

<b>Subject:</b>	Permission to Tender for Disabled Facilities Grant Lifting Equipment	<b>Status:</b>	For Publication
<b>Report to:</b>	Council	<b>Date:</b>	23 <sup>rd</sup> September 2020
<b>Report of:</b>	Director of Economic Development	<b>Portfolio Holder:</b>	Communities
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	Yes/No	Attached: Yes/No
<b>Biodiversity Impact Assessment</b>	Required:	Yes/No	Attached: Yes/No
<b>Contact Officer:</b>	Mick Coogan	<b>Telephone:</b>	01706 252507
<b>Email:</b>	michaelcoogan@rossendalebc.gov.uk		

1.	<b>RECOMMENDATION(S)</b>
1.1	For the Council to grant permission to proceed as planned with procurement process for the supply and maintenance of lifting equipment for Disabled Facilities Grants using the Northern Consortium framework extended competition for a 5 year contract with the option for an extension for a further 2 years.

## 2. PURPOSE OF REPORT

2.1 To explain the Council's approach, so far concerning the procurement exercise for lifting equipment and gain approval to proceed.

## 3. BACKGROUND

3.1 Lancashire County Council (LCC) informed districts it is withdrawing its scheme for the supply and maintenance of lifting and other specialist equipment, and now this scheme is known to end on 30<sup>th</sup> November 2020. The affected items include; stairlifts, through floor lifts (indoor), step lifts (outdoor), wash dry toilets and rise and fall baths.

Under the LCC scheme, items were installed under an LCC contract and the Council would be billed. After any installation, ownership of the equipment would be signed over from the customer (disabled person) to LCC, and LCC would be responsible for repairs and maintenance for the life of the equipment.

LCC would also remove equipment when no longer needed and refurbish the equipment, store it and install at another property if it remained in suitable condition.

### 3.2 Procurement Frameworks

Procurement Frameworks for lifting equipment exist where items can be called off at set discounted rates for supply and installation. Through frameworks there is normally a 2-year or 5-year warranty that can be purchased, however there is no option to remove, refurbish and recycle equipment. Therefore, when an item is no longer needed customers would be left with a piece of equipment they no longer want and would be liable for disposing it, and in the case of through floor lifts, making good the aperture (hole).

3.3 If the Council want to provide a good level of service to the customer, in keeping with the previous LCC scheme, then this can't be done by calling off from a framework, but can

be done by 'further competition' also known as 'mini-competition', and therefore suppliers on the framework will then submit competitive bids for the tender.

### 3.4 Northern Consortium and Contract Length

The Northern Consortium operates a procurement framework which offered the most in terms of allowing further competition and covering the most items. The minimum length of further competition with the Northern Consortium is for 4 years, however with a standard warranty length of 5 years this is the term that is suggested to be used along with an option to extend for a further 2 years if mutually agreed. The contract value is expected to be around £1.4m however this entirely depends on customer demand which can vary greatly from year to year. All suppliers on the framework have already been through the OJEU process, which is one of the benefits of using the framework along with technical expertise held regarding such equipment which the Council does not possess.

### 3.6 Further Competition

The Council is looking to add the following in addition to the standard framework terms as part as further competition:

- Extended warranties, on top of the 2 and 5 year warranties available, the option to extend a 5 year to a 7 year and a 7 year to a 10 year, start with a 7 or 10-year warranty, and also obtain a price for a 1-year extension at any time
- Servicing of equipment throughout the length of the contract
- Removal of equipment when no longer needed
- Making good of aperture ready for decoration after the removal of a through floor lift
- Assessing if equipment is suitable for reuse (if under 7 years old)
- Disposing of equipment not suitable for reuse
- Refurbishing equipment suitable for reuse, storing and re-installing
- Building work for step-lifts agreed on a case by case basis (not costed in tender)

### 3.7 The Tender Process

The tender documents in is expected to go to Invitation to Tender stage on 24<sup>th</sup> September 2020 and the new contract starting on 1<sup>st</sup> December 2020. The tender panel will consist of the Housing Renewal Manager, the Strategic Housing Manager and the Director of Economic Development.

### 3.8 Costs

The annual cost of being a member of the Northern Consortium for Rossendale was £910+VAT, however it was negotiated for free for 2020/21. If we commission through the framework it is likely we will need to pay the annual fee throughout the duration of the contract. The supplier pays the Northern Consortium a 4% commission on a periodic basis. Standard discounts on lifting equipment through the consortium range from 10% to 20% if called off directly. The current average spend on lifts is circa £150k per year, however we currently pay for LCC the majority of the expected costs. The mini-competition will include the further charges for all the additional contract

requirements outlined at 3.6 above. All costs are will be paid for from the MHCLG ring fenced DFG allocation

#### **4. RISKS**

- 4.1 There is a risk of being locked into a long term contract that isn't fit for purpose; however the tendering documents are being worked through carefully to avoid this happening.
- 4.2 It is assumed TUPE will not apply due to what Rossendale is planning only being under 10% of the volume of the Lancashire wide contract, however continued due diligence on this point will take place throughout the process
- 4.3 There is significant liability involved for the Council with potential triple figures in terms of equipment in disabled people's houses.

#### **5. FINANCE**

- 5.1 All contract expenditure will be funded by the DFG.

#### **6. LEGAL**

- 6.1 For contracts over £100k, prior approval to seek tenders is required by the Constitution in line with the Contract Procedure Rules. Framework Agreements should be used where possible in order to achieve efficiencies in the procurement process and ensure compliance with the Public Contract Regulations 2015.

Full due diligence upon the terms of the agreement shall be undertaken prior to acceptance of the tender.

Acceptance of the tender following the framework mini competition is delegated to the Head of Service and approved by the Head of Finance.

#### **7. POLICY AND EQUALITIES IMPLICATIONS**

- 7.1 The procurement process will have regard to Council procurement guidance and EU procurement directives and the UK regulations. The procurement exercise will enable the Council to meets its statutory duty to facilitate the adaptation of disabled people's homes, to keep them safe and accessible, as set out in the Housing Grants, Construction and Regeneration Act 1996 and subsequent regulations. The DFG policy will be amended to ensure compliance with Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

#### **8. CONCLUSION**

- 8.1 The procurement exercise should continue as planned to provide a holistic and end to end service for customers who need lifting equipment as part of their DFG funded adaptation.

No background papers