

Report of: Head of Operations LBS

Report to: Director of Resources & Housing

Date: 18th March 2019

Subject: Appointment of contractors to undertake Public Sector Adaptations – Stair Lifts and Specialist Lifts

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 10.4(3)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Appendix 1 – Tender Analysis Report for Stair Lifts		
Appendix 2 – Tender Analysis Report for Specialist Lifts		

Summary of main issues

1. On 18th June 2018, the Director of Resources & Housing authorised a key decision as required under CPR 3.1.6 to carry out the procurement of a new contract to appoint a range of contractors to deliver adaptations works (Stair Lifts and Specialist Lifts) to Leeds City Council Housing and Non Housing Stock.
2. Following this decision, LBS have undertaken a procurement exercise in their capacity as the contract administrator to establish a contract with a value of £1m per annum to commence 15th May 2019 for a 4 year period to 14th May 2023 with an option to extend for a further 2 periods of 12 months each.
3. Tenders were received, verified and evaluated for both Stair Lifts and Specialist lifts and four contractors have been identified as suitable to deliver the services required. The purpose of this report is to outline the tender process and seek approval to award contract to the successful contractors who can undertake Stair Lifts and Specialist Lifts works to Public Sector adaptations.
4. A mandatory standstill period of 10 days must be observed in accordance with the Public Contracts Regulations 2015; standstill award letters will be issued upon approval of this report and the accompanying DDN, with the intention to enter into the contract

(assuming no relevant proceedings have been served) on the first day following the last day of the mandatory standstill period is 14th May 2019.

5. Recommendations

5.1. The Director of Resources and Housing is recommended to note the contents of this report and approve the award of contract to the following contractors for delivery of the requirements of the contract: Survey, Manufacture, Supply, Install and Recycling of Stair Lifts and Specialist Lifts to Leeds City Council public sector adaptations.

- Stair Lifts:
 - To appoint Stannah Lift Services Ltd, and Thyssenkrupp Access Limited to a 4 year contract with the option to extend for a further 2 x 12months, valued at approximately £700,000 per annum and £4,200,000 across the contract duration including extensions.
- Specialist Lifts:
 - To appoint Terry Group Limited and Wessex Lift Co Ltd to a 4 year contract with the option to extend for a further 2x12months, valued at approximately £350,000 per annum and £2,100,000 across the contract duration including extensions.

The potential total contract value is £6.3m over a maximum term of 6 years should all extensions be taken up.

1 Purpose of this report

- 1.1** The purpose of this report is to detail out the procurement process undertaken, including how tenders were evaluated to identify the preferred providers to be appointed to a contract for adaptation works (Stair Lifts and Specialist Lifts) within Leeds City Council's Housing and Non-Housing stock.
- 1.2** To obtain approval from the Director of Resources and Housing to award the contract to the recommended contractors to deliver the contract requirements of: Survey, Manufacture, Supply, Installation and Recycling of Stair Lifts and Specialist Lifts to public sector adaptations.
- 1.3** The contract value is estimated at £700,000 per annum for Stair Lifts and £350,000 per annum for Specialist Lifts (total combined value of £1,050,000 per annum). It is proposed that the contract be let for a 4 year period commencing 15th May 2019 with the option to extend for a further 2 x 12months. The potential total contract value is £6.3m over a maximum term of 6 years should all extensions be taken up.

2 Background information

- 2.1** LBS currently manage external arrangements to deliver Stair Lifts and Specialist Lifts provisions on behalf of the directorates across the authority, however currently there is no formal contract in place since the expiration of the previous contract in 2014.
- 2.2** As such, this requirement is being procured on a quotation basis each time new/additional adaptation work is required, with a minimum of three quotes being obtained for every individual requirement. This does not represent obtaining best value for money, as this process does not allow for achieving financial benefits and savings through economies of scale.
- 2.3** As the Internal Service Provider, LBS have been commissioned to deliver approximately £700K per annum in relation to Stair Lifts and £350K for Specialist Lifts installation across public sector adaptations. The works includes Survey, Manufacture, Supply, Installation and a recycling programme to enable used Lifts to be stored, maintained, reconditioned and re-installed.
- 2.4** LBS do not have the ability to deliver the full Manufacture, Supply, Installation, and recycle elements of this requirement and therefore a contract is required to enable LBS to deliver needs of this contract compliantly.
- 2.5** The adaptations team have identified recycling of the existing lifts as a key requirement in delivering efficiencies as detailed in the original Authority to Procure report and the procurement route undertaken supports the implementation of this.
- 2.6** The procurement route was agreed following approval of the key decision by the Director of Resources & Housing in June 2018, which was to run an open OJEU procurement through YORtender.
- 2.7** A procurement exercise was undertaken by LBS to identify contractors who were deemed capable of delivering adaptation works (Stair Lifts and Specialist Lifts) to

Leeds City Council Housing and Non-Housing stock. The delivery of works will be managed by LBS in their capacity as the contract administrator.

- 2.8** This contract will be JCT Measure Term 2011 and it is proposed to commence 15th May 2019 for a 4 year period to 14th May 2023 with an option to extend for a further 2 x 12 months.

3 Main issues

- 3.1** Following approval of the procurement strategy to run an open OJEU procurement through YORTender, a PAS91 along with a draft of all the tender documentations was published via Yortender on 26th October 2018 to ensure bidders could ascertain the suitability of this opportunity and as required by the Regulations.
- 3.2** The deadline for PAS91 and ITT submissions was 29th November 2018. This was carried out as one stage procurement because the manufacturer market for Stair Lifts and Specialist lift is small hence not a large volume of response was not anticipated.
- 3.3** Minimal changes were made to the documentation issued due to a large number of queries being raised at the deadline for clarifications. The tender return date was extended to 06th December 2018 to allow bidders to receive further clarification on any answers that were issued as well as ensure that all bidders had adequate time to take into account this information as part of their bids.
- 3.4** Tenders were subsequently received from four organisations: (Stannah Lift Services Ltd, ThyssenKrupp Access Limited) for the Stair Lifts requirement and (Terry Group Limited, Wessex Lift Co Ltd) for the Specialist Lifts requirement; the remainder of the contractors who viewed this opportunity did not submit any bids. Most of these contractors confirmed that the opportunity was not suitable for them as they are unable to deliver the Manufacturing element of the contract.
- 3.5** The PAS91 evaluation (PQQ) was completed prior to the tender evaluation in line with the Public Procurement Regulations 2015. During the PAS91 evaluation, each of the preferred organisations were assessed to ensure adequate policies are in place to support the delivery of this provision including Insurance, Health & Safety and Safeguarding. A financial check has also been carried out to ensure the successful organisations are not a risk to the authority. Results of these processes are kept on file. All of the four contractors who submitted their proposals for both work streams were shortlisted at the PAS91 stage.
- 3.6** Tenders were assessed on a 40%/60% price quality basis with a proposal that all works be allocated to the first rank contractor for both work streams throughout the contract duration, and where the first ranked contractor is unable to provide the works as per the order, works will then be offered to the next ranked contractor on the list. Details of the process and the scoring mechanism were issued to the tenderers as part of the tender documentation.
- 3.7** The pricing evaluation was based on an activity schedule and this was scrutinised and evaluated by a Housing Leeds Quantity Surveyor. The price submitted by the top ranked tender was the lowest received.

Stair Lifts		
Bidder	Score (400)	Rank
Stannah Lift Services Ltd	400.00	1
ThyssenKrupp Access Limited	389.20	2

Specialist-Lifts		
Bidder	Score (400)	Rank
Wessex Lift Co Ltd	400.00	1
Terry Group Limited	266.71	2

3.8 Full details of this price evaluation can be found on Appendix 1&2 –Tender analysis report – Housing Leeds

3.9 The quality evaluation was carried out by a technical team from LBS, the panel assessed the quality submissions individually before coming together with LBS Procurement support to arrive at a consensus score. Quality was evaluated on 600 points and the minimum quality threshold is 240 points. The scoring criteria for quality and weightings included:

- Managing quality and outputs
- Conduct and behaviour
- Call out times
- Managing downtime
- Meeting performance targets
- Tenant communication
- Complaints process
- Managing re-use programme
- Health & Safety
- Employment and skills
- Post contract maintenance

3.10 The tenderer’s responses to each quality question were assessed and the bidder with the highest quality point is ranked first.

Stair Lifts		
Bidder	Score (600)	Rank
Stannah Lift Services Ltd	410.00	1
ThyssenKrupp Access Limited	310.00	2

Specialist-Lifts		
Bidder	Score (600)	Rank
Terry Group Limited	522.00	1
Wessex Lift Co. Ltd	320.00	2

- 3.11** The outcome of the evaluation for the tenders received is that two bids have been successful for each work stream (Stair Lifts and Specialist Lifts) and this report recommends that the four successful contractors are appointed to deliver Stair Lifts and Specialist Lifts adaptation works to the public sector. Stannah Lift Services Ltd have been ranked first and ThyssenKrupp Access Limited relation to Stair Lifts whilst Terry Group Limited have been ranked first and Wessex Lift Co Ltd second ranked in relation to Specialist Lifts. The outcome of the evaluation was as a result of price/quality evaluation.

Stair Lifts				
Bidder	Quality (600)	Price (400)	Total Score (100)	Rank
Stannah Lift Services	410.00	400.00	810.00	1
ThyssenKrupp Access Limited	310.00	389.20	699.20	2

Specialist-Lifts				
Bidder	Quality (600)	Price (400)	Total Score (600)	Rank
Terry Group Limited	522.00	266.71	788.71	1
Wessex Lift Co. Ltd	320.00	400.00	720.00	2

- 3.12** The overall evaluation/due diligence process has not identified any significant risks in terms of awarding the contract to the successful bidders. The successful organisations have the capacity, resource and experience within this operational field of work deemed necessary to deliver the requirements of this contract.
- 3.13** Confidential Appendices 1 & 2 of this report sets out the detailed evaluation scores for each contractor for SMT's reference

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 LBS have consulted with Health and Housing Adaptation team, procurement officers including legal officers and property and contracts SMT in identifying and delivering this compliant procurement route.

4.2 Equality and diversity / cohesion and integration

4.2.1 An equality impact assessment screening has been completed and has established that there are positive impacts which lead to the improvement of the quality of disabled residents' domestic living conditions in the city of Leeds.

4.3 Council policies and best council plan

4.3.1 The procurement and resulting work will contribute to the following Best Council Plan objectives:

4.3.2 Delivery of Better Live Programme – helping local people with care and support needs to enjoy better lives. With focus on:

- Help People to stay living at home
- Joining up Health and Social care services
- Creating the right housing, care and support

4.4 Resources and value for money

4.5 The procurement was carried out in line with the 2015 Public Contracts Regulations and the Councils Contract Procedure rules whilst ensuring competition is sought to identify best value.

4.6 The established contract including allocation of work packages will be managed by LBS, who will develop and implement a Contract Management Plan. Whilst the performance indicators and service standards will be the same for both Internal and external provider, there is a need to have separate plans due to the differences in communication with the provider, payments, process and reporting mechanisms. A draft contract management plan will be available for review prior to contract award.

4.7 This contract will seek to encourage a large percentage of Stair Lifts and Specialist Lifts to be recycled throughout the contract term, reducing the need to purchase new units which in turn will moderate waste. In addition, financial discounts and other efficiency savings may be obtained and realised throughout the contract.

4.8 Legal Implications, access to information and call In

4.9 The procurement route identified is in compliance with the Public Contracts Regulations 2015 and the council's Contract Procedure Rules.

4.10 This report is a Significant Operational Decision, as a consequence of the previous Key Decision for the authority to procure, to be taken by the Director of Resources and Housing and therefore is not subject to call-in.

4.11 Risk management

4.11.1 Key areas to monitor and potential areas of risk are:

- Measures/ KPI's included within the specification and encompassed within the Contract Management plan.
- Ensuring the identified contractor is managed effectively with robust contract management plans being identified and actively implemented.
- Ensuring recycling of lifts is optimised wherever feasible and financially viable.

5 Conclusions

5.1 The procurement process has been undertaken in accordance with the Council's Contract Procedure Rules and the Public Regulations 2015, with full guidance and support from procurement colleagues.

5.2 Following the evaluation and analysis of the tenders received for both work streams, these tenders represents the most economically advantages tenders for this contract. Therefore, it is proposed that the recommended contractors be appointed to Stair Lifts and Specialist Lifts workstream to enable LBS to manage this requirement for the benefit of the Council and its Clients.

6 Recommendations

6.1 The Director of Resources and Housing is recommended to note the contents of this report and approve the award of contract to the following contractors for delivery of the requirements of the contract: Survey, Manufacture, Supply, Install and Recycling of Stair Lifts and Specialist Lifts to Leeds City Council public sector adaptations.

- Stair Lifts:
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7 Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.