

Report of: Head of Commercial, Leeds Building Services

Report to: Director of Resources and Housing

Date: 1st June 2018

Subject: Authority to commence a procurement exercise for the purchase and installation of stairlifts and specialist lifts for Council Housing stock and the Civic Estate

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: 10.4 (3)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

Leeds Building Services currently manage external arrangements to deliver stair-lift and specialist lift provisions on behalf of the directorates across the authority, currently there is no formal contract in place.

Leeds Building Services do not have the ability to deliver the supply and installation element of this need direct, and therefore a contract is needed to enable the internal service provider to deliver needs of this nature compliantly.

The Adaptations team have identified recycling of existing stair lifts as a key requirement to delivering operational efficiencies. The preferred procurement route supports the implementation of this.

Recommendations

The Director of Resources & Housing is requested to approve the Open procedure OJEU compliant procurement activity to establish the following frameworks:

- Stair-lifts:
 - Up to 2 suppliers appointed to a 4 year framework with the option to extend for a further 2 x 12 months, valued at approximately £700,000 per annum
- Specialist Lifts
 - Up to 3 providers appointed to a 4 year framework with the option to extend for a further 2 x 12 months, valued at approximately £350,000 per annum

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to seek approval in accordance with CPR 3.1.8 to carry out a procurement exercise to put in place 2 frameworks to deliver stair lift and specialist lift adaptations to Council housing stock and the non- housing Civic Estate.

2.0 Background information

- 2.1 Leeds Building Services (LBS) currently deliver works for the installation and maintenance of stairlifts and specialist lift adaptations to Council housing stock and the non-housing Civic Estate.

3.0 Main Issues

- 3.1 Leeds Building Services currently delivers approximately;
- £700,000 per annum in relation to Stairlifts adaptations.
 - £350,000 per annum in relation to Specialist Lifts adaptations
- 3.2 Adaptations that are included within the scope of the Stair lifts contract are:
- Curved stair lifts
 - Straight stair lifts
 - Heavy duty stair lifts
 - A recycle programme to enable used stair lifts to be stored, maintained, re-conditioned and re-installed.
- 3.3 Adaptations that are included within the scope of Specialist Lift agreement are:
- Through Floor Lifts
 - Platform Lifts
 - Step Lifts
 - A recycle programme to enable used stair lifts to be stored, maintained, re-conditioned and re-installed.
- 3.4 It should be noted that some specialist lift requirements may be encountered as part of an Occupational Therapist review / recommendation, therefore needs of this nature may need to be sourced outside of these frameworks, to ensure that users' needs are met.
- 3.5 It is proposed that the contract be established for a 4 year period starting in July 2018 with the option to extend for a further 2 x 12 months. It is envisaged that this lengthened framework term will ensure that the contractors appointed providers can build sufficient stock levels to embed an effective re-use programme.
- 3.6 It is proposed that the tender be evaluated based on a 40/60 price / quality split, with minimum thresholds used to ensure quality submissions are encouraged.
- 3.7 The frameworks are proposed to be structured consistently and in a manner which reduces the resource intensive need for mini competition:
- 3.7.1 Stair-lifts:

- Up to 2 suppliers appointed to a 4 year framework with the option to extend for a further 2 x 12 months, valued at approximately £700,000 per annum.
- Work will be allocated on a ranked basis, meaning that the organisation identified as the most economically advantageous tenderer will be offered work in the first instance, with the second contractor approached only where they are unable to deliver the requirement.
- Due to the nature of the works, there is no guarantee of any volume of works throughout the framework term.

3.7.2 Specialist Lifts

- Up to 3 suppliers appointed to a 4 year framework with the option to extend for a further 2 x 12 months, valued at approximately £350,000 per annum.
- Work will be allocated on a ranked basis, meaning that the organisation identified as the most economically advantageous tenderer will be offered work in the first instance, with the second contractor approached only where they are unable to deliver the requirement.
- Due to the nature of the works, there is no guarantee of any volume of works throughout the framework term.

3.8 The Adaptations team have identified recycling of existing stair lifts as a key requirement to delivering operational efficiencies. In the private sector, 98 stairlifts have been refurbished in the past 24 months – savings of approx £41,968 (53.7%) on straight and £63,195 (28.5%) on curved stairlifts – resulting in an annual cost saving £52k per annum. With on-going private specialist lift agreements, we should be able to see a minimum cost saving of £4,000.00 per lift off the new price. Based on current activity (17/18), the annual cost savings would be in excess of £20k per annum. This equates to an approximate cost saving of 72k per annum.

3.9 Please note that the anticipated value of savings are provided for guidance only, these could be higher or lower in any 12 month period depending on demand. There is no guarantee as to the volumes of lifts gifted back to LCC to be recycled.

3.10 It has been nationally recognised that Leeds City Council achieves high levels of recycling of stair lift and specialist lift equipment compared to other Local Authorities. It is proposed that the public sector lifts and specialist lifts provision achieves similar efficiencies through recycling. On that basis the tender specifications and requirements have included maximising recycling (stair lifts and specialist lifts) requirements as key contractor outputs.

3.11 Procurement Options

3.11.1 **Do nothing** – This option was discounted as there would be no procurement activity and therefore no contractor to deliver the programme.

3.11.2 **Internal Service Provider (ISP)** – All stair-lifts/specialist lifts are delivered by the internal service provider Leeds Building Services who will manage these frameworks on behalf of Leeds City Council.

3.11.3 **Call off from an existing framework** – A number of existing externally managed frameworks have been considered and reviewed however the project team felt that the frameworks did not align with the service requirements, specifically around recycling of the stair-lift units, which is expected to create significant efficiencies for the Council. Therefore these options have not been recommended as the preferred procurement approach.

- London Housing Consortium – No suitable framework available.
- The Northern Housing Consortium - The Framework Agreement for Adaptations and Stair lifts; has expired and the replacement is not yet available for review, and therefore cannot be utilised in accordance with the proposed timescales.
- Fusion21 Lifts Framework – This framework gives access to a reduced number of manufacturing providers, which is a critical criteria of this provision, and therefore is not suitable.
- ESPO / YPO Framework – This framework does not allow for a single manufacturer, installer, maintenance and recycling provider to be appointed to deliver all standard unit types.

3.11.4 **Procure Leeds Own Contract (Recommended)** – The preferred option is to carry out a Leeds specific open procedure, EU compliant competitive procurement exercise which is bespoke to the needs of the authority, fit for purpose and provides best value to the Council and its residents.

3.11.5 Through its own procurement Leeds will be to design a bespoke contract to ensure that the solution procured is of best fit to the recycling proposals included to maximise efficiencies. This will include a strong emphasis on the recycling need for a provision of this nature, ensuring that cost efficiencies can be obtained alongside a reduction in waste.

This approach will mirror that of the private sector adaptations arrangements for stair lift installations. Joint working has taken place to ensure that the tender documents and specifications etc. are identical to ensure there is one standard approach across the whole of the City.

3.12 The proposed timetable for the delivery of this arrangement is:

An indicative timetable for the proposed procurement process is set out below:	
Issue PQQ and Tender Documentation	09/07/2018
PQQ and Tender evaluation	13/08/2018 – 24/09/2018
Contract Award	16/10/2018

Contract Start	06/11/2018
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4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Leeds Building Services have consulted with:

- 4.1.1.1. Health and Housing Adaptations team to ensure consistency of specifications can be maintained and will continue to do so, to ensure a consistent approach to the evaluation processes.
- 4.1.1.2. Housing Procurement Team representatives, who have been involved in developing the Procurement Strategy and will continue to be involved to co-ordinate the evaluation and award process...
- 4.1.1.3. Leeds City Council's Information Governance teams have contributed to developing relevant data protection aspects of the tender documents.

4.2 Equality and diversity / cohesion and integration

4.2.1 An equality, diversity, cohesion and integration impact assessment has been undertaken which has indicated that there are no negative impacts arising from undertaking this procurement.

4.2.2 The proposals will enable the delivery of adaptation works for Leeds tenants and the users of Civic Estate buildings. These adaptations will enhance people's quality of life and increase independence.

4.3 Council Policies and Best Council Plan

4.3.1 The procurement of these contracts will enable the delivery of adaptations works within the city and therefore contribute to two key objectives within the Best Council Plan by;

- a) Ensuring high quality health and wellbeing - improving quality, efficiency and involving people in shaping their city. With a focus on:
 - Improving healthy lifestyles
 - Improving mental health and wellbeing
 - Integrating health and social care

- b) Delivery of Better Lives programme - Giving people with care and support needs the right care and support at the right time.

4.4 Resources and value for money

4.4.1 The procurement will be carried out in an open and transparent manner in line with Public Contract Regulations and EU Public Procurement Directives whilst ensuring competition is sought to identify best value.

4.4.2 This contract will seek to encourage a large percentage of stair-lifts to be recycled throughout the contract term therefore reducing the need to purchase new units on every occasion. It is anticipated that not only will this reduce waste, financial discounts and other efficiency savings may be obtained and realised throughout the contract.

4.4.3 These frameworks will be managed by Leeds Building Services, who will develop and implement a contract Management Plan which will detail how the contract will be managed, including performance reporting processes and how payments will be made. Whilst the performance indicators and service standards will be the same for both internal and external providers there is a need to have separate plans due to the differences in communication with the provider, payments process and reporting mechanisms. Leeds Building Services are aiming to have a draft contract management plan available for review prior to contract award.

4.5 Legal Implications, access to information and call In

4.5.1 A Privacy Impact Assessment was completed from which it was determined that the delivery contractors role would be that of Data Processors. Assessment of how contractors respond to the requirements of the Data Protection Act 1998 is part of the quality evaluation criteria. The tender documentation will also include standard clauses in line with the Data Protection Act 1998 we are currently working with the Leeds City Council Information Governance Team in order to develop these.

4.5.2 Given the costs related to this contract this decision will be a key decision and will be eligible for call in.

4.5.3 This procurement due to its valued is required to be advertised in the OJEU market, to ensure compliancy with EU regulations.

5.0 Conclusions

5.1 In conclusion this report highlights the proposed procurement route and sets out the proposed framework structure for the delivery of the Stair lift adaptations and specialist lift adaptations to Council housing assets and the non-housing Civic Estate.

5.2 Leeds Building Services and Procurement Officers have reviewed all the potential procurement options and have concluded that the preferred option would be to establish two standalone arrangements to deliver these works using an Open procedure advertised in OJEU due to the anticipated small nature of the available market.

Establishing LCC standalone frameworks ensures that the authority can maximise the recycling options in order to make efficiencies.

6.0 Recommendations

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7.1 Up to 3 providers appointed to a 4 year framework with the option to extend for a further 2 x 12 months, valued at approximately £350,000 per annum

7.0 Background Papers

7.1 Delivery of Stair-lift Adaptations to Private Housing and Delivery of Specialist Lifts Adaptations to Private Housing