

## **NORTH SOMERSET COUNCIL DECISION**

**DECISION OF: COUNCILLOR DONALD DAVIES,  
LEADER OF THE COUNCIL  
WITH ADVICE FROM: DIRECTOR OF PEOPLE AND COMMUNITIES  
AND HEAD OF PROCUREMENT  
DIRECTORATE: PEOPLE AND COMMUNITIES**



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### **DECISION NO: PC56 2019/20 SCHEME**

**SUBJECT:** Procurement Plan for Bathing Adaptations

**KEY DECISION:** NO

**REASON:** This is a procurement plan therefore not a key decision.

### **BACKGROUND:**

The proposal is to procure a contract to deliver bathing adaptations in support of the Disabled Facilities Grant programme. The Council assists elderly and disabled residents to remain independent in their homes through major adaptations which in the main provide access e.g. stairlifts, and bathing adaptations e.g. level access showers.

The grant process is prescribed in law which usually requires two estimates to accompany each application unless the local authority otherwise direct. Government encourage councils to use tendered contracts to improve the customer journey for applicants.

The Corporate Plan sets out the council's vision and overall priorities; this commissioning plan will support the delivery of the Health and Wellbeing, and Quality Places objectives. A contract to deliver bathing adaptations helps disabled residents with essential adaptations to remain independent at home.

The Housing Strategy 2016 – 2021 committed to transform the delivery of adaptations for disabled people by improving service quality and value for money.

The Prevention and Early Intervention Strategy 2015 – 2020 highlights the importance of timely adaptations in the prevention of long-term care needs.

### **DECISION:**

To approve this Procurement Plan and agree to proceed to tender for the service as set out in the Procurement Plan.

## **REASONS:**

### **Introduction**

The Council assists elderly and disabled people to remain living safely and independently in their own homes through the provision of a Disabled Facilities Grant (DFGs). The means tested grant funds a range of works including bathing adaptations such as the installation of level access showers, specialist baths and associated works.

A framework contract for bathing adaptations, procured jointly with Bristol City Council in 2017, was not delivering the outcomes sought and required additional contract management resource than originally anticipated. A decision was made recently to terminate that contract with the contractors.

There is considerable operational advantage to the council and applicants when using a contract approach; simplifying the process and delivering value for money. There are several other advantages of letting our own contract including greater control over specifications and quality of work, attractiveness to SMEs and sole North Somerset focus.

### **Commissioning Plan**

- The Commissioning Plan was agreed by Executive on 19th March 2019. Minute ref: EXE80.

### **Lessons Learned from previous projects**

- Having to terminate contract due to poor performance – robust contract management methodology (compliance with KPI's and reporting).
- Close monitoring of costs in particular unforeseen work justification
- Challenges arising from being unable to rotate the use of contractors on the framework.

### **Requirement**

The proposal is to commission a new contract to provide bathing adaptations for disabled people to operate as part of the in-house agency service where the council arranges and manages the delivery of the work on the applicant's behalf. The estimated value over the lifetime of the contract will be circa £1,920,000 (£480,000 per year).

The council would secure through the competitive tender exercise, a pre-defined set of contract terms and prices. The contractor (through the council acting as agent) in turn offers these to the grant applicants directly. The grant applicant then enters into a works contract for their individual scheme with the contractor and the council acts as agent for the work.

There is considerable operational advantage when using a procurement approach for bathing adaptations (one of the highest requested works) because only one contractor is required to visit the disabled persons home to produce an estimate, reducing the time involved and removing any risk of confusion when multiple contractors visit. Our experience from other contracts confirms favourable costs are secured when a contract is procured.

Other advantages include:

- Contract performance indicators can be structured to improve delivery
- Standardised specification of works
- Social Value opportunities can be locally focused including links to training opportunities in construction and allied trades
- Benefits of technical innovation in the sector can be realised and any savings captured.
- Strong emphasis on quality particularly customer journey and satisfaction
- The benefits from the Equipment & Demonstration Centre can be incorporated into the process to fast track works.
- Delivers improved value for money compared to grant applicants arranging their own work
- Provides opportunities to further streamline the DFG process and achieve efficiencies
- Potential to stimulate the local supply market

A report commissioned by the Department of Health and Social Care (DHSC) strongly recommends Councils adopt an approach using framework agreements and schedules of rates to streamline and speed up the DFG process. The report highlights the importance of timely solutions to support more people to stay independent at home for longer.

### **Route to market**

- It is proposed to set up a fixed price multi supplier framework agreement for 4 years which will have a maximum of 8 providers attached. The work will be allocated on a rotational basis. The services required are generally standard bathrooms, therefore the work should be distributed evenly.
- We propose using a Non-Ojeu Open Tender process (contract value falls below the Works threshold). Using an Open process allows a wide range of providers to apply for a place on the framework.

### **Timescales for procurement**

Draft timeline as follows:

- March 2019 – Commissioning Plan report agreed by Executive
- September/October 2019 – Procurement Plan prepared and agreed
- October 2019 – Finalise specification and tender documents
- October/November 2019 – Contract opportunity set up and advertised on portal
- December 2019 – Tender evaluation
- December 2019/January 2020 – Contract award decision
- December 2019/January 2020 – Contract sign off, Contract becomes operational

### **Governance**

- Private Sector Housing Manager
- Private Sector Housing Service Leader

- Senior Legal Advisor
- Procurement Officer
- People and Communities Finance Business Partner
- Commissioning Plan: Executive Sign Off
- Procurement Plan: Executive Member Sign Off
- Contract Award: Director Sign Off

## **Market / Suppliers**

- Initial market research has been carried out with local contractors. Several have indicated they would be happy to work within the type of contract proposed and some gave examples of framework agreements with adjacent Local Authorities.
- Of the 6 providers contacted, 5 have expressed interest in applying for this framework

## **Social Value, Sustainability & VCSE**

It is proposed to include the following question within the methods statements:

Please set out the Social Value you are prepared to deliver in the context of the Public Services (Social Value) Act 2012. Further information, including North Somerset Council's target Social Value outcomes, can be found at:

<https://www.n-somerset.gov.uk/my-business/tenders-procurement/procurement-strategy/our-social-value-policy/>

Please ensure that your response contains specific, measurable commitments that are over and above the Services provided in the contract and are also incremental to Social Value that you are already providing.

## **Evaluation**

- The tenders will be assessed on 100% Price.
- Quality will be assessed via pass/fail questions and also through method statement answers which will need to score a minimum of 3 to be allocated a place on the framework.
- Price will be set at the framework stage (suppliers will be rotated; therefore, mini competitions will not be used). We will ask the providers to price against a 'basket of goods'. The most competitive 60% (nearest whole number, with a maximum of 8) of suppliers will be allocated a place on the framework. The prices submitted by the 60% of suppliers will be averaged, and all the suppliers allocated a place on the framework will need to agree to work to that price. This approach will allow contractors to be rotated, improving resilience.
- Social Value will be assessed at evaluation stage but delivery will be monitored through contract performance.
- Standard 0-5 scoring method below will be used to assess method statements.
- Using the average price will determine maximum estimated expense for DFG purposes and help avoid wide variations for similar work

- In the event less than 8 suppliers would feature on framework, we will reserve the right to review the methodology but will not deviate from the average price fixing process.

| Score | Classification | Award Criteria  |
|-------|----------------|---|
| 5     | Excellent      | A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.  |
| 4     | Good           | A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met, and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation. |
| 3     | Satisfactory   | A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.  |
| 2     | Weak           | A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.  |
| 1     | Inadequate     | A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.   |
| 0     | Unsatisfactory | No response or response does not provide any relevant information and does not answer the question.   |

Evaluation team:

- Private Sector Housing Manager - Housing Adaptations and Improvements
- Private Sector Housing Service Leader
- Procurement Officer (Moderator)

### **Contract Management**

The contract will be managed by officers in the Private Sector Housing Team. The Contract Manager, with the support of the Procurement team will develop a contract management plan at the end of the tender process.

The following meetings will be held:

- Quarterly KPI meetings, and data reports (initially monthly)
- Yearly – full reports including social value

## **OPTIONS CONSIDERED:**

- Set up our own framework (preferred option)
- To procure a framework with neighbouring authorities has been considered, however, there was little interest in this option. One authority did express interest in collaborating, but unfortunately their timescales were very different from ours.
- Traditional price/quality assessment model could result in a risk of higher prices.
- A call off framework arrangement producing a list of suppliers with the highest scoring suppliers receiving work in order. This approach is supply/demand sensitive and delays in delivery can result when capacity is reached. It would also not facilitate the rotation of contractors resulting in a potential reliance largely on one contractor; a weakness found with the previous contract
- Single Supplier Contract – this option would not facilitate stimulation of the local market and would not provide resilience as only one contractor would be appointed.
- Do Nothing - Residents could be referred to local quality assurance schemes for contractor selection and either secure quotes independently or receive assistance through our in-house agency scheme. With this option, the timescales are greater leading to longer waiting lists and the lack of a fixed process leads to higher average costs.

## **FINANCIAL IMPLICATIONS:**

### **Costs**

### **Funding**

The value of this contract is in the region of £480,000 per annum which will be met from the council's capital programme. This work is currently funded using annual DFG allocation through the Better Care Fund.

The value over the lifetime of the contract would be in the region of £1,920,000.

This tender process will result in a fixed price quotation contract. The price would be fixed for at least the two years of the contract and subject to inflationary price increases thereafter. However, in the event of exceptional market circumstances; subject to supporting evidence, the Council would consider an uplift during the initial two years. The proposal will be supported through in-house agency service and contribute to income generation through this service.

## **LEGAL POWERS AND IMPLICATIONS**

The Disabled Facilities Grants is a mandatory grant, introduced by the Housing Grants Construction and Regeneration Act 1996. Good practice guidance encourages Local Authorities to use schedules of rates and framework agreements to help streamline and speed up service delivery. The contract will be prepared in conjunction with the Council's Legal Service.

## **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

We will address and prioritise the climate change emergency with suppliers as part of the social value question (this could include sustainable transport, use of electronic systems, waste reduction / responsible recycling etc).

## **CONSULTATION**

Initial market research has been carried out with local contractors. Several have indicated they would be happy to work within the type of contract proposed and some gave examples of framework agreements with adjacent Local Authorities.

Internal consultation with Occupational Therapy staff has been undertaken and will continue through the procurement process.

This plan has been prepared with full consultation with the Procurement and Legal Service.

## **RISK MANAGEMENT**

- This contract is designed to overcome the challenges of the previous contract and will rely on a cohort of approximately 8 contractors, with tight contract monitoring allowing contractors to be removed from the contract should the issues of the previous contract reoccur. A great emphasis will be placed on quality and agreed key performance indicators will be closely monitored.
- There is also a risk in letting a contract to small contractors who may be vulnerable in a competitive market, but again this is mitigated by letting the contract to several contractors.
- Not receiving any or too few bids – mitigated by engaging with the market
- Receiving high prices – price evaluation criteria set at 100%. Comparison with current market rates and published priced schedules will be undertaken.
- All DFG funding is paid in arrears which lowers the risk of financial loss.
- Risk of challenge to the procurement process – There will be a transparent and fair process to minimise any challenges.

## **EQUALITY IMPLICATIONS**

Have you undertaken an Equality Impact Assessment? Yes.

No negative impacts were identified from proceeding with this procurement.

The procurement will support disabled people make adaptations to their homes and help remove some of the anxiety of sourcing contractors, estimates and arranging works.

## CORPORATE IMPLICATIONS

Corporate implications as outlined in the report.

## APPENDICES

N/A.

## BACKGROUND PAPERS

Commissioning Plan for Bathing Adaptations approved by the Executive 19<sup>th</sup> March 2019.

<http://apps.n-somerset.gov.uk/cairo/docs/doc29519.pdf>

## SIGNATORIES:

### DECISION MAKER(S):

Signed:  .....

Title: Leader of the Council

Date: 24.10.19 .....

### WITH ADVICE FROM:

Signed:  .....

Title: Director of People and Communities

Date: 23.10.19 .....

Signed:  .....

Title: Head of Procurement

Date: 21/10/19 .....

**Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:**