

Report for: Cabinet – 11 December 2018

Title: **Award of contract for supply of furniture and fittings for Temporary Accommodation properties**

Report authorised by: Helen Fisher, interim Director, Housing, Regeneration & Planning

Lead Officer: Dan Hawthorn, Director of Housing and Growth

Ward(s) affected: All

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1** This report is seeking approval from Cabinet for the award of contract under Contract Standing Order (CSO) 9.07.1 (d) which states that all contracts valued at £500,000 (five hundred thousand pounds) or more at the time of award may only be awarded, assigned, or novated by the Cabinet. The award of the framework for the supply of furniture and white goods (the “Framework”) is to MFD Limited, Myers Ideal Suppliers Limited (Myers) and Elegance Furniture Suppliers Limited (Elegance) for the sum not exceeding £1.5m for a period of four years.
- 1.2** This is a new framework award for the supply of furniture and white goods for Homes for Haringey including homeless households in Temporary Accommodation. The Framework is for a 4 year period.
- 1.3** Haringey Council (‘the Council’) is required under part 3 of the Housing Act 1996 to procure accommodation for priority homeless households. The accommodation provided must be suitable for occupation. Therefore, the provision of domestic appliances and in some cases furniture is a pre-requisite to offering temporary accommodation to households owed a homelessness duty. The contract may also be used for purposes other than supplying Temporary Accommodation, as detailed in paragraph 1.6.
- 1.4** An interim six month contract was awarded in July 2018 to allow time to prepare the main tender. A previous Framework was awarded in 2016 to Myers and Elegance for a period of 4 years, ending in July 2020. The value of the contract was £400,000 over the 4-year period. The contract was granted based on price and quality.
- 1.5** However, changes in temporary accommodation policy – including the use of Council-owned lodges rather than privately owned nightly paid accommodation – required the previous Framework to be used more heavily than initially anticipated. This led to the cost threshold being exceeded, which means that the previous Framework has come to an end. For the Council to continue to

meet its statutory obligation as described above, a new Framework award is required.

- 1.6 This new Framework award does not commit the Council to provide budgeted funds for this contract. Although the Housing Demand team will predominantly use the Framework, other parts of Homes for Haringey will have access to the Framework, as will the Council. Housing Demand have committed approximately £220k per annum for the replacement of white goods and furniture in temporary accommodation. Asset Management have a budget of approximately £50k per annum or £200k for the duration of the Framework. This will be for specific projects developed during the course of the year. Housing Operations including Sheltered Housing and Hostels have a budget of approximately £105k per annum or £420k for the duration of the Framework. Funding has already been agreed based on the various Service budgets. These provisions add up to £1.5m of the contract value.

2. Cabinet Member Introduction

It is important that our residents live in homes that are well equipped and comfortable, and this includes our residents who are currently living in temporary accommodation. This framework will ensure that homes used for temporary accommodation are equipped with furniture and white goods, which will help make them appropriate places to live for families and other households who become homeless

3. Recommendations

For Cabinet to approve the award of the Framework agreement for the supply of furniture and white goods for a 4 year period at a total value not exceeding £1.5m (one million and five hundred thousand pounds) to the following three suppliers:

- MFD Limited
- Myers Ideal Suppliers Limited
- Elegance Furniture Suppliers Limited

4. Reasons for decision

- 4.1 The Framework that was granted in August 2016 for a 4-year period has been exhausted. An interim contract that was awarded in July 2018 will expire in January 2019. Therefore, a new contract is required for another 4 years.
- 4.2 The new Framework will address the ongoing demand for furniture and white goods within Homes for Haringey and the Council.
- 4.3 This report seeks approval for the award of the Framework for a total value of £1.5m which will be split equally between MFD, Elegance, and Myers. Two of the three suppliers have worked with the Council for over 10 years and have provided white goods and furniture in a timely and economic way. The third supplier currently supplies several London Boroughs with similar products. This Framework represents continuity and value for money for the Council.
- 4.4 The proposed award to MFD, Elegance and Myers is based 70 per cent on price and 30 per cent on quality.
- 4.5 If the Council fails to secure the service of dedicated suppliers with fixed prices, it may have no choice but to consider ad hoc purchases which will be more expensive in both the short and long term. Any delay in engaging these suppliers will also have a resulting adverse effect on void costs.
- 4.6 The option to use MFD, Elegance and Myers represents value for money for the Council. In addition, the Council will have more options with a third supplier joining the Framework. They are all relatively local to the Council and will be in a position to respond to emergency situations very quickly.
- 4.7 The new Framework award to MFD, Elegance and Myers will be for four years.

5. Alternative options considered

5.1 Do nothing

The Council has a statutory duty to provide temporary accommodation to households who are owed a homelessness duty. The Council is required to ensure that the accommodation provided is suitable for occupation, which includes providing basic furnishings if the household requires this.

5.2 Source furnished accommodation

If the Council were unable to secure furnishings through this Framework, they would need to procure accommodation that is already furnished. This form of accommodation is most often available on a nightly paid basis and has a far higher cost than other forms of temporary accommodation, therefore placing increased pressure on the temporary accommodation budget. In addition, the current preferred approach of providing temporary accommodation in Council-owned lodges gives an additional level of oversight and quality control. The decision not to award this new Framework would prevent the third proposed conversion of a Council-owned building to a lodge from going ahead.

6. Background information

- 6.1 Haringey Council is required under part 3 of the Housing Act 1996 to procure accommodation for priority homeless households. The accommodation provided must be suitable for occupation. Therefore, the provision of domestic appliances and in some cases furniture is a pre-requisite to offering temporary accommodation to households owed a homelessness duty.
- 6.2 This Framework will allow the Council to use these contractors to provide furniture, white goods and floor coverings when required.
- 6.3 The Framework will provide a sustainable and consistent approach to purchasing furniture and white goods for both the Council and Homes for Haringey. The services will include the supply and fit of these items and delivery within 24 hours of ordering.
- 6.4 Services will be undertaken by the three suppliers based on the specifications and pricing. The table below demonstrates how the arrangement would probably be split between the suppliers.

Contractor	Contract Value
A	£500k
B	£500k
C	£500k
Combined	£1.5m

7 Procurement Process

- 7.1 The Council issued an OJEU notice through the Tenders Electronic Daily (TED) <https://ted.europa.eu/TED/notice/udl?uri=TED:NOTICE:355284-2018:TEXT:EN:HTML&ticket=ST-4865916-m59hyWObOnwCknzRqC6qcizuWjcvoy7sRmzNdxIFHKt4QYA55ky2CqysVnnzVNR0FCtMBCcVF6VYgcesHAoqSiy-Jj71zxYb8yrkk5ZCsAzQmO-ZMzPAgP6SPkIkDzWxJirKLNTL3sLdzt8SOQSi8VIKs8C>
- 7.2 The requirement was advertised in the OJEU on 13 August 2018. The tender was conducted by the Open Procedure in accordance with Regulation 27 of the Public Contracts Regulations 2015.
- 7.3 The Council's electronic portal, Haringey Procurement and Contract System (HPCS) Portal was used to upload and invite tenders for the provision of White goods and furniture supply on 13 August 2018, with submission due on 21 September 2018. The tender consisted of a single stage process, including 'selection questions' and eight qualitative questions, assessing the bidders against the broad range of required experience and capabilities as described in the specification.
- 7.4 The Framework Agreement will be for four years.
- 7.5 Three bids were received. A moderation meeting was held by officers from Homes for Haringey and representative from Strategic Procurement on 12

October 2018 and scores were all agreed at the meeting. The scores of the bidders were as set out in the exempt part of the report.

8 Contribution to strategic outcomes

This decision support Priority 1: Housing of the emerging Borough Plan, and in particular objective 3 'We will work together to drive up the quality of housing for everyone.'

9 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 9.1 The contract is for a 4 year period for a total value of up to £1.5m. This equates to a maximum of £375k per annum.
- 9.2 The three suppliers were chosen after tenders were carefully evaluated in accordance with the council's procurement rules.
- 9.3 The scores for the three suppliers were very close on both quality and price.
- 9.4 The maximum cost of this contract was calculated based on an analysis of the annual usage of each service area that buys into this service.
- 9.5 The revenue budget of each service area, that makes use of this service, makes provision for the cost of this service.
- 9.6 The Housing Demand budget for Equipment and Furniture is set at £220k, which equates to £880k over the 4 year period. This will be available to fund this contract.
- 9.7 The other service areas have a combined budget of £620k. This will be available to fund the remaining cost of the contract.
- 9.8 Strategic Procurement will be responsible for monitoring the usage of the contract value to ensure it is not exceeded.

Strategic Procurement

- 9.9 Procurement supports the engagement of the three successful suppliers onto the Framework, the requirement was publicly tendered as required under EU procurement regulations.

Legal

- 9.10 The Assistant Director of Corporate Governance notes the contents of the report.
- 9.11 The proposed award is a key decision and the Service have confirmed this is on the Forward Plan.
- 9.12 Please see legal comments in the exempt part of the report.

Equalities

- 9.13 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 9.14 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 9.15 The decision is to award a contract for the provision of furniture and white goods for homes used for temporary accommodation, as well as some other Homes for Haringey homes.
- 9.16 The following groups are more likely to be living in temporary accommodation:
- Black households who, statistically, make up the vast majority of households in temporary accommodation
 - Lone parent households, most commonly headed by women
 - Women, who statistically make up the vast majority of individuals who approach the homelessness service for support
 - Young people who identify as LGBTQ
 - Those with mental health needs
- 9.17 Ensuring that the temporary accommodation properties these households move into are properly equipped and furnished will have a positive effect on these households.

10 Local Government (Access to Information) Act 1985

The information in Appendix A is not for publication by virtue of paragraph 3 and paragraph 5 of Part 1 of Schedule 12A of the Local Government 1972.