

**Key Decision Report of the Corporate Director of Homes and Neighbourhoods**

<b>Officer Key Decision</b>	<b>Date: 29 September 2021</b>	<b>Ward(s): All</b>
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<b>Delete as appropriate</b>	Exempt	Non-exempt
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**THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION**  
**SUBJECT: Contract Award for Specialist Adaptations including Installations and Repairs for Disabled Residents****1. Synopsis**

- 1.1 This report seeks approval for the award of the Specialist Adaptations including Installations and Repairs for Disabled Residents contract. On 21 January 2021, the Executive gave delegated authority to the Corporate Director of Homes and Neighbourhoods to award this contract in consultation with the Executive Member for Housing and Development.
- 1.2 The Specialist Adaptations including Installations and Repairs for Disabled Residents contract is to be awarded to two contractors for an initial period of 24 months with an optional extension of 24 months in increments of up to 12 months each. The total estimated aggregate value of this contract is £5,800,000 (£1,450,000 per annum).

**2. Recommendation**

- 2.1 To approve the contract award for Specialist Adaptations including Installations and Repairs for Disabled Residents as outlined in this report to:
  - EffectAble Construction Services Limited
  - Morgan Sindall Property Services Limited

For an initial period of 24 months from 1 November 2021 with a right for the council, in its absolute discretion, to extend for two periods of up to 12 months each.

### **3. Date the decision is to be taken:**

29 September 2021

### **4. Background**

- 4.1 The Council has a tenanted housing stock of approximately 25,000. Tenants or household members may have disabilities that require their home to have adaptations carried out in order to maintain independent living or allow carers to provide caring duties within the home. In addition, repairs are carried out to existing installations where required.

The Council is procuring two contractors to deliver specialist adaptations including installations and repairs for disabled residents in its tenanted properties. Historically there was only one contractor delivering adaptation installations and repairs. However, given the high profile nature of the work involved, the duration of some of the works, the current market volatility and the return of the Private Finance Initiative (PFI2) properties, it is deemed most feasible to have two contractors. Benchmarking was also undertaken with five other local authorities and best practice demonstrated having two contractors within this area of work. This will ensure continuity of the service for vulnerable tenants, adequate management of work volumes and a high level of service delivery.

This contract is for the delivery of specialist adaptations including the installation of level access showers and/or wet rooms, overbath showers, kitchen modifications for accessibility and repairs to existing installations. Previously safety works were being delivered by the contractor, however upon review it was considered that safety works can be insourced, in order to ensure that as many services as possible are carried out in-house where practicable. Going forward all safety works will be delivered by the in-house repairs team as this is not considered specialist works, as the bulk of the works are carpentry. Safety works are predominantly carried out to ensure that properties are made as safe as possible to prevent climbing that could pose a risk to life, particularly for young children with special needs. Works include the installation of lockable window restrictors, bannister to ceiling height spindles and high level fences with anti-climb rollers.

The Occupational Therapy Team within the People Directorate assess residents' needs and make recommendations for any adaptations following referrals to their team. These recommendations are then submitted to the Adaptations Team within the Repairs service, who will attend the property to survey how the recommended adaptations can be implemented. Following the survey a specialist scale drawing is made of the adaptations required and is allocated to the contractor to carry out the works.

- 4.2 This contract has been procured to replace an existing expiring contract. Several options were considered for adaptations works, including insourcing that is partially going to be delivered in-house in respect of safety works. Third party frameworks were also considered, however a competitive tender process was considered most effective at this time for the adaptations works.
- 4.3 On 21 January 2021, the Executive approved a strategy for the procurement of a new contract for the provision of Specialist Adaptations including Installations and Repairs for Disabled Residents. The contract was advertised by the council on the London Tenders Portal and Find a

Contract. As the contract value was above the threshold for EU purposes, a notice was also posted in Find a Tender (FTS).

- 4.4 This procurement has been conducted in line with the Council’s procurement rules and the Public Contracts Regulations 2015. The procurement was conducted using the ‘one stage’ open procedure.
- 4.5 The contract is to be awarded to the Most Economically Advantageous Tender based on the award criteria set at 70% quality (of which 20% was social value) and 30% cost. Tenderers were required to achieve a minimum standard of a score of three (3) or above for each of the suitability assessment questions in order to have their method statements assessed. Tenderers were then required to achieve a minimum quality standard score of three (3) or above for each of their method statement questions in order to have the cost element of their tender evaluated.
- 4.6 Following the advertisement of the contract, nine (9) organisations submitted a bid. Five (5) out of the nine (9) organisations scored three (3) or more for the suitability assessment questions and went on to have their method statements scored. Two (2) organisations achieved a minimum quality standard score of three (3) or above for each of their method statement questions and went on to have the cost element of their submission evaluated.

The quality element was divided into the following sub criteria:

- Proposed approach to Social Value and promoting opportunities for local residents, including reducing carbon footprint (20%)
- Proposed approach to customer service and diversity (10%)
- Proposed approach to varying work volumes and priorities (10%)
- Proposed approach to health and safety (10%)
- Proposed approach to quality management (10%)
- Proposed approach to mobilisation, resourcing and service delivery (10%)

The cost element was divided into the following sub-criteria:

<b>Percentage breakdown</b>	<b>Description</b>
10%	Rates and prices tendered in section 3 of this Price Framework ‘Adaptations Basket Rates’
7%	Percentage adjustments to the NHF Disabled Adaptation Works Version 7.1
8%	Percentage adjustments to the NHF Schedule of Rates for Responsive Maintenance and Void Property Works Version 6.1
2%	<p><b>DAYWORK – HOURLY CHARGES</b></p> <p>Inside normal working hours</p> <p>Multi Skilled/Trades Person</p>

1%	<b>DAYWORK – PERCENTAGE ADDITIONS</b> Percentage adjustment for materials
1%	<b>DAYWORK – PERCENTAGE ADDITIONS</b> Percentage adjustment for plant and equipment
1%	Percentage adjustment for directing and supervising approved Specialists
<b>TOTAL 30%</b>	

4.7 The results of the tender evaluation are set out in the attached exempt Appendix 1.

## 5. Implications

### 5.1 Financial implications:

The total 2021-22 budget within Housing Repairs for aids & adaptations is £2.4m. Of which, £1.3m relates to the services (as set out in the synopsis) that are subject to this contract award.

The estimated contract value for this contract award is £1.45m per annum. Compared to the current budget provision (£1.3m), this would give rise to a budget pressure of £0.15m per annum.

It is understood that the higher contract costs are due to an increase in the unit price for carrying out adaptation works. The previous contractor operated at a rate much lower than NHF, which is no longer representative of the current market. As such, the estimated annual contract value has increased to reflect a higher unit cost closer to the NHF.

The Repairs and maintenance procurement strategy paper approved on 21 January 2021 highlighted the possibility of cost increases when re-procuring services due to changing market conditions and to manage these potential increases, the Housing Director of Property Services agreed that in the first instance, budget pressures would be controlled through managing demand and cash limiting the aids and adaptations annual budget. Any pressures arising, which cannot be contained within the aids and adaptations annual budget provision, will need to be met from the wider Repairs and maintenance service budget (2021-22 allocation totalling £35.2m).

### 5.2 Legal Implications:

This report seeks approval for the award of the Specialist Adaptations including Installations and Repairs for Disabled Residents contracts. On 21 January 2021, the Executive gave delegated authority to the Corporate Director of Homes and Neighbourhoods to award these two contracts in consultation with the Executive Member for Housing and Development.

The Specialist Adaptations including Installations and Repairs for Disabled Residents contracts are to be awarded to the two named winning contractors (EffectAble Construction Services Limited and Morgan Sindall Property Services Limited) for an initial period of 24 months with an optional extension of 24 months in increments of up to 12 months each. The total estimated aggregate value of this contract is £5,800,000 (£1,450,000 per annum).

The council has statutory duties in respect of the carrying out of adaptations to the homes of disabled residents under section 29 of the National Assistance Act 1948, section 2 of the Chronically Sick and Disabled Persons Act 1970 and the Care Act 2014. The Council has power to enter into contracts for the carrying out of adaptations for disabled persons under section 1 of the Local Government (Contracts) Act 1997.

The estimated value of the proposed contract for adaptations exceeds the financial threshold (£4,733,252) for public works contracts for the full application of the Public Contracts Regulations 2015. Contracts above this threshold must be procured with advertisement in the Official Journal of the European Union and with full compliance of the Regulations. The council's Procurement Rules also require contracts of this value to be subject to competitive tender.

The procurement strategy employed, to advertise a call for competition and procure the service using the two stage restricted a competitive tender process, is in compliance with the principles underpinning the Regulations and the council's Procurement Rules.

### **5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

Carrying out specialist adaptation installations, repairs and safety works for disabled residents has several environmental impacts. During the adaptation installation process, new materials will be used as well as energy consumption for the plant and equipment and the works will generate waste. In addition, the contractor will be using vehicles to arrive at and deliver materials to sites, which will contribute to air pollution (unless electric vehicles are used) and congestion.

Provision has been made within the contract specification and contractor selection criteria to mitigate impact for each of the above, with reference to relevant legislation and the stipulation that the contractor must adhere to the requirement of the Councils Housing HSE Code of Conduct for Contractors and appropriate legislation. The contractor should ensure that waste materials are kept to a minimum and that waste leaving sites is reused or recycled where practicable. The contractor will have a duty of care to ensure that any waste disposal is done legally and in alignment with the waste hierarchy.

In addition, contractors have committed to using Euro compliant low or zero emission vehicles with view to moving to electric/hybrid vehicles where the charging infrastructure and technology is developed enough to support this. Where possible, the contractors will use recycled or sustainably produced materials. The use of electric thermostatic showers have been shown to save energy by keeping water temperatures regulated and they have lower flow rates, so are more water efficient. Any materials replaced during a repair will be energy efficient replacements where compatible.

## **5.4 Resident Impact Assessment:**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed on 13 August 2021 and the summary is included below. The completed Resident Impact Assessment is attached as Appendix 2.

It is anticipated that the delivery of this service will not have any negative impact on any persons within the protected characteristics groups. The delivery of the contract will have a positive impact on all residents including those with protected characteristics, as it is designed to ensure that tenants and/or other household members are able to maintain independent living.

## **6. Reasons for the decision:**

- 6.1 The two successful contractors selected for the award of the contract for Specialist Adaptations including Installations and Repairs for Disabled Residents, EffectAble Construction Services Limited and Morgan Sindall Property Services, achieved the highest overall scores and met or exceeded the minimum requirements of the quality criteria of their tender.

## **7. Record of the decision:**

- 7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

**Signed by:**



Corporate Director of Homes and  
Neighbourhoods

Date 29.09.2021

## **Appendices**

- Appendix 1 - Tender Evaluation Exempt
- Appendix 2 - Resident Impact Assessment

**Background papers:** None

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