

REPORT TO	DATE
Chief Executive, in Consultation with the Leader of the Council	



TITLE	PORTFOLIO	REPORT OF
<b>Urgent Decision Under Section 35 of the Council's Constitution:</b> <i>Procurement and appointment of Specialist Disabled Facilities Equipment</i>	<i>Finance Property and Assets</i>	<i>Director of Planning and Property</i>

Is this report a key decision? (i.e. more than £100,000 or a significant impact on more than 2 Borough wards)	<b>Yes</b>
Is this report confidential?	<b>No</b>

## PURPOSE OF THE REPORT

1. The report proposes revised procurement arrangements for the supply, installation, servicing and maintenance of stairlifts and lifting equipment funded by Disabled Facilities Grant (DFG).
2. The report explains the rationale for the Council entering into a joint procurement arrangement with Chorley Borough Council (CBC).
3. The report seeks approval to utilise the Northern Consortium Procurement framework <https://www.northern-consortium.org.uk/services/consortium-procurement/> as the preferred vehicle to carry out the proposed procurement and to appoint a supplier following the procurement.
4. The report seeks approval for South Ribble Borough Council to act as the lead authority for this purpose.

## RECOMMENDATIONS

5. That the Council undertakes a collaborative joint procurement exercise for the above via the Northern Housing Consortium Framework for a contract period of 5 years with the option to extend for a further two years. Whilst this will be a collaborative procurement exercise to achieve maximum advantage of combined volume, each authority will complete their own individual contract with the preferred provider at award stage.
6. That South Ribble Borough Council undertake the role of lead body for the procurement in accordance with Contract Procedure Rule 32.3

7. That the evaluation criteria outlined within this report of 60% quality weighting and a 40% pricing weighting are approved.
8. The report recommends that once a preferred supplier has been identified following a 'Further Competition' comprising the companies listed on the NHC Stairlift and Lifting Equipment framework, the council can appoint the successful contractor

## REASONS FOR THE DECISION

9. The proposed joint procurement with CBC is likely to confer financial benefits in terms of achieving greater economies of scale. The two Councils share Procurement services and therefore it is a logical development to work collaboratively on this venture.
10. The total value of the Contracts to be awarded will exceed the EU threshold above which contracts must be advertised in OJEU in accordance with the Public Contracts Regulations. The NHC framework has been procured in accordance with EU rules and is therefore a compliant, streamlined and effective route to market
11. The Council has a statutory duty to provide DFG funding to eligible applicants who's identified needs include stairlifts and other Lifting Equipment such as 'Through Floor' vertical lifts. The existing procurement arrangements via Lancashire County Council (LCC) will cease on 30<sup>th</sup> September 2020 and the Council needs to be able to ensure a seamless transition which will avoid causing any delays or distress for customers requiring such equipment.

## EXECUTIVE SUMMARY

12. The report explains why it is necessary for the Council to appoint a supplier for the provision of Stairlift and Lifting Equipment which is funded by DFG.
13. The report covers the various procurement options and presents the rationale for the preferred procurement framework, the proposed collaboration with CBC, and also sets out an indicative timescale for a 'Further Competition' which would result in a Contractor appointment.

## CORPORATE OUTCOMES

14. The report relates to the following corporate outcomes:

Excellence, Investment and Financial Sustainability	
Health, Wellbeing and Leisure	x
Place, Homes and Environment	x

Projects relating to People in the Corporate Plan:

Our People and Communities	x
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## BACKGROUND TO THE REPORT

15. For around twenty years, on a county-wide basis, LCC has voluntarily arranged the supply, installation, removal and recycling of DFG-funded items of equipment such as stair lifts. This process has been underpinned by service users signing over the ownership of their equipment to LCC, in return for the provision of maintenance following expiration of the manufacturer's warranty, including both servicing and repairs. These arrangements cover DFG-funded equipment for both adults and children.
16. In September 2019 LCC advised all Districts in Lancashire that the County Council was considering ceasing to facilitate the procurement and purchasing of DFG funded equipment and to withdraw involvement in the administration process for DFG equipment, except for occupational therapy advice whereby housing authorities are required to consult the social services authority to decide whether proposed works are 'necessary and appropriate' under the Housing Grants, Construction and Regeneration Act [HGCRA] 1996.
17. The items which are currently covered by LCC's procurement and supply contracts include stairlifts, Through Floor Lifts, specialist baths, 'Geberit' wash-dry WC's and 'Clos-o-mat' wash-dry WC's.
18. Stairlifts and Through Floor Lifts are items for which the council receive regular referrals via LCC, so it is important that alternative cost-effective procurement options are established so that customers are not disadvantaged by the transition from procurement arranged by LCC to procurement directly facilitated by the Council.
19. The numbers of DFG referrals received by the Council for Stairlifts and Through Floor Lifts over the past three completed years are as follows:

Equipment	2017-2018	2018-2019	2019-2020
Stairlifts	36	46	34
Through Floor Lifts	5	6	4

20. The average cost of a Stairlift is approximately £4,000 and the average cost of a Through Floor Lift is £9,000 so over the most recent three-year period, the approximate total cost is £599,000, or £199,667 per year.
21. With effect from 1<sup>st</sup> October 2020, it will be necessary for the Council to have a new arrangement in place to facilitate its statutory duty to provide certain items of equipment using DFG to qualifying applicants.
22. Given the significant sums of money involved, and the fact that the residents receiving the equipment are amongst the most vulnerable within our communities, it is important that robust, reliable alternative arrangements are identified, using an established, experienced procurement approach.
23. Each District Council across Lancashire is currently facing similar challenges to those which the Council is addressing. However, from the point of view of geography, demography and the fact that South Ribble and Chorley councils share numerous services and collaborate effectively on others, the logical step was to work with CBC to undertake a joint procurement in this instance.

## **PROPOSALS (e.g. rationale, detail, finance, procurement)**

24. The total contract value of the South Ribble requirement alone is estimated to be in the region of £1.4 million for the 5 plus 2 year extension option contract period. This exceeds the EU procurement threshold above which contracts must be advertised in OJEU and procured in accordance with the procedures laid down in the Public Contracts Regulations. The Council does not have time to carry out a full OJEU procurement process, and in any event this is not perceived to be the most efficient and effective route to market
25. In recent months the lead officer from South Ribble Borough Council alongside the HIA Team at Chorley, have investigated various procurement framework agreement options, all of which have been advertised in OJEU and are fully compliant with the Public Contracts Regulations. A framework agreement is an “umbrella” agreement with providers that sets out terms and conditions for specific purchases, known as call-offs, that can be made through the term of the agreement. All providers have been through a tender process and subject to selection checks and award criteria before being accepted on to the framework. There is therefore no need to advertise a procurement conducted through a framework or carry out extensive pre-qualification checks, saving substantial time and costs for both suppliers and buyers. To complete a procurement under the framework a further competition tender is issued to all providers included on the framework and responses evaluated to establish the most economically advantageous tender in terms of Cost and Quality.
26. The frameworks investigated include:

  - ESPO <https://www.espo.org/Home>
  - YPO <https://www.ypo.co.uk/>
  - Procurement for Housing <https://www.procurementforhousing.co.uk/>
  - Northern Consortium Procurement framework-  
<https://www.northern-consortium.org.uk/services/consortium-procurement/>
27. Officers have contacted representatives from each of these procurement frameworks, and have carefully examined the options available within them.
28. One of the key factors in assessing the various options is to ensure Value for Money and providing long term reassurance for the Council and to residents.
29. It is important to be able to reassure residents that long term servicing and maintenance arrangements are in place which exceed the standard manufacturers’ warranty periods.
30. From the Council’s point of view, it is important to minimise the risk of a customer receiving an item of equipment under DFG, and then, once the warranty period has expired, finding that the equipment has developed a fault and may be unsafe to use.
31. Although in such circumstances the Council would have no legal liability to intervene, this could be counter-productive because, in the event of the customer declaring their inability to pay for the repair, they could not only be putting themselves at risk but could decide to request a further Occupational Assessment which might lead to a new referral to the Council for a replacement stairlift.
32. To use DFG to fund a replacement item which might have otherwise been covered more economically under a DFG-funded extended warranty would be an unwise course of action,

and thus the Council has looked for the Procurement framework option which would cater for these requirements.

33. On all these points the Northern Housing Consortium framework proved to be the most accommodating and confirmed that they can cater for a long-term contract (up to 7 years) containing extended warranties which would also last for 7 years.
34. Officers from both Councils met a representative from the Northern Housing Consortium on 28<sup>th</sup> February 2020 and, having examined the various framework documents and having shared these with the Council's Procurement team, it is evident that the Northern Housing Consortium framework offers a robust mechanism.
35. The proposal is to use the Northern Housing Consortium's procurement framework to carry out a Further Competition, in order to enable the Council to make an appointment, with each of the organisations featuring on the framework being invited to tender. This option is available to the Council under its Contract Procurement Regulations (CPRs) 31.2.
36. The lot within the Framework which it is proposed would be used in this tender is Lot 1: Design/Supply, install, testing/examination and servicing/maintenance of specialist lifting product(s).
37. The participating organisations on Lot 1 are as follows:

<b>Supplier Name</b>
Care and Independence
Handicare Ltd
Hill-Rom
Innova Care Concepts
Prism UK Medical Ltd
Stannah Lift Services

38. The proposed assessment methodology is for a 60% quality weighting and a 40% pricing weighting to be used, and that the contracts (one for South Ribble and one for Chorley) to be for a period of 5 years commencing on 1<sup>st</sup> October 2020, with an option to extend for a further two years, giving an end date of 30<sup>th</sup> September 2025 or 30<sup>th</sup> September 2027.
39. NHC will support the entire procurement process and will independently undertake the price evaluation. The quality evaluation will be completed by an evaluation team comprising officers from both SRBC and CBC.
40. The proposed timescales for the procurement and contract award process are attached in Appendix 1. These times are indicative and may be subject to some change as we work alongside CBC and NHC on this project. It will be noted that the outline timetable allows for a contract commencement date of 1<sup>st</sup> September 2020. The intention remains for the contract to start on 1<sup>st</sup> October 2020, but the shorter timescale illustrated in Appendix 1 allows greater flexibility for a suitable date for the contractor appointment.

## **ALTERNATIVE OPTIONS CONSIDERED**

41. An option of seeking quotes on each occasion that the Council receives a recommendation to provide stairlifts and/or lifting equipment was examined but was rejected on the basis of lack of economy, inefficiency and being inconvenient for customers.

#### **COMMENTS OF THE STATUTORY FINANCE OFFICER**

42. The costs associated with the contract will be covered by the approved DFG budget within the capital programme, which is based on actual and estimated DFG allocations from central government

#### **COMMENTS OF THE MONITORING OFFICER**

43. The use of Framework agreements is permitted by our Contract Procedure Rules. Indeed in the circumstances of this exercise they constitute the only practical solution. A further competition will be conducted within the parameters of the framework. This should help to demonstrate value for money. The Framework to be used is EU compliant – this is essential given the value of the procurement. Contracts will subsequently be drawn up and entered into to protect the council's interests.

#### **BACKGROUND DOCUMENTS**

44. There are no background papers to this report

#### **APPENDICES TO THIS REPORT**

Appendix A - Copy of Appendix 1 Further Competition Timescales South Ribble Stairlifts Lot 1

**Jonathan Noad**

**Director of Planning and Property, Development Control & Forward Planning**

Report Author:	Telephone:	Date:
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# Approval of Urgent Decision

I confirm that I consider this decision is one of genuine urgency in accordance with section the Council's constitution:



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Councillor David Howarth  
Chair of the Scrutiny Committee

Dated: 18 May 2020

Following careful consideration and assessment of the contents of the report, I approve the recommendations contained in the report in accordance with the Council's constitution in consultation with the Leader of the Council:



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Gary Hall  
Chief Executive

Dated: 21 May 2020



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Councillor Paul Foster  
Leader of the Council

Dated: 21 May 2020