



Haringey Council

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Agenda item:

[No.]

Cabinet Procurement Committee

On 30th September 2008

Report Title: Disabled Adaptations Framework Agreement: Award of contract

Forward Plan reference number (if applicable)

Report of: Director of Adult Culture and Community Services

Wards(s) affected: All | Report for: **Key Decision**

1. Purpose

1.1 To seek Member agreement to enter into a Framework Agreement for the provision of disabled adaptation works with the contractors identified in Appendix A. This Framework Agreement will provide a contractual mechanism for Adult Culture and Community Services and Homes for Haringey to access disabled adaptations works via the framework contractors without the need for further competition. It should be noted that the appointment of the recommended companies under this arrangement does not provide a binding commitment to award work.

2. Introduction by Cabinet Member

2.1 This contract is for the construction element of disabled facilities adaptations. The contract will be available to be used in both Council and Non-Council properties. The contract will contribute significantly to reduce the time taken from referral to Occupational Therapy Services to being able to use a disabled facilities adaptation. The reduction in time will be generated through the removal of the need to tender for each individual home.

3. Recommendations

3.1 That Members approve the proposal to enter into Framework Agreements for the provision of disabled adaptations works with the contractors identified in Appendix A, as allowed under Contract Standing Order (CSO) 11.03, for a period of two years with the option to extend the framework agreement for a further two years on an annual basis subject to satisfactory performance of the companies.

Report Authorised by: ^{MP} Mun Thong Phung, ^{USA DEPTEN}
Director of Adult, Culture and Community Services

Contact Officer: Bernard Lanigan, Service Manager,
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4. Chief Financial Officer Comments

- 4.1 The recommendation is in line with the Council's Contract Standing Orders.
- 4.2 As four years is the maximum period allowed under EU directions for a framework agreement, and subject to satisfactory performance of the companies, the framework agreement cannot be extended beyond September 2012.

5. Head of Legal Services Comments

- 5.1 The EU Directive on public procurement (the Consolidated Directive) as implemented in the UK by the Public Contracts Regulations 2006 ("the Regulations") allows local authorities to enter into framework agreements with contractors.
- 5.2 The Framework Agreement to which this report relates has been advertised in the Official Journal of the European Union and a restricted tender procedure followed, in compliance with the Regulations. Under the restricted procedure a selection is made of those who respond to the advertisement using pre qualification process. Only those deemed to meet the pre qualification criteria are invited to tender.
- 5.3 It is proposed that the Framework Agreement will be for two years with the option to extend for a further two years on an annual basis, Under Regulation 19(10) of the Regulations local authorities can enter into framework agreements for periods which do not exceed 4 years.
- 5.4 Contractors for the Framework Agreement have been selected based on the most economically advantageous tenders submitted, in accordance with Regulation 30 of the Regulations.
- 5.5 This report is recommending award of the Framework Agreement to the selected contractors identified in Paragraph 3.2 of Appendix A of this report.
- 5.6 CSO 11.03 provides that contracts valued above £250,000 must be made by the Cabinet Procurement Committee.
- 5.7 As the total value of the contracts to be awarded is likely to exceed £500,000 the proposed award must be in the Council's Forward Plan in accordance with CSO 11.04.
- 5.8 Statutory leaseholder consultation has not been undertaken . The legal implication of this is that the contributions recoverable by the Council from leaseholders, in respect of proposed works under the Framework Agreement, will be limited to £100 per financial year.
- 5.9 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in Paragraph 3 of this report.

6. Head of Procurement Comments

- 6.1 The procurement process attracted a good number of valid bids and which were competitively evaluated.
- 6.2 Previously, Disabled Adaptation works were delivered through a single contractor arrangement, but given that the contract value is around £12m over the next 4 years, it is appropriate to introduce additional contractors through a Framework Agreement to ensure service delivery and to off-set any inherent risk.
- 6.3 The Head of Procurement is satisfied that the recommendations contained in this report will offer Value for Money to the Council and service assurance to clients.

7. Local Government (Access to Information) Act 1985

- 7.1 This report contains exempt and non-exempt information. The exempt information is contained in Appendix A of the report and is **NOT FOR PUBLICATION**.
- 7.2 The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972)
(3) Information relating to the financial or business affairs or any particular person (including the authority holding the information)

8. Strategic Implications

- 8.1 The type of works which will be let under the Disabled Adaptations works framework will include but is not limited to: shower and wet room installations, wheelchair access in properties, kitchen adaptations, door entry, specialist equipment, rails, ramps, lifts (including stairlifts) etc. Works will be carried out to public sector clients and private sector clients (under the Disabled Facilities Grant). The framework agreement is due to take effect from October 2008.

9. Financial Implications

- 9.1 The appointment of the companies identified in Appendix A to this framework agreement does not provide a binding contract to award work.
- 9.2 The estimated value of works over the course of the framework agreement is £12million over 4 years. This equates to a value of £3million per year. Works will be carried out to public sector clients and private sector clients (under the Disabled Facilities Grant (DFG)).
- 9.3 All applicants to the procurement process under this framework agreement have been financially assessed using the Council's criteria for financial viability.

10. Equalities Implications

- 10.1 Adaptations are provided on the basis of assessed need. Tenure of property does impact on the nature of what might be permissible for example a private Landlord may not agree to extensive alterations to their property. This contract will deliver an equitable quality of service to all residents identified as benefiting from a disabled facilities adaptation.
- 10.2 Pre-qualification questionnaires submitted by interested companies included a section on Diversity in which companies' equalities policies have been evaluated.
- 10.3 The companies invited to tender met the Council's criteria for Equalities.
- 10.4 The framework agreement covers all Council wards and all Council directorates.

11. Consultation

- 11.1 The occupational therapists within adult culture and community services and the development and maintenance teams (specialist works) with Homes for Haringey were consulted on the most appropriate method of procuring this contract. It was agreed to let a framework agreement with 3-5 contractors for a period of two years with the option to extend for a further two years on an annual basis.

12. Section 20 Consultation

- 12.1 Adaptations to communal areas in Council properties that arise out of an individual assessment of need can be funded from the Decent Homes Programme. This would allow the Council to recharge any necessary proportion to leaseholders as the Decent Homes framework has been subject to statutory leaseholder consultation.. Alternatively if it is considered more appropriate a separate competitive tendering process could be undertaken that follows the statutory leaseholder consultation process. This would also allow any necessary costs to be recharged to leaseholders.

13. Background

- 13.1 The previous Aids and Adaptations term contract was awarded in October 2004 to one organisation. The contract was awarded for 2 years from 5 January 2005. It was extended by a period of 1 year, and expired on 4 January 2008. It was not possible to extend this term contract as the value of the work had exceeded the EU procurement threshold for works. The Framework Agreement for Minor Construction Works (Value up to £100,000) is currently being used to carry out disabled adaptations works as an interim arrangement until the Disabled Adaptations contract is in place.

Scope of the framework

The type of works which maybe 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;
 - 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; and
 - 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 be seeking enhanced extended warranties for aspects of this work.

13.2 Under this framework there is no obligation to award project work to any supplier.

Procurement process

13.3 An EU restricted tender process was used to procure this framework agreement for a period of two years with the option to extend for a further two years on an annual basis. Four years is the maximum allowed under revised EU directives for a framework agreement. With the initial period of two years this enables Haringey to reassess the framework on a yearly basis based on performance. A contract notice was published on the Official Journal of the European Union (OJEU) website on 25 February 2008 and in *Building and the Contract Journal* magazine. All interested parties were requested to complete a pre-qualification questionnaire (PQQ). The questionnaire assessed various areas of operation, namely capability, quality, environment/sustainability, financial status, diversity and health and safety. It also requested information relating to the staffing and experience of each company.

- 13.4 61 companies expressed an interest in tendering for the framework agreement. Pre-qualification questionnaires were received from 27 companies.
- 13.5 Following the assessment by the Council against its pre-agreed criteria, 16 firms failed the credit check, one firm was excluded from the process due to having insufficiently high turnover (a turnover of £2.4million was required). The pass mark of 60% was exceeded by 10 parties.
- 13.6 Ten firms were therefore invited to tender for the framework agreement on 12th June 2008 (see Appendix A for details).
- 13.7 Nine legitimate tenders were received as one tenderer declined to tender. (See Appendix A for details).
- 13.8 The bids submitted were evaluated under the Council's agreed criteria and in compliance with Standing Orders. Tenders were evaluated on the basis of quality and price. Interviews were held with the nine tendering firms, with scores taken from the results of these interviews. The breakdown of the evaluation process is as follows:
- Quality – 40%
 - Interview – 20%
 - Price – 40%
- 13.9 The quality assessment was based upon a method statement relating to a scenario presented at tender stage. The quality assessment also looked at the areas of staffing and resourcing and qualifications and experience of individuals relevant to the framework agreement. Evaluations were carried out by Council officers representing Adult Culture and Community Services, Homes for Haringey and Construction Procurement.
- 13.10 Interview assessment was based upon a question and answer session. Questions tested both technical and non-technical aspects (e.g. how to deal with vulnerable clients (Question 6)) of the appointment under this framework agreement (see Appendix B for the questions). The panel for interviews included officers from Adult Culture and Community Services, Homes for Haringey and Construction Procurement.
- 13.11 The pricing document was based on the National Housing Federation (NHF) Schedule of Rates. The contractors accessed the NHF Schedule of Rates via a secure website. The contractors then added their percentage uplift to these rates within the tender document, along with their overheads, profit and preliminaries.
- 13.12 The programme of works for 2007 was taken into consideration in the evaluation of the schedule of rates. The overall potential costs were calculated using values obtained for works in 2007 and scored accordingly. The lowest priced bidder received the maximum 40% for this section, with the other bidders' scores adjusted

by a percentage equal to the variance between their total percentages and the lowest priced fees. Results of the price evaluation are contained in Appendix A.

13.13 See Appendix A for the final evaluation process scores.

14. Pricing

14.1 The pricing is very competitive and consistent with market rates.

15. Conclusion

15.1 This report seeks the approval of the Cabinet Procurement Committee for the award of the contract to the companies named in Appendix A.

15.2 The contract will provide disabled adaptations services for all adaptations works across all Council wards and directorates.

16. Use of Appendices / Tables / Photographs

16.1 Appendix A – Information relating to the procurement Process (Exempt)

16.2 Appendix B – Interview Questions.