

 Brent	Officer Key Decision
	Report to the Operational Director of Adult Social Care
AUTHORITY TO TENDER TWO CONTRACTS FOR ACCOMODATION BASED SUPPORT SERVICES FOR 2 NAIL PROPERTIES (127-129 HARROWDENE ROAD)	

Wards Affected:	Sudbury
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
Appendices	None
Background Papers	None
Contact Officer(s): (Name, Title, Contact Details)	Sarah Patel Senior Relationship Manager Supported Living Team Brent Council Tel 0208 937 2349 Sarah.patel\@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report requests approval to invite tenders in respect of procurement for two New Accommodation Independent Living (NAIL) Learning Disability Supported Living services as required by Contract Standing Orders 88 and 89.

2.0 Recommendation(s)

That the Operational Director of Adult Social Care

- 2.1 Approves inviting tenders for two block contracts for two accommodation based support service units for Learning Disability service users across two

neighbouring properties 127-129 Harrowdene Road, for a contract term of two years with the option to extend for a further one year (2+1) on the basis of the pre - tender considerations set out in paragraph 3.10 of the report.

- 2.2 Approves Officers evaluating the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 3.10 of the report.

3.0 Background

Summary

- 3.1 127 and 129 Harrowdene Rd were purchased by the Council in 2017 and were re-furnished in 2018. Both properties form part of the wider NAIL portfolio and were assigned to provide a Supported Living services for people with medium to high Learning Disabilities needs. Due to initial complications in identifying and placing appropriate clients into the properties, Adult Social Care (ASC) offered Housing the use of both buildings to help alleviate the need to find good quality temporary accommodation (TA). This was only ever a temporary arrangement until ASC could identify a suitable cohort.
- 3.2 As ASC have identified the cohort to fill the units across each of the properties, they have informed Housing that the properties are required to be handed back no later than June 2020. This will ensure that there is sufficient time to ensure that the necessary repairs and maintenance are carried out by Housing before the service is mobilized in August 2020. Repairs are likely to be cosmetic and low cost as both properties have recently been fully renovated.
- 3.3 The properties have been designed as two separate group homes. Each has a shared communal lounge, a fully equipped kitchen with spacious gardens. As such Officers recommend that there should be two separate contracts for each service but with one provider delivering both services. Extensive cost modelling has been undertaken which has given due regard to a single provider delivering both services under separate contracts. This should achieve economies of scale such as the apportioning of office equipment and staffing which could equate up to £33k per annum. We will also ensure that the pricing schedules are explicitly clear in asking potential bidders to set budgets that are realistic and should notice be given on one service, then the other service is expected to continue to be delivered without requesting additional funding.
- 3.4 As with all NAIL properties, the procurement of these services will relate to the core support hours only. The majority of clients will have additional assessed needs, this 1:1 support will be funded through the Direct Payment Scheme and will not form part of the procurement exercise. Although this additional support could be delivered by the provider who wins the contract to deliver the core hours, there is a possibility that it may not, as service users/family can choose their own provider which will be independent of the contract. ASC will ensure

that the distinction between core and assessed hours is made is explicitly clear in the specification.

- 3.5 The duration of the contracts will be for a maximum of three years, on a two plus one basis. Both services will provide 24 hour care and support, including waking night cover. ASC are confident that there will be provider interest for bidding for this service with a three year contract. A market engagement day will be held to encourage and alert the market to the proposed tender.
- 3.6 If consent is given to proceed to tender these service, commissioners will intensively manage the contract award and mobilisation process in partnership with council stakeholders and the identified provider.
- 3.7 The annual budget for each service is highlighted in the table below Finance are in agreement with the proposed financial envelope which takes account of London Living Wage which increases from £10.55 to £10.75 from April 2020. Further detailed financial information is provided at Section 4.
- 3.8 Budget Table

Property	20/21	21/22	22/23	TOTAL
127 Harrowdene Road	£262,561.50	£262,561.50	£262,561.50	£787,684.50
129 Harrowdene Road	£262,561.50	£262,561.50	£262,561.50	£787,684.50
TOTAL	£525,123	£525,123	£525,123	£1,575,369

- 3.9 The NAIL project is central to the long term vision of ASC and is a key strategic driver in realising savings of over £7m by 2021, with an estimated 648 new units to have been commissioned by 2023. The 10 units at 127 and 129 Harrowdene Road will be intergral in contributing to delivering these efficiencies by offering vulnerable people alternative accommodation to that of institutional residential or care homes. The estimated effeciencies for NAIL are £322 per person per week.

Procurement

- 3.10 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Operational Director.

Ref.	Requirement	Response	
(i)	The nature of the service	Delivery of Supported Living services for adults with Learning Disabilities with medium to high need. These services will form part of the wider NAIL portfolio.	
(ii)	The estimated value.	£262,561.50 per annum, total value 787,684.50 per property totalling £1,575,369 across both properties for the proposed 3 year contract	
(iii)	The contract term.	Two years with the option to extend for one (1) year	
(iv)	The tender procedure to be adopted.	Open	
v)	The procurement timetable.	Indicative dates are:	
		Market Engagement	April 2020
		Invite to tender	09/04/2020
		Deadline for tender submissions	12/05/2020
		Panel evaluation	Mid May/ Early June 2020
		contract decision	8 th June 2020
		Report recommending Contract award circulated internally for comment	15 th June 2020
		Operational Director approval	22nd June 2020
		10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers	23 rd June -1 st July
		Contract Mobilisation	July 2020
		Contract start date	3 rd August 2020

Ref.	Requirement	Response
(vi)	The evaluation criteria and process.	<p>An adapted open tendering process will be used for the procurement, but organisations will be required to complete a selection questionnaire which officers will review to ensure organisations meet the Council's financial standing requirements, technical capacity and technical expertise. Organisations who fail any questions in this section will have their tender disregarded. Organisations that pass will be subject to a number of scored questions to further assess their technical ability. Organisations who do not meet the required threshold may have their tender disregarded and not have their second envelope 2 opened</p> <p>The most economically advantageous tender calculation will be based on: 50% of the points being awarded for Quality/Technical assessment, 40% of the points being awarded for Commercial assessment and 10% on Social Value.</p> <p>At tender evaluation stage, the panel will evaluate the tenders against the following Quality/Technical criteria:</p> <ul style="list-style-type: none"> • The Tenderer's proposal to meet the requirements and outcomes as stated in the service specification • Tenderer's proposed plans for ensuring effective quality management of the Services and maintenance of the Contract Standard, including self-monitoring and evaluation • The Tenderer's proposal for Stakeholder Engagement / Partnership working. • The Tenderer's proposal on how their safeguarding policies will be applied to this contract. • The Tender's commitment to Professional Development towards their workforce <p>The Tenderer's proposed approach to Social Value</p>

Ref.	Requirement	Response
		delivered through this contract (weighted at 10% of the total evaluation criteria)
(vii)	Any business risks associated with entering the contract.	<p>The Council will be committing to an initial two-year contract. This may disadvantage the Council as follows:</p> <ul style="list-style-type: none"> Block contracts of this nature are high risk in terms of value for money and voids. The awarded Provider performance may not meet expectations and the Council will be in contract for the two-year duration. The Council requirement may change. <p>Commissioners will intensively manage the contract award and mobilisation process in partnership with council stakeholders and the identified providers to mitigate any risk to the Council. These risks will be further mitigated by having a robust contract management procedure in place</p> <p>Financial Services and Legal Services have been consulted concerning this contract.</p>
(viii)	The Council's Best Value duties.	The adoption of an open tendering process will enable the council to achieve best value
(ix)	Consideration of Public Services (Social Value) Act 2012	[see Section 9 below
(x)	Any staffing implications, including TUPE and pensions.	See section 8 below.
(xi)	The relevant financial, legal and other considerations.	See sections 4 and 5 below.

3.11 The Operational Director is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

4.0 Financial Implications

- 4.1 Initial modelling on comparable services indicate that a maximum envelope of around £787,684.50 per property would be more than sufficient to cover core costs of a contract for the duration of no more than 36 months (2 plus1) for a medium to high support service, including night cover. Cost modelling takes account of the new LLW which will be £10.75 per hour from April 2020. The hourly rate for this contract is £18.98.
- 4.3 Additionally, assessed hours outside of the core offer would be purchased separately via a direct payment, either from the on-site provider or from another provider of the person's choice.
- 4.4 This hourly rate provides for care staff to be paid the London Living Wage (LLW) throughout the length of the contract. The additional annual cost of paying LLW rather than National Living Wage for these contracts equates to £68,808 pa. The council, in setting the annual council budget will need to consider that future inflation in the LLW rate is likely to be higher than other measures of inflation.

5.0 Legal Implications

- 5.1 The nature and value of the contract is such that it is above the relevant threshold for application of the Public Contract Regulations 2015 (the EU Regulations). The Contract must therefore be procured in accordance with these Regulations.
- 5.2 Based on the value of the contract, it is deemed a Medium Value Contract under the Standing Orders (CSO) and for such contracts, CSO provides that tenders should be invited in accordance with CSO 89, CSO 95 (a) and CSO 95 (b)
- 5.3 Approval of the pre-tender considerations set out in paragraph 3.2 above and to invite of tenders are also required in accordance with Standing Order 89 and Standing Order 88. Paragraph 3.2 of this report sets out the procurement process that will be used and the pre-tender considerations for approval.
- 5.4 Once the tendering process is undertaken, Officers will report back to the Operational Director in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 5.5 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar standstill period imposed by the EU Regulations before the contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill

period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

- 5.6 As this is a new service, it is not considered the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)will apply under this procurement

6.0 Equality Implications

- 6.1 As this service relates to the provision of accommodation for adults with learning disabilities we are discussing Equality Implications with the Councils Equality Officer.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 Previous consultation regarding the NAIL properties and subsequent service provision has already been undertaken. The Lead Member has also been informed of the proposed tender.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 The Provider will have no Housing Management responsibilities and this function will be delivered by Brent Housing Management

9.0 Public Services (Social Value) Act 2012

- 9.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 (“the Social Value Act”) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation.

- 9.2 It is the intention within this tender that 10% of the total evaluation criteria will be reserved for social value considerations

Report sign off:

Helen Woodland
OPERATIONAL DIRECTOR NAME
Operational Director of Adult Social
Care