

Cabinet – 13 April 2011

Disabled Facility Tenders – Lifts, Hoists and Associated Works

Portfolio: Councillor Adrian Andrew, Deputy Leader and Regeneration

Service: Strategic Housing

Wards: Borough Wide

Key decision: Yes

Forward plan: Yes

1. Summary of report

This report seeks Cabinet endorsement in line with the Council's Contract Rules to obtain and accept tenders for contractors to undertake installation, repair maintenance and building works and services for domestic stair, step and vertical lifts and hoists.

2. Recommendations

That Cabinet is recommended to:

- 2.1 Approve obtaining tenders for contractors to undertake installation, repair maintenance and building works and services for domestic stair, step and vertical lifts and hoists for the period up to 31st March 2016
- 2.2 Delegate authority to the Executive Director of Regeneration in consultation with the Portfolio Holder to accept tenders obtained under 2.1 above and to subsequently authorise contracts and any ancillary related documentation to be entered into.

3. Background information

- 3.1 In December 2009 Cabinet agreed that the Housing Standards and Improvement Service could secure contractors for the delivery of various disabled facility grant lift installation works. The service has subsequently used an existing major regional framework for the delivery of these works under the Eastern Shires Purchasing Organisation (ESPO) arrangement for the delivery of all new stair and vertical lifts. ESPO is a local authority purchasing consortia that Walsall Council is a member of.

- 3.2 Through regular reviews by Housing Standards and Improvement Service of the quality and cost of services it receives and that are available elsewhere (regional and national), it has identified that cost savings in individual installations / maintenance are possible over those provided by the ESPO arrangement. This has been confirmed through meetings with partner Council's in the City Region / Black Country Procurement programme.
- 3.3 In addition the existing ESPO contract lacks the flexibility and comprehensive nature of works / services that are now sought for the borough including detailed arrangements relating to leasing equipment and or to enable development of greater personalisation (where an applicant obtains their lift direct from an approved contractor).
- 3.4 Walsall has agreed to lead the development of a new regional tender for disabled lifts and similar works for dwellings. A range of Local Authorities within the region and immediate surroundings are keen to participate and it is expected that through the development of a substantially larger tender package that greater economies of scale can be delivered for all and lead to cost reductions for Walsall Council and other participating councils.
- 3.3 To maximise the potential for economies of scale for the Council and grant recipient it is proposed that the tenders seek contractors for a period of up to 31st March 2016. This will be based on a Framework of 3 years + 1 year depending upon quality and delivery During 2014/15 a detailed review will be undertaken to determine whether the additional year is offered to the successful contractors. This timescale is also greater than currently available under the ESPO arrangement.
- 3.4 The tenders will be subject to formal procurement in line with the Council's Contract Rules and the Public Contracts Regulations 2006 (as amended) due to their value and will require advertising in the Official Journal of European Union.
- 3.5 To maximise the potential interest from relevant contractors in this field a Prior Information Notice (PIN) will be produced and the Council is investigating the opportunity to use the best practice approach of an e-auction to secure the best costs. Due to its collaborative nature and innovative approach the Regional Improvement and Efficiency Partnership is keen to support this project.

4. Resource considerations

4.1 Financial:

- 4.1.1 The funds currently available for 2011/12 for Walsall for the proposed tender are;
- DFGs and related works £1.3515M Government grant allocation, £1.5M Council capital allocation
 - Preventative adaptations £1M Council capital programme
 - Supporting independence £0.226M Council capital programme

- 4.1.2 The Regeneration Directorate continually seeks funding from a variety of sources for Housing Renewal and the new framework will be flexible enough to enable increased funding in future financial years to be included (or to accommodate reduced levels of funding).
- 4.1.3 The new framework will be structured to ensure that no commitments are made for 2012/13 and beyond until funds have been secured.
- 4.1.4 The tenders being sought in this report are expected (through securing up to date costs) to lead to delivery of more adaptation for less expenditure at key stages;
- a) Securing contractors for the period up to 31st March 2016 will reduce the revenue costs and time involved in repeated tendering on an annual basis and or an individual scheme basis
 - b) Economies of scale are expected from the tendering for larger 'blocks' of work. These have already been noted by the service through previous tender processes. There is significant potential for this through joining with other council's due to the substantially larger volume of works potentially available for contractors.
 - c) Use of 'Lots' (specific independent sections, for example installation of lifts, installation of hoists maintenance of existing lifts) within the tender to maximise the ability of a wider range of contractors to tender and therefore maximise the level of competition which will again help to drive down unit costs. For example, specialists in maintenance rather than manufacture and installation will be able to tender for the Lot related directly to that element alone rather than being excluded from the process.

4.2 **Legal:**

- 4.2.1 The legislation which enables local authorities to offer housing assistance is set out in the Regulatory Reform (Housing Assistance) (England & Wales) Order 2002. It allows councils to adopt a flexible approach to giving financial help reflecting local circumstances, needs and resources.
- 4.2.2 The legislation for offering Disabled Facilities Grants is set out by the Housing Grants, Construction and Regeneration Act 1996. The Act places a statutory duty on local housing authorities to provide grant aid to people with disabilities (who meet the criteria) for a range of adaptations to their homes.
- 4.2.3 The tenders are to be sought in full compliance with the Council's Contract Rules and the Public Contract Regulations 2006 (as amended).
- 4.2.4 The Council Legal Services Section will review and approve the draft tender packs before they are issued.

4.3 **Staffing:**

- 4.3.1 Through the Regional Partnership work Walsall Council staff time will also be saved in producing the detailed tender specification and joint tender analysis.
- 4.3.2 The tenders will enable staff within the Regeneration Directorate to deliver a range of assistance for housing renewal in the borough in line with the adopted Renewal Assistance Policy.

5. Citizen impact

- 5.1 The tender will enable the robust and Best Value delivery of housing adaptations and will directly support the Council's key strategies including the Housing Strategy. It's delivery will have a positive impact for citizens of the borough particularly vulnerable households. Works will enable residents to remain living in their home longer and particularly reduce the risk of slips, trips and falls.
- 5.2 The tender will make direct reference to the delivery of the Black Country Training and Employment strategies maximising the opportunity for social and economic benefits for residents and businesses within the borough. The contract will incorporate clauses from the West Midlands Procurement framework for jobs and skills to further maximise the benefits achieved through this contract.
- 5.3 Significant improvements in delivery of Disabled Facility Grants (DFGs) and related works have taken place in 2010/11 meaning grants are approved faster, average cost of works has reduced and more approvals have been possible. During 2011/12 the Housing Standards and Improvement Service will investigate the opportunity with colleagues in Social Care and Inclusion to the use of 'Individual / personal' budgets to streamline even further the delivery of low cost DFGs.

6. Community safety

Having contractors working in your home can be concerning for residents particularly elderly and disabled ones. The use of reputable contractors through this tender process makes a positive contribution to the reduction in fear of crime for these vulnerable householders.

7. Environmental impact

The tender will include specific reference to contractors environmental policy including re-cycling where possible of goods and materials to minimise cost and impact on the environment.

8. Performance and risk management issues

8.1 Risk

- 8.1.1 The principal risk relates to the potential that the Council will not be able to secure suitable contractors to undertake the works. This risk is mitigated by the fact that the proposed tenders are the scale that require advertising in the Official Journal of the European Union and as such are anticipated to result in high level of interest from a wide range of contractors. A prior information notice will be published in advance to alert the market to the forthcoming tender.
- 8.1.2 To limit the risk of problems arising with contractors going bankrupt whilst they are in the process of completing a grant assisted scheme the following measures have / will be put into place;

- All tendering companies will have to supply their financial details as part of the detailed tender process. This must clearly indicate their financial soundness (level of turnover). From this the council can assess the maximum value of works that should be placed with an individual company at any one time.
- Interim payments for example for larger projects will be strictly limited to Stage Payments. No more than 90% of any stage payment will be made the balance to be considered for payment at the Final Account Stage.
- In the event of a contractor going bankrupt the tender provides the flexibility for alternative contractors to be used to complete the works using the retention sums indicated above.
- Prompt assessment of works and approval of payments by council staff to ensure cash flow for contractors. Payments to be made within 30 days of valid receipt.

8.2 Performance management:

- 8.2.1 The delivery of the grant and loans packages is subject to monthly monitoring to ensure effective use of funding. The delivery of a number of the initiatives directly assists the council in meeting key performance indicators including supporting independent living and delivery of adaptations for the disabled.

9. Equality implications

The Policy promotes the delivery of limited resources to the most vulnerable members of the community by providing significant support for residents with disabilities and maximising their ability to live independently. The framework will seek to deliver a range of solutions that can be tailored to meet a person's individual needs.

10. Consultation

- 10.1 The tenders will be subject to formal advertising in accordance with Public Contract Regulations 2006 (as amended) - maximising the potential for competition and Best Value. In addition a Prior Information Notice (PIN) will be issued which alerts prospective tenderers to our intention to advertise.
- 10.2 The tender advert will be advertised on the Council website to afford maximum opportunity for companies within the borough to tender for the works.
- 10.3 Whilst the project is being lead by Walsall, a group of officers from within each of the participating authorities has been set up to oversee the project to ensure that the new arrangement is fit for purpose.

Background papers

1. Financial and Contract Rules 10 August 2006.
2. Contract Rules September 2010

Author

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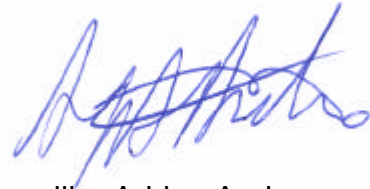
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A handwritten signature in blue ink, appearing to read 'Tim Johnson', followed by a vertical line and a period.

Tim Johnson
Executive Director
Regeneration

13 April 2011

A handwritten signature in blue ink, appearing to read 'Adrian Andrew', enclosed in a light blue rectangular box.

Councillor Adrian Andrew
Deputy Leader
Portfolio holder – Regeneration

13 April 2011