



Cabinet
23 February 2015

**Report from the Strategic Director of
Regeneration and Growth**

For Action

Wards affected:
ALL

**Authority to award contracts for Rough Sleepers' Outreach
and Housing Advice & Resettlement Services.**

1.0 Summary

- 1.1 At its meeting on the 16 June 2014, Cabinet approved proposals to invite tenders for the provision of the London Borough of Brent's Rough Sleepers' Outreach and Housing Advice and Resettlement Services. Subsequently the services were put out as two separate tenders namely: The Rough Sleeper's Outreach Service; and The Rough Sleepers' Housing Advice and Resettlement Service.
- 1.2 This report now requests authority to award contracts as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contracts should be awarded.

2.0 Recommendations

- 2.1 That Cabinet award the contract for the Rough Sleepers' Outreach services to St Mungo Community Housing Association; and
- 2.2 That Cabinet award the contract for the Rough Sleepers' Housing Advice & Resettlement services to St Mungo Community Housing Association.

3.0 Detail

The background to the retendering and commissioning of these Services is set out in the report submitted to Cabinet on 16 June 2014, which gave authority to put these Services out to tender, which is attached as appendix 5 to this report.

- 3.1 As outlined in the 16 June 2014 report to cabinet, an independent Needs Analysis of the borough's current rough sleepers' services identified a disproportionate allocation of resources to the housing advice and resettlement element, to the detriment of the outreach element of the commissioned services. To ensure each element was allocated with the resources intended and tighten each service's focus on delivering its specific area of work, it was decided to tender the Outreach element and Housing Advice and Resettlement element of the service as two separate contracts, with separate service specifications and targets.
- 3.2 The Outreach element is mainly a service provided on the street identifying and engaging with people sleeping rough in the Borough and providing assistance to get them into accommodation, primarily by referring those eligible to the Housing Advice and Resettlement element of the Service. The full service specification of the Outreach Service is attached as appendix 7.
- 3.3 The Housing Advice and Resettlement element primarily works with rough sleepers referred to it by the Outreach element of the Service and supports them in securing and maintaining stable accommodation. The full service specification of the Housing Advice and Resettlement Service is attached as appendix 8.
- 3.4 The Rough Sleeper's Outreach Service and The Rough Sleepers' Housing Advice and Resettlement Service were tendered individually with a contract to be entered into for each respective service. Each contract will be for an initial term of three years with a possible extension for further two years.
- 3.5 Advertisements to bid for these Services were placed on the London Tenders Portal on 27 November 2014 to seek initial expressions of interest, which elicited eighteen initial enquires for the Outreach and twenty for the Housing Advice and Resettlement services. Bidders were provided with an outline specification and details of the tender approach and were invited to bid and complete qualification questionnaires using the Council's Electronic Tendering Facility. Five bidders subsequently completed the questionnaire.
- 3.6 Shortlisting was carried out on the basis of the contractors' professional conduct, financial viability, necessary insurance cover, health and safety compliance and equality practices and on 8 January 2015, four bidders successfully passed the qualification questions and their bids were fully evaluated.

Evaluation process

- 3.7 The tendering instructions stated that each contract would be awarded on the basis of the most economically advantageous offer to the Council and that at the tender evaluation stage, the panel would evaluate the tenders for both contracts using a 40%:60% price: quality split. The evaluation methodologies are attached at appendix 4.
- 3.8 The price of bids submitted was evaluated on the basis of a simple quotation for each of the services. For information purposes Tenderers were also asked to indicate an hourly rate for the provision of their service. This figure played no part in the evaluation of their bids.
- 3.9 The quality of bids submitted for each of the Services were evaluated on the basis of the criteria set out in the Cabinet Report namely:

3.7.1 Criteria for the Rough Sleeper's Street Outreach Service:

- 1) Proposals as to how the tenderer's previous experience will be applied to provide a high quality outreach service to rough sleepers that delivered demonstrable constructive outcomes for the rough sleepers worked with. (This criterion had a 20% weighting).
- 2) The appropriateness and effectiveness of the tenderer's proposed systems and working methods to deliver the Brent Rough Sleepers' Outreach Service. (This criterion had a 30% weighting).
- 3) The Tenderer's proposals for how they will maximise the impact of the service within the available resources. (This criterion had a 30% weighting).
- 4) Proposals with regard to partnership work with other providers to maximize the service offer to service users and improve outcomes. (This criterion had a 10% weighting).
- 5) The appropriateness and effectiveness of the tenderer's proposed systems for ensuring integration of the service offer between the Rough Sleepers Outreach and Advice & Resettlement services. (This criterion had a 10% weighting).

3.7.2 Criteria for the Rough Sleeper's Street Housing Advice and Resettlement Service:

- 1) Proposals as to how the tenderer's previous experience will be used to provide a high quality advice and resettlement service that supports single homeless people in securing

stable accommodation and sustaining it. (This criterion had a 20% weighting).

- 2) The appropriateness and effectiveness of the tenderer's proposed systems and working methods to deliver the Brent Rough Sleepers' Advice & Resettlement Service. (This criterion had a 20% weighting).
- 3) Proposals demonstrating the tenderer's ability to support Brent rough sleepers assisted into accommodation with accessing appropriate education, training or employment. (This criterion had a 20% weighting).
- 4) Proposals demonstrating the tenderer's ability to support Brent rough sleepers who have previously been assisted into accommodation to maintain their tenancies should they later experience difficulties that threaten these tenancies. (This criterion had a 20% weighting).
- 5) Proposals with regard to the partnership work with other providers to maximize the service offer to service users and improve outcomes. (This criterion had a 10% weighting).
- 6) The appropriateness and effectiveness of the tenderer's proposed systems for ensuring integration of service offer between the Rough Sleepers Advice & Resettlement and Outreach services. (This criterion had a 10% weighting).

3.10 The tender evaluation was carried out by a panel of officers from Regeneration and Growth.

3.11 All tenders had to be submitted electronically no later than midday on 22 December 2014 although, at the request of tenderers, this deadline was extended to the same time on the following day. Each member of the evaluation panel read the tenders using evaluation sheets to note down their comments on how well each of the award criteria was addressed.

3.12 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers for each of the Services are included in Appendix 2 and 3. It will be noted that Tenderer C was the highest scoring tenderer for each of the services. Officers therefore recommend the award of both contracts to Tenderer C, namely St Mungo Community Housing Association.

Conclusion

3.13 Having completed an open and competitive tendering process St Mungo Community Housing Association are identified as the winning bidder for both the Rough Sleepers' Outreach and Housing Advice & Resettlement services.

- 3.14 While there remains the previously identified need to ensure the responsiveness and accountability of the two separate components of the Rough Sleeper's service, there is also the benefit of better integration between the two services through having them delivered by a single provider.
- 3.15 It has been possible to realise cost savings in the retendering of these Services through realising the reduced hourly contract rates that have resulted from market conditions and efficiency savings achieved by providers across the sector since this service was last commissioned. Officers are confident this has been achieved without detriment to the quality of the re-commissioned services.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £250k or works contracts exceeding £500k shall be referred to the Cabinet for approval of the award of the contract.

The tendered value of each individual service contract is:

- £64,985 per annum
- £194,955 over 3 years
- £324,925 if the option to extend by up to another two years is exercised

The combined tendered value for both service contracts is:

- £129,970 per annum
- £389,910 over 3 years
- £649,850 if the option to extend by up to another two years is exercised.

- 4.2 It is anticipated that the cost of these contracts will be funded from the existing temporary accommodation budget.
- 4.3 Based on the assumption that the new Services would start from the beginning of April 2015, the planned expenditure for these Services for the financial year 2015-16 would be £129,970.

5.0 Legal Implications

- 5.1 The estimated value of these contracts over their lifetime (including possible extension) is higher than the EU threshold for Services and as such in excess of the Public Contracts Regulations 2006 (the "EU Regulations") threshold for Services. Both Services are classed as Part B Services for the purposes of the EU Regulations and therefore are subject to partial application of the EU Regulations, including the overriding EU Treaty principles of equality of treatment, fairness and transparency in the award of contracts. The award of these contracts is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations and the Cabinet is required to consider approval to award these contracts as set out in Standing Order 88(c).

5.2 With the contracts being awarded to a new contractor, the Transfer of Employment (Protection of Employment) Regulations 2006 (“TUPE”) is likely to apply so as to transfer from the existing contractor to St Mungo Community Housing Association those employees who spend all or most of their working time on the activities being taken over by St Mungo Community Housing Association.

5.3 The council’s duties in connection with the Public Services (Social Value) Act 2012 are contained in Section 8.

6.0 Diversity Implications

6.1 An Equalities Impact Assessment for the Services was carried out when Cabinet’s authority to retender the Services was sought and obtained last year, and a copy is attached in Appendix 6.

7.0 Staffing/Accommodation Implications)

7.1 This service is currently provided by an external contractor and there are no implications for council staff arising from the award of these contracts.

7.2 No accommodation implications arise for the council from the award of these contracts.

8.0 Public Services (Social Value) Act 2012

8.1 Since 31 January 2013, the council, in common with all public authorities subject to the EU Regulations, has been under a duty pursuant to the Public Services (Social Value) Act 2012 to consider how the 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. This duty applies to the procurement of the proposed contract as Part B Services over the threshold for application of the EU Regulations are subject to the requirements of the Public Services (Social Value) Act 2012.

8.2 The Services being procured have as their primary aim improving the social and economic well being of rough sleepers, one of the most vulnerable groups in Brent. Unfortunately it was not practicable in this instance to directly consult with these service users to ascertain their views on the procuring of these services.

8.3 In addressing the needs of rough sleepers and reducing the numbers of people rough sleeping across the borough these Services will also reduce the incidence of rough sleeping related anti-social behaviour and the impact rough sleeping can have on the public domain and wider environment, in doing so improving the economic, social and environmental well-being of the wider community.

- 8.4 There is a limited market for the delivery of these services; however, Officers endeavoured to describe the scope of the Services in such a way as to best meet the requirements of the Act in the procurement process.

Background Papers

None

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