

Key Decision Report of the Corporate Director of Homes and Neighbourhoods

Officer Key Decision	Date: 1 November 2021	Wards: All
-----------------------------	------------------------------	-------------------

Delete as appropriate		Non-exempt
------------------------------	--	------------



SUBJECT: Procurement Strategy for Installation, Repairs and Servicing for Specialist Adaptations Equipment including Stairlifts and Hoists

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Installation, Repair and Servicing for Specialist Adaptations Equipment including Stairlifts and Hoists.
- 1.2 This strategy is for the delivery of specialist adaptations including the installations, repairs and servicing of stairlifts and hoists. The types of equipment include stairlifts, ceiling track hoists, through floor lifts, platform lifts, step lifts, specialist electric toilets, lifting benches for bathing and electrical door openings, however this is not an exhaustive list.

2. Recommendation

- 2.1 To approve the procurement strategy for Installation, Repairs and Servicing for Specialist Adaptations Equipment including Stairlifts and Hoists as outlined in this report.

3. Date the decision is to be taken:

1 November 2021

4. Background

- 4.1 The Council is intending to procure one contractor to deliver Installation, Repairs and Servicing for Specialist Adaptations Equipment including Stairlifts and Hoists.

The Council has a tenanted housing stock of approximately 25,230. 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 and servicing are carried out to existing equipment installations where required.

The Occupational Therapy Team within the People Directorate assess residents' needs and make recommendations for any adaptations related specialist equipment following referrals to their team. The approved recommendations are then submitted to the Adaptations Team within Repairs and Maintenance, who will raise an order for the contractor to attend and install the necessary specialist equipment.

The Adaptations Team will manage the day-to-day delivery of the works with the contractor and will be a point of liaison for resolving any complexities with jobs onsite. A monthly meeting will take place with the Adaptations Team, the contractor and a Contract Team representative to discuss overall performance and any matters arising. A quarterly meeting will also take place with higher level management to go through contractual matters, any escalations that could not be resolved at the monthly meeting and social value obligations.

The contract may need to be used for a variety of reasonable adjustments requiring specialist adaptations equipment, to support access, egress, independent or supported living for service users with physical or mental impairments that affect mobility.

4.2 Estimated Value

The estimated aggregate value of this contract is £1,995,000 (£285,000 per annum), based on a maximum contract term of 84 months. The initial term will be 36 months with two optional extension of up to 24 months each. This contract is of a specialist nature and is a niche market, so the contract length and break clauses take this into consideration, whilst allowing the market to be tested if it is determined this is required during the life of the contract. The contract value is based on historical adaptations spend and is inclusive of all PFI related spend, as these properties have always been included within this particular service.

This contract will be funded using an existing budget for adaptations from the Housing Revenue Account (HRA). In the event of public funding being made available to the council for specialist adaptations in the future, this will be applied to the specific project in accordance with how the funding was granted.

The Contracts Team will work with the successful contractor to identify opportunities for efficiency and cost savings as part of the contract's delivery, without compromising on the quality of installations and service delivery, throughout the life of the contract. This includes frequent analysis of the equipment used, such as breakdown occurrences and considering other manufacturers that can provide the better quality at a similar or reduced cost.

4.3 Timetable

The Council intends to advertise the Invitation to Tender (ITT) in November 2021. The contract award is planned for February 2022. The contract start will be on April 2022.

The relevant teams including Adaptations and Occupational Therapy have been consulted regarding this strategy and will be involved throughout the procurement process. This contract will not impact leaseholders, so a consultation process will not be required.

4.4 Options Appraisal

As part of this procurement four options were considered:

- Delivering the service in-house
- A collaboration with neighbouring boroughs
- Use of an external framework
- A competitive procurement process solely for Islington

The adaptations equipment installation, repairs and servicing is of a very specialist nature. Due to the specialist nature, skillset and qualifications required, in-sourcing is not a feasible option at this time. The contractors who deliver these works, have specialist surveyors with design qualifications that produce scale drawings, use digital 3D planning programmes and specialist equipment when they survey the properties to measure staircases, so the equipment ordered will correctly fit, as it made to measure in a lot of instances. To deliver this service in-house would require not only the employment of qualified engineers, but also the specialist surveyors to undertake these duties. This service would be expensive for the council to deliver and recruitment of the right staff would be difficult, as the private market rates are very high due to the specialist nature. In addition, the fluctuating, demand led frequencies work do not allow for planning for an appropriate workforce, particularly the specialist surveyors. The council is undertaking work to look at future opportunities, capacity and skills for insourcing various services in the future.

Collaborating with neighbouring boroughs has been considered but is not recommended due to;

- Differences in overall service delivery requirements, including inter departmental input;
- Varying Timescales associated for delivering adaptation equipment installations;
- The extent of adaptations works required to be carried out;
- How the works are managed and the IT system used for delivery of the service,
- Time, Resource and Funding to instigate a collaborative approach with neighbouring boroughs in not feasible at this time;

Using an external framework would be a quicker route to market, however none of the three external frameworks explored offered a suitable solution. One of the frameworks only offered a stairlift solution and the other two frameworks offered a stairlift plus other mobility lift solutions, however they did not cover the full scope of works such as electrical toilets, lifting benches and electrical door openings. The pricing models were not fit for purpose due to being a 'one size fits all' approach, for example one cost for a straight stairlift and one cost for a curved stairlift, however due to the council's varying property types and individual user needs, this pricing model does not work due to significant price variances in equipment types used.

The proposed option is to procure through a competitive open tender process. This would be the quickest route to market that meets all of the council's requirements. It is envisaged there

will be market interest due to the contract value and the specialist nature of the work involved. This also includes interest from specialist SME suppliers. This process allows the pricing, specification and terms and conditions to be specifically tailored to meet the council's needs and can deliver best value overall whilst meeting the service needs. The council intends to appoint one contractor for the whole contract to ensure continuity of service delivery.

4.5 Key Considerations

Delivering social value to Islington residents will be a contractual obligation for the successful contractor. A clear set of rigorous social value measures and targets will be included in the contract documents and social value proposals made within the tender submission will form an important element of the quality evaluation and final contract documentation. Performance in relation to social value will be monitored at regular contract meetings and will be a consideration in any decision to award a contract extension. Social value contributions will include apprenticeships (where applicable), work experience placements, job shadowing and training opportunities for residents. These will be agreed with the council's iWork team in conjunction with 'The Employment Team' and will focus on job opportunities for local residents, especially those who are disadvantaged in the labour market. As this contract relates to services for disabled tenants, ensuring these groups are considered for training and work experience placements would be a positive experience and allow feedback and ideas sharing for service delivery improvements where possible. Other social value contributions such as a fixed amount of hours per set value of turnover to contribute to community projects, or financial investment in community improvements will also be considered during the procurement process.

Contractors will also be expected to contribute to in-house repairs training programmes for residents by donating tools and equipment and/or providing appropriately-skilled staff to assist with delivery of the training.

Environmental factors such as reducing CO2 emissions and air pollution within the borough will be considered during the procurement process. This includes the use of sustainably sourced materials and energy saving parts (where applicable), as well as environmentally friendly vehicles and optimising journey routes and times to reduce the amount of travelling undertaken.

Due to the specialised nature of the works required, it is difficult to deliver specific reductions in spend. Contractors are invited to outline as part of the tender process how they will deliver Value for Money during the life of the contract. This might involve more efficient working practices, repair instead of replacement of faulty equipment, and researching new solutions and/or equipment. In addition, the specialist materials used for this service only come from specific suppliers, however the use of branches closest to the local area (where possible) will be encouraged, in order to allow for economic growth.

London Living Wage will be included as a condition of the contract. However, the current market pays above the London Living Wage for adaptations equipment engineers. The contractor will need to ensure that the staff they employ have clear and fair Terms and Conditions of employment, access to Trade Unions and training opportunities. Consideration will also be given to how the bidding contractors will monitor these elements throughout their supply chain such as any sub-contractors which they intend to use for this contract. Employees of the contractor assigned to and carrying out adaptation works under the current contract may be subject to TUPE regulations as part of this procurement.

4.6 Evaluation

The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

The cost criteria will consist of bespoke composite Schedule of Rates codes for adaptation installations, for example a curved stairlift installation, which will include all elements of the work such as wiring, electrical testing, building works and making good the surrounding area of the installation. Any additional specification extras will be charged according to the relevant National Housing Federation (NHF) schedule. The bidders' percentage adjustment against the NHF Schedule of Rates (SORs) for Disabled Adaptation Works v7.1 will also be included within the cost criteria.

The quality criteria will consist of:

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

The contract will be awarded to the Most Economically Advantageous Tender (MEAT) and the award criteria will be set at 70% quality and 30% cost. The cost and quality split will ensure the council appoints a contractors that can deliver a high level of service at a sustainable price, achieving the best value overall.

4.7 Business Risks

The adaptations equipment is specialist in nature and requires specialist knowledge and expertise both to install the equipment and provide advice regarding the type of equipment to be installed. The service requires fast turnaround in order to ensure residents have continued and uninterrupted use of equipment that is an essential part of their lives.

Islington Council have a duty to ensure residents with a range of impairments have access to adaptations in their homes, 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. Failure to carry out adaptations installations and repairs, due to a break in delivering the service, would result in the council not complying with the regulations and potentially liable to pay compensation.

In addition, the council has a duty of care to its disabled residents under section 149 of the Equality Act 2010, the Public Sector Equality Duty. Failure to carry out installations would result in the council not complying with this regulation, which could lead to legal action and reputational damage.

Disabled residents are reliant on the council to ensure appropriate adaptations equipment is provided to them. Failure by the council to meet its obligations could impact adversely on residents, particularly due to the health and safety implications of the nature of the work involved, and this also carries a reputational risk for the council. Residents expect that

installations will be carried out effectively. These risks can be mitigated by ensuring this contract is procured within the given timescales.

There is a risk the contractors cannot meet volumes of work. This risk is managed by clear requirements set out within the specification and rigorous assessment at method statement stage within the tender.

Risk	Likelihood	Impact	Priority	Mitigation
Procurement is unsuccessful with no suitable supplier tendering or being identified	Low	High	High	Interim emergency measures will be sought and plans to re-procure put in place
The successful tenderer pulls out of the contract prior to start of the contract	Low	Medium	High	Default to the next highest scoring tenderer
Delays to the procurement process result in limited mobilisation time for new supplier	Medium	Medium	High	A project plan is in place and the Commissioning Officer and project team need to ensure agreed key milestones are met.

4.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

4.9 The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	The delivery of Installation, Repairs and Servicing for Specialist Adaptations Equipment including Stairlifts and Hoists. See paragraph 4.1
2 Estimated value	The estimated value per year is £285,000. The agreement is proposed to run for a period of 36 months with two optional extensions of up to 24 months each See paragraph 4.2
3 Timetable	Advert – November 2021

	Evaluation – December 2021 Award – February 2022 Contract Start – April 2022 See paragraph 4.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	A competitive tender using the open procedure See paragraph 4.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	London Living Wage and social benefit clauses will be included as part of the contract terms. Best value is considered as part of the specification, award criteria and delivery of the service. There may be TUPE implications. See paragraph 4.5
6 Award Criteria	Quality 70% and cost 30%. The award criteria cost/quality breakdown is more particularly described within the report. See paragraph 4.6
7 Any business risks associated with entering the contract	See paragraph 4.7
8 Any other relevant financial, legal or other considerations.	See paragraph 5.1 – 5.4

5. Implications

5.1 Financial implications:

The total 2021-22 budget within Housing Repairs for aids & adaptations is £2.4m. Of which, £0.26m 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 £0.29m per annum. Compared to the current budget provision (£0.26m), this would give rise to a slight budget pressure of £0.03m per annum.

To manage potential budget pressures to the aids and adaptation budget, 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:

- a) This Key Decision Report recommends an Open procurement route in relation to a proposed contract whose maximum whole-life value is £1,995,000 (7 years x £285,000) which is below the Public Contracts Regulations current threshold for works contracts.
- b) The proposed Open procurement route is compliant with the requirements set out in Band (iv) of the council's Procurement Rule 1.7.
- c) The Contract Award Report may be made and signed in due course by the Corporate Director pursuant to Procurement Rule 18.1.1.

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

Carrying out installation, repairs and servicing for specialist adaptations equipment including stairlifts and hoists 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 will have to commit 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 contractor will use recycled or sustainably produced materials. The contractor will install or replace parts with energy saving stairlifts, ceiling track hoists and through floor lifts, where possible. The majority of stairlifts and hoists have rechargeable back up batteries and charge points to avoid continuous electricity use. When batteries are replaced the contractor must recycle them.

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 complete Resident Impact Assessment is appended.

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 Islington Council has a duty to carry out adaptations for disabled tenants' and keeping existing installations in good working order. The procurement of one contractor is required to allow the continuity of service for the delivery of Installation, Repairs and Servicing for Specialist Adaptations Equipment including Stairlifts and Hoists.

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

Appendices

Appendix 1 – Resident Impact Assessment

Background papers:

None

Report Author: Laina Thomas
Tel: 020 7527 4011
Email: Laina.Thomas@islington.gov.uk

Financial Implications Author: Katherine Hau
Tel: 020 7527 2125
Email: Katherine.hau@islington.gov.uk

Legal Implications Author:
Clive Sheldon
6th October 2021
0207-527-2965
clive.sheldon@islington.gov.uk