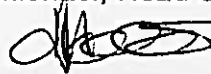


Report for: Assistant Director Shared Services

Item number: N/A

Title: Award of contract to Bloom Procurement Services Limited for provision of benefits processing service for a period of 12 months under The North East Procurement Organisation (NEPO).

Report authorised by: Amelia Hadjimichael, Head of Benefits | Shared Services



21<sup>st</sup> March 2018

Lead Officer: Ananthi Raj, Tel : 0208 489 1634,  
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Ward(s) affected: N/A

Report for Key/  
Non Key Decision: Non Key Decision

1. Describe the issue under consideration
  - 1.1. This report seeks the approval of Assistant Director of Shared Services to award the contract for the provision of the Benefits Processing Service to Bloom Procurement Services Limited (Bloom) for a period of 12 months as permitted under the Council's Contract Standing Order (CSO) 9.07.1(c) (award of contract valued at less than £500,000)
  - 1.2. Haringey Council (Council) entered into a call-off agreement with Bloom under the North East Procurement Organisation (NEPO) Framework in December 2017, and has the authority to use the call-off contract with Bloom for the provision of specialist professional services thereunder.
  - 1.3. The Council's Strategic procurement team conducted further competition on the framework and Meritec Limited emerged as the successful bidder.
  - 1.4. Bloom will subcontract to Meritec Limited for the provision of the Benefits Processing Service required by the Council.
  - 1.5. Contract Period is 1st April 2018 – 31<sup>st</sup> March 2019 (with option to extend for up to 6 months).
  - 1.6. Contract Value is £243,657.88 for 12 months or £365,486.82 if the option to extend for a further six months is exercised.
  - 1.7. The existing contract for this service expires on 31 March 2018. This contract will ensure continued support required for administration of various benefit processing services and reducing the backlog of work caused by the large number of staffing vacancies within the service. The cost of the service provision will be met within the existing benefits operational budget.
2. Cabinet Member Introduction  
N/A
3. Recommendations

3.1. The Assistant Director in accordance with CSO 9.07.1(c) approves the award of a one-year contract to Bloom with a contract sum of £243,657.88, commencing 1st April 2018 (with the option to extend up to 6 months) for the provision of various benefit processing services. The contract value inclusive of the option to extend for 6 months will be £ 365,486.82

4. Reasons for decision

4.1. The NEPO framework is available to it's associate members (any local authority establishment in the UK). The framework complies with UK/EU procurement legislation.

4.2. Bloom are delivery partner to the NEPRO solution under the NEPO Framework. The Council has the authority to use the call-off contract with Bloom (dated 20<sup>th</sup> December 2017) for the provision of specialist professional services.

4.3. Their terms and conditions and pricing mechanism match Haringey's protocols requiring only minor amendments on the contracts (which Bloom are happy to incorporate).

4.4. The Request for Quotation (RFQ) documents was provided by The Council's Strategic procurement team and hosted by Bloom on their procurement portal.

The RFQ was sent to three suitable suppliers. The RFQ were evaluated based on:

Price - 40%

Quality - 60%

All price and quality evaluations were conducted by key members in the Council's Revenue and benefits team.

Price:

Two suppliers responded and the aggregate prices submitted were:

<u>Bidder A:</u>	<u>£226,993.00</u>
<u>Meritec Ltd:</u>	<u>£243,657.88</u>

Quality:

The RFQ required suppliers to complete 4 quality criteria questions. Submissions to each question were rated from 0 - not answered to 5 - excellent.

Supplier submissions were evaluated by individual evaluators. A moderation process followed. The final total scores were:

Supplier	Price Score	Quality Score	Final Score	Ranking	Outcome
Bidder A	40	28	68	2	
Meritec	37	33	70	1	Winner

Reasons for awarding the contract to Meritec Ltd.:

- Highest quality score
- Confidence that the services provided would fully comply with the requirements of the organisation in terms of value for money and quality

- Meritec Ltd is used by a number of other Local authorities to support their benefits service. The Council has taken verbal references from two local authorities who have both confirmed that the company delivers a good quality and accurate benefits processing service.
5. Alternative options considered
    - 5.1. The Benefits Service has previously engaged additional temporary agency workers at peak periods to clear the backlog of work through the Council's Temporary Agency Staff Provider, 'Hays Specialist Recruitment Ltd'. This approach has had mixed results, leading to financial losses in Housing Benefit Subsidy and hence was not exercised.
    - 5.2. The option to undertake a full EU tender had been considered. However, it was deemed that the level of Council's resources required to compete an EU tender process was not justified when suitable EU compliant Framework Agreements were available
  6. Background information
    - 6.1. The Benefits service currently has a backlog of work. If this is not addressed in a timely manner, it will cause delays in processing new claims or change of circumstances, which will have a negative impact on residents.
    - 6.2. The backlog has been caused by the large number of staff vacancies within the Benefits service. The service has had a rolling programme of recruitment for over 2 years but the Council continues to compete with neighbouring boroughs for experienced and knowledgeable benefits staff.
  7. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)
    - 7.1. Legal:
      - 7.1.1 The Assistant Director of Corporate Governance notes the contents of the report.
      - 7.1.2 Pursuant to CSO 9.07.1(c), a Director may approve the award of a contract if the value of the contract is less than £500,000 and as such the Assistant Director of Shared Services has power to approve the award of the Contract in this Report.
      - 7.1.3 The Assistant Director of Corporate Governance sees no legal reasons preventing the approval of the recommendations in the report.
    - 7.2. Procurement Comments:
 

This procurement (RFQ) was led by Ananthi Raj in Strategic Procurement (Corporate supplies & Services) in accordance with CSO 7.01 b and therefore is supportive of the recommendations made in this report.
    - 7.3. Finance Comments:
 

The contract cost fixed for 1 year and will ensure the cover of seven posts, currently costing the service £25ph using Agency staff due to the difficulty as mentioned above in recruiting staff. The use of the Meritec Ltd will reduce the overall cost in order to bring the staffing cost more in line with budget.

The budgeted cost of the seven posts at similar grade would cost Haringey Council £251.1k including on cost per annum, using Meritec Ltd the cost for the year as per above agreement will be £243.6k.

The service will continue to review the value for money on the contract as part of the monthly budget monitoring process.

8. Any other considerations
9. Use of Appendices/background documents
10. Local Government (Access to Information) Act 1985