

Report to Cabinet
13th June 2012

Report of Deputy Chief Executive (Operations)

Subject Award of the contract for housing stairlift installations, repairs and maintenance

Item

20

KEY DECISION

Purpose

To advise cabinet of the tender process for the housing stairlift installations, repairs and maintenance contract carried out by the Essex County Council Framework Agreement and seek authority to award the contract.

Recommendation

To:

1. Approve the award of a contract to Stannah Lift Services Ltd under the Essex County Council Framework Agreement for housing stairlift installations, repairs and ongoing maintenance for a 5 year period; and
2. To commit to spend up to £250k for 2012/13 through this contract from within existing Housing Capital Programme and Housing Revenue Account budget forecasts for disabled adaptations.

Corporate and service priorities

The report helps to meet the corporate priority Decent housing for all and the service plan priority "To improve the councils housing stock through a programme of upgrades and maintenance".

Budget implications

To be financed from existing budgets within the Housing Capital Programme and Housing Revenue Account. The proposed contract sum does represent a saving of £30,000 annually (£150,000 over the term of the contract). Spend in future years will be covered within the Councils budget process and there is no contractual commitment in terms of volumes.

Ward/s: All wards

Cabinet member: Councillor MacDonald – Housing

Contact officers

Chris Rayner, Head of Property Services

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Background documents

None

Report

Background

1. The council pays for the installation, repairs and maintenance of stairlifts in the homes of eligible disabled tenants following a need being identified through an assessment carried out by a qualified occupational therapist. This equipment and its ongoing maintenance is funded through a capital budget for the installation and revenue budget for the repairs and maintenance.
2. Under current arrangements the Council contracts with Stannah Lift Services Ltd for the installations and Caretech for the ongoing repairs, maintenance and servicing, and these contracts have been awarded under the ESPO framework agreement.
3. In order to achieve better value for money Essex County Council and 14 district and borough councils “appointed” the Essex Procurement Agency to procure a supply and service agreement with a single lift company that would provide best value over a 10 year period.
4. The contract is broken into 3 packages of works to take into account varying Local Authority requirements and to cater for existing contracts ending at different times. These contracts are:

Work package 1

A one off payment which covers the cost of supplying a new or recycled stairlift with associated electrical installation, all covered by a 10 year warranty 24 hours a day, 365 days a year (excluding bank holidays). When the stairlift is no longer required it is removed, stored, and prepared for recycling by the supplier.

Work package 2

A repair and maintenance contract that covers all new and existing stock, where an authority has different types of lifts from multiple suppliers.

Work package 3

A supply of single new or recycled stairlifts with 1 year warranty. This is designed for authorities who prefer to purchase on an ad-hoc basis with additional warranty that suits local purchasing requirements.

5. It is proposed that the Council enters into a contract for packages 1 and 2.

Tender process

6. Under the original procurement process a Virtual Project Board was set up and led by Essex County Council Procurement to develop and consult with all authorities and interested parties (occupational therapists, etc) within Essex.

7. A contract notice was placed on the Official Journal of the European Union inviting tenders.
8. Suppliers were asked to submit details of their company in terms of safety, quality and reliability, reuse of equipment, cost savings, partner relationships and customer care.
9. Shortlisted suppliers submitted details of how they would meet the requirement outlined within the tender documents.

Tender evaluation

10. Each tender return was subjected to an extremely robust evaluation process and scored against carefully weighted models to demonstrate 'best value' and 'total life costs' in all areas.
11. More formal supplier presentations were invited, followed by detailed visits to the supplier's premises in order to verify that information presented was a reality, and sustainable development was definitely achievable.
12. Every aspect of the suppliers business was investigated and evaluated. Working lines were looked at and 'Open Book' principles were adopted. These included manufacture, installation, maintenance, existing and/or proposed recycling processes, and disposal practise of redundant equipment. Complete administration and customer care systems were examined, plus IT systems and solutions for e-commerce, including the facility to showcase a contract dedicated website.
13. Finally the shortlisted suppliers underwent an intensive questioning and consultation process by the Virtual Project Board.

Evaluation results

14. The contract was awarded to 'Stannah Lift Services Ltd' in July 2007.
15. Stannah had the necessary infrastructure to manage the contract, and the company's philosophy was very closely aligned with the county and council's needs. Their tender also clearly identified that they understood public sector and requirements.
16. It is estimated that The Council will benefit from savings in the order of £30,000 per year or £150,000 over the 5 year term of the contract by awarding a contract under the Essex framework agreement as opposed to the existing ESPO framework. These prices are based on 100 new units being installed on an annual basis.
17. The contract itself allows the use of Stannah on an ad-hoc basis and there is no obligation on the council to place any orders at all and withdrawal from the contract is possible at any time by providing a 30 day termination notice.

Finance

18. The housing capital programme budget and the housing revenue budget makes provision for the disabled adaptations work included within this contract and the estimated cost that will be incurred within this contract is within existing forecasts.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Report author to complete

Committee:	Cabinet
Committee date:	13 th June 2012
Head of service:	Chris Rayner, Head of property services
Report subject:	Award of the contract for housing stairlift installations, repairs and maintenance contract
Date assessed:	16/05/2012
Description:	

	Impact			
Economic (please add an 'x' as appropriate)	None	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed award of this contract will achieve better value for money and reduce overall spend.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	None	Positive	Negative	Comments
Child Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	None	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	None	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	None	Positive	Negative	Comments

	Impact			
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There is a risk that the appointed supplier could fail during the life of the contract. This is low risk as the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that a part of the contract is planned in nature.

Recommendations from impact assessment	
Positive	
Negative	
No impact	
	There is no adverse impact as a result of the recommendation contained within this report
Issues	