

EXECUTIVE – 18 JUNE 2007

SUB REGIONAL TEMPORARY TO PERMANENT HOUSING SCHEME

SUPPLEMENTARY REPORT

The main report on this matter seeks Executive approval for, amongst other things, the pre – tender considerations and the criteria to be used to evaluate tenders in connection with the Sub regional Temporary to Permanent Housing Scheme.

Following finalisation of the main report, the Sub Regional Temporary to Permanent Housing Scheme Project Board met on 6th June 2007. Some authority members had received feedback on the evaluation criteria initially proposed and set out in paragraph 3.4.1 of the main report. As a result of this feedback, a decision was taken by the Project Board that the evaluation criteria initially proposed should be amended to exclude the “innovation” criterion. It was considered appropriate to assess “innovation” within the other criteria, particularly the criteria relating to price/value for money and deliverability. The Project Board also decided to amend the wording of certain of the other criteria.

In the light of the decision of the Project Board, it is proposed that paragraph 3.4.1 (vi) setting out the evaluation criteria is substituted by the following:

(vi)	The evaluation criteria and process.	<p>A two stage negotiated process involving the following process: OJEU advertisement; submission of pre-qualification questionnaires (“PQQ”); short-listing of those to be invited to negotiate; Invitations to Negotiate sent out; submission of Initial Proposals; negotiation; submission of Final Offers; evaluation of Final Offers; and recommendation to award.</p> <p>Tenderers will be short-listed (by the evaluation panel) to be invited to negotiate on the basis that they meet RBKC’s minimum standards in relation to business probity, economic and financial standing, technical ability and capacity, quality standards and compliance with statutory requirements (e.g. equal opportunities) which shall be assessed on the information submitted by interested organisations in the PQQ.</p> <p>Initial Proposals will be submitted and the tender evaluation panel will negotiate these proposals. Once negotiations are complete, RBKC will request the submission of Final Offers.</p>
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The Final Offers will be evaluated by the tender evaluation panel and the contract awarded on the basis of the most economically advantageous offer. The panel will evaluate the tenders against the following criteria:

- (i) Capacity and capability - The capacity and capability of the organisation to deliver the total programme or least a third of the total programme (i.e. at least 400 units across two or more boroughs), as demonstrated by the submission and by the organisation's current resources. The organisation's capacity to borrow private finance for the proposed programme will be assessed.
- (ii) Deliverability - The robustness of the model to deliver the programme to the timescale and quality required, as demonstrated by proposals submitted
- (iii) Value for money - Value for money will be assessed by the level of rent charged to the local authorities and the level of capital required from the authorities. Value for money will be assessed within the context of the financial viability of the scheme (whether the financial assumptions are within the anticipated ranges), the ability to deliver the quality standards and the requirement of authorities to contribute a minimum level of capital funding or none at all.
- (iv) Quality - The ability to demonstrate how the quality standards for temporary accommodation and the standards at conversion will be met. The ability to meet the standards in relation to housing management and maintenance services. How performance against these standards will be monitored.

The contract will be awarded to the most economically advantageous offer –the tender evaluation panel will provide a recommendation in accordance with RBKC's Standing Orders and Financial Regulations and a further report will be brought to the Executive seeking approval of the award recommendation.

Given the revisions to the agreed evaluation criteria, there is a need to amend the weightings set out in paragraph 3.3.6 of the main report. Members of the Project Board are currently discussing appropriate weightings and a decision is expected to be reached by the Project Board by 25th June 2007. Details of the revised weighting of the criteria will be contained in the invitation to negotiate documentation which is to be issued at the end of June 2007. In view of the ongoing discussions regarding weighting, the wording of paragraph 3.3.6 of the main report should be substituted with:

The relative weighting of criteria for the award of the contract is currently being discussed by the Sub Regional Temporary to Permanent Housing Scheme Project Board. A decision on weighting is expected to be reached by the Project Board by 25th June 2007. The relative weighting of criteria will also be stated in the invitation to negotiate.

For the same reasons as detailed above the provisions in paragraph 4.3 of the main report as to weighting for the “price” criterion should be deleted so that the last sentence of the paragraph should read:

The level of capital grant funding required to be contributed by the boroughs will be a key consideration in awarding the contract to the provider or providers.