands. Each value band has an estimated number of projects and a calculation factor showing an estimated project value per band. To obtain a comparative tender price, the estimated number of projects was multiplied by the estimated project value to obtain the estimated total value of projects. Project values and numbers were inserted for tender evaluation purposes only and may not bear any relation to actual numbers and values on the framework. The bidders then added their percentage uplift to these rates within the tender document, along with their overheads, profit and preliminaries. The lump sum price was used to score the pricing proposal in accordance with the predetermined formula set out in the procurement documents.
- 6.17 As a concurrent activity to the quality assessment, Strategic Procurement conducted a commercial assessment of the Pricing Schedules completed by the bidders which included a comptometer check of the Pricing Schedules to check totals and to identify any un-priced items. Any deviations from the requirements as set out within the Pricing Schedule were clarified with the bidders concerned.
- 6.18 The maximum marks available for this part of the tender response was 40% and this score (40) was awarded to the bidder who submitted the lowest total cost. The remaining bidders received marks on a pro rata basis from the cheapest to the most expensive price.
- 6.19 When the independent evaluation exercise had been completed by all of the evaluators, a consensus scoring exercise was undertaken, chaired by an independent moderator. Where there were any differences between the

technical evaluators' scores, these scores were discussed and consensus scores were agreed for each bidder's response to the questions in the Method Statements.

6.20 The evaluation panel then considered the overall quality scores of the tenders in relation to their quoted prices. This process result in the identification of the tenders which gives best value for money in accordance with the pre-determined evaluation criteria as set out in the procurement documents.

6.21 The results of the evaluation are contained in Appendix A.

## **7. Contribution to strategic outcomes**

7.1 The type of works which may be let under this disabled adaptations works framework will contribute to the delivery of Haringey's Corporate Plan Priority 1 'Enable every child and young person to have the best start in life, with high quality education' and Priority 2 'Empower all adults to live healthy, long and fulfilling lives'. The adoption of the recommendations in this report will also contribute to delivery of Priority 5 'Create Homes and communities where people choose to live and are able to thrive'. This will be achieved by the council and suppliers working in partnership to improve the resident experience and to reduce housing adaptation waiting times.

### **Equalities Implications**

7.2 The nature of housing adaptations is to promote the equality of disabled people and empower them to be as independent as possible within their own home and to be able to access the local community.

7.3 Provision is made in the specification to ensure communication with residents is appropriate to their needs.

### **Sustainability Implications**

7.4 Timely provision of adaptations allows disabled people to maintain their independence and contributes towards the council's vision for sustainable communities.

7.5 Every effort is made to source sustainable and recycled materials and close attention was paid to contractor working practices during the tender evaluation process.

## **8. Statutory Officers Comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **8.1 Strategic Procurement**

8.1.1 Strategic Procurement worked with the Adaptations Service to develop and implement in accordance with the Public Contracts Regulations 2015 the agreed strategy for the procurement of a multi- supplier framework agreement

which is the most suitable option for the provision of disabled adaptation works. The duration of the framework agreement will be two years with the option to extend for a further two years which is the maximum period allowed under the Public Contract Regulations.

- 8.1.2 The framework agreement allows the Adaptations Service and Homes for Haringey to place call-off contracts at competitively tendered prices using a schedule of rates. Regular review meetings will be held with the suppliers to help to continually improve the services provided and to ensure the delivery of a cost effective service.

## **8.2 Finance**

- 8.2.1 This report seeks Member approval to enter into a framework agreement for the provision of disabled adaptation works with the four suppliers identified in the Appendix to this report.
- 8.2.2 The framework agreement shall run for two (2) years with an option for the council to extend further period/periods of up to two (2) years in accordance with the terms and conditions of the framework agreement.
- 8.2.3 The appointment of the companies identified in Appendix A to this framework agreement does not provide a binding contract to award work.
- 8.2.4 The estimated value of works over the course of the framework agreement is £12 million over 4 years. This equates to a value of £3 million per year. Works will be carried out to public sector clients and private sector clients under the Disabled Facilities Grant (DFG).

## **8.3 Legal**

- 8.3.1 The assistant Director of Corporate Governance notes the contents of the report.
- 8.3.2 This is a key decision and the Service has confirmed it is on the Forward Plan in accordance with Contract Standing Order 9.07.1 (e).
- 8.3.3 Pursuant to Contract Standing Order 16.02 the Cabinet Member for Finance and Health has the authority to take this decision.
- 8.3.4 Please see further legal comments in the exempt part of the report

## **9. Use of Appendices**

- 9.1 Appendix A – Information relating to the procurement process (Exempt)

## **10. Local Government (Access to Information) Act 1985**

- 10.1 N/A



