



**Report for:  
ACTION**

**Item Number:**

<b>Contains Confidential or Exempt Information</b>	NO
<b>Title</b>	Request for approval to use a recognised procurement framework, Eastern Shires Purchasing Organisation (ESPO) and a Dynamic Purchasing System (DPS) to streamline the tendering process; recognised by Local and Central Government for a four-year period.
<b>Responsible Officer(s)</b>	Dipti Patel Director of Place Delivery
<b>Author(s)</b>	Rosalie Pereira Operations Manager
<b>Portfolio(s)</b>	Councillor Binda Rai and Cllr Sabiers
<b>For Consideration By</b>	Cabinet and Councillor Binda Rai and Cllr Sabiers
<b>Date to be Considered</b>	20 <sup>th</sup> April 2021
<b>Implementation Date if Not Called In</b>	(Day after Call-In expiration date, or most appropriate date after Call-In expiration date)
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Disabled Facilities Grant – funding up to £30K to assist independent living (DFG) Council Housing Adaptations – works undertaken in Council housing stock (CHA) Housing Revenue Account (HRA) Better Care Fund– Central Government Funding which (BCF) reimburses DFG expenditure Eastern Shires Purchasing Organisation (ESPO) a public sector owned professional buying organisation which quality and competency vets’ contractors and consultants Repairs and Adaptations Service – The Home Improvement Agency (RAS-HIA) – delivers DFG’s and CHA’s

**Purpose of Report:**

The Council has a Statutory requirement under Regulatory Reform Order 2002 and Housing Grants and Construction Act 1996 to assist / facilitate the provision of adaptations and alterations to help residents remain independently in their own home. This is primarily funded via central government’s Better Care Funding and also via Housing Revenue Account.

Public Funding requirement highlight the need to demonstrate value for money and fair and transparent procurement systems.

**This report is to gain approval for: -**

The proposal to call off a contract from a specialised framework agreement (ESPO) and establish a DPS.

Key Benefits will include: -

- Reduced waiting times for grant approvals
- More effective spend / uptake of monies to maintain residents in their own home and reduce pressure on Adult Social Care and NHS.
- Allow trusted local approved contractors to continue providing exemplar services to our residents.
- Promote local economic development via local procurement.

## **1. Recommendations**

It is recommended that Cabinet:

- 1.1 Authorise the Director of Place Delivery to award a direct contract to Handicare (stairlift providers) via the ESPO Framework Agreement 364\_18 Stairlifts, Steplifts, Vertical Through Lifts and Hoists for a term of four years from May 2021 to March 2025 for an estimated total value of £3.200m
- 1.2 Authorise the Director of Place Delivery to conduct a law compliant procurement process for the establishment of a five-year Dynamic Purchasing System for the provision of services starting from May 2021 to deliver major adaptations through the Disabled Facilities Grant and Council Housing Adaptations processes.
- 1.3 Delegates authority to the Director of Place Delivery to admit suppliers from the DPS once established in accordance with its rules and selection criteria during its five-year term.
- 1.4 Note that the CHA estimated contract value to be funded by approved Housing Revenue Account budget, with provision made in the HRA Business Plan approved by Cabinet in January 2021. The DFG contract spend from April 2021 to March 2023 is to be funded by the approved DFG capital scheme budget and it is assumed that the DFG grant allocation will continue through the BCF for the remaining three years of the contract period as it is mandatory. The 2021/22 budget has been approved but for the following year of 2022/23 this is subject to the annual budget process and grant announcements, although it is anticipated that this will be as planned in the table at 4.3.. Any changes to the grant regime would mean a change to the budget for the remaining 3 years of the contract period, which is again subject to the annual budget process.

## **2. Reason for Decision and Options Considered**

- 2.1 The ESPO Framework Agreement estimated value of the contract for stairlifts and hoisting lifting equipment to be procured is £0.600m to £0.800m annually.
- 2.2 The DPS estimated value of the contract and set up costs will be contained within the proposed budgets (as set out in section 4). The overall cost of set up will be met from existing resources.

2.3 Both awarded values are based on an estimate on previous yearly returns and will be contained within the approved capital budgets over the five years 2021/22 through to 2025/26.

### **3. Key Implications**

3.1 The DFG is a mandatory grant available to all, disabled, vulnerable and elderly residents of our borough. The grant is delivered and administered by the RAS-HIA and can pay or contribute towards the cost of adapting a home, for example by installing a stairlift, creating a level access shower room, widening doorways, and providing ramps and hoists etc.

3.2 The maximum grant that can be awarded in England per applicant is £0.030m. The grant approval will be for the total cost of works that have been deemed necessary and appropriate and reasonable and practicable.

3.3 The DFG is a mandatory grant, which means that it is a legal requirement for local authorities to provide help to people who meet the eligibility criteria, whether or not the authority has sufficient budget. These criteria include ensuring that the works are necessary and appropriate to meet the needs of the disabled person, and that they are reasonable and practicable given the age and condition of the property.

3.4 The RAS-HIA draw resources from a large supply of specialist adaptation contractors and providers. These providers meet a minimum standard in terms of business suitability compete equally against others in the locality to supply services to Ealing Council, irrespective of their size or reputation which gives local Small Medium Enterprises the opportunity to provide services.

#### **3.5 Current status**

- a) Procuring a stairlift provider: the previous framework for stairlifts has expired and currently an individual contract is awarded to each specialist approved contractor based on the DFG recommendation and needs of the client
- b) on procuring a specialist contractor for delivering adaptations works: RAS-HIA currently use an in-house tender process in line with the Council's Contract Procedure Rules.

3.6 The formation of the DPS involves a two-stage process. First, in the initial set up stage, when all suppliers who meet the selection criteria and are not excluded will be admitted. Thereafter, individual contracts are tendered and awarded during the second stage. In this stage, the authority invites all suppliers in the relevant category to bid for each specific contract / grant.

3.7 The overarching strategy of procuring services through a functional DPS remains a flexible electronic system that will allow the tendering and awarding of contracts, but at the same time gives the council access to the market by allowing new entrants to the market, subject to them meeting the requirements..

3.8 This report seeks Cabinet's approval to establish a new inhouse DPS and enable it to admit suppliers throughout its five year life and to procure and award

adaptation contracts based on specific tender evaluation criteria, subject to the council's contract standing orders, and the council's governance arrangements from time to time.

## 4. Financial

### a) Financial impact on the budget

- 4.1 The service provided under the new proposed DPS, will establish a formal agreement with the existing providers already being utilised. This will provide a procurement mechanism for commissioning contractors to provide specialist adaptations services. The overall cost of set up will be met from existing resources.
- 4.2 The ESPO Framework agreement will enable to purchase the equipment at value for money prices via a single award contract using existing and proposed grant budgets
- 4.3 The below table details the overall estimated contract value and the funding. (Estimate based on previous financial year spend).

ESPO Framework Contract	Year 1 2021/22 £'m	Year 2 2022/23 £'m	Year 3 2023/24 £'m	Year 4 2024/25 £'m	Year 5 2025/26 £'m	Total 2021/26 £'m
<b>Estimated costs:</b>						
(ESPO) Stairlifts Contract estimated cost	0.800	0.800	0.800	0.800	0.000	<b>3.200</b>
Estimated cost of DPS contracts	5.126	3.865	3.265	3.265	3.265	<b>18.786</b>
<b>Total Cost</b>	<b>5.926</b>	<b>4.665</b>	<b>4.065</b>	<b>4.065</b>	<b>3.265</b>	<b>21.986</b>
<b>Financed by:</b>						
Approved HRA Adaptations (capital budget)	(1.600)	(1.600)	(1.600)	(1.600)	(1.200)	<b>(7.600)</b>
Approved Better Care Fund (DFG capital budget)	(4.326)	(3.065)				<b>(7.391)</b>
Better Care Fund (DFG capital budget To Be Approved as per future estimated Grant)			(2.465)	(2.465)	(2.065)	<b>(6.995)</b>
<b>Total funding</b>	<b>(5.926)</b>	<b>(4.665)</b>	<b>(4.065)</b>	<b>(4.065)</b>	<b>(3.265)</b>	<b>(21.986)</b>

## 5. Legal

- 5.1 The call off from the ESPO framework will in accordance with its rules and the DPS will be established in accordance the Public Contracts Regulations 2015 as amended by the Trade and Co-operation Agreement as set out in the European Union (Future Relationship) Act 2020 and the Council's Contract Procedure Rules.

5.2 Regulation 34 of the Public Contracts Regulations 2015 (the Regulations) provides that contracting authorities may use a DPS for commonly used purchases the characteristics of which, as generally available on the market, meet their requirements.

5.3 The Proposals were tabled and approved by the Joint Contract Board in Sept 2019 but progress delayed due to Covid pandemic.

5.4 The Council, in discharging its duty under section 8 of the Housing Act 1985 (as amended), must consider housing conditions and the provision of further housing accommodation in its borough.

5.5 DFG's are governed by the following legislation: -

- The Housing Grants Construction and Regeneration Act 1996 places a statutory mandatory duty on the Council to provide grant assistance to disabled people for adaptations to their homes, if the application meets the criteria set out in the legislation.
- The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 amended the Housing Grants Construction and Regeneration Act 1996 by providing an enabling framework for discretionary assistance beyond the mandatory DFG, removed the power for Councils to give discretionary DFGs and extended the mandatory DFG to those occupying other types of dwellings.
- The Housing Renewal Grants Regulations 1996 set out the basis for the DFG test of resources. Details of allowances, premiums and other factors are updated periodically by Statutory Instrument.
- The Disabled Facilities Grants (Maximum Amounts and Additional Purposes (England) Order 2008 places a limit of £0.030m on the amount of mandatory DFG which may be awarded.
- Councils are responsible for the local implementation and enforcement of the Housing Health and Safety Rating System which requires that any residential premises should provide a healthy environment for any potential occupier or visitor.
- Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008 gives Councils the discretion to impose a limited charge on the property; if it is sold or otherwise disposed of within 10 years. The general consent will enable Councils to place limited charges on approvals of owner's interest applications, where the value of the DFG exceeds £0.005m limited to a maximum charge of £0.010m.
- Further guidance is provided in the Housing Adaptations for Disabled People: A detailed guide relating to legislation guidance and good practice, published by the Home Adaptations Consortium in 2013 (and updated in 2015 to take into account the Care Act 2014)

- Care Act 2014 – this provides the context for the assessment of and response to potential care and support needs of adults and carers, including the adaptation of properties.
- Equality Act 2010 – this provides the definition of disability – a person has a disability for the purpose of this Act if s/he has a physical impairment which has a substantial and long-term effect on their ability to carry out normal day to day activities.

**6. Value for Money**

6.1 Through the DFG recommendation process often there is a requirement to install various specialist equipment such as Steplifts, Platform lifts, and Vertical lifts etc., Handicare offer all specialist products in addition to Stairlifts, thus allows consistency in service, and demonstrates value for money.

6.2 The ESPO framework permits the following benefits of awarding through an established framework and retains the current provider for the next 4 years:

- Compliant procurement route
- Agreed terms and conditions call-off contract and offer protection (e.g. introduction fees, liabilities etc)
- Successfully used by other Home Improvement Agencies nationwide
- Meets stringent safeguarding requirements
- Delivers a guaranteed saving on rates of between 2-3% with a gain share agreement

6.3 The table below demonstrates that the current provider (preferred supplier) is better value for money compared to that of other competitors (including those inside the framework agreement).

<b>Type</b>	<b>Supplier X</b>	<b>Supplier Y Preferred supplier</b>
1. Standard straight stairlifts	from £1365.00	From £1105.00
2. Standard curved track stairlift	from £4095.00	From £3190.00
3. Standard 1-year warranty	included	included
4. Straight Standard 5-year warranty	£600.00	£450.00 not on ESPO framework
5. Straight Standard 5-year warranty	£650.00	£500.00 not on ESPO framework

## **7. Sustainability Impact Appraisal**

7.1 Handicare offer a recycling scheme and also offer to remove and reuse parts of the stairlift if appropriate and fit for purpose. Handicare will ethically dispose of unsuitable items.

## **8. Risk Management**

8.1. Due to Covid 19 there is a waitlist within RAS-HIA and the numbers of stairlifts required may increase, as well as the cost of supplies and materials due to Brexit.

8.2 It is critical that the Council continues to deliver adaptation otherwise there may be serious implications for resident's health and safety and potential exposure to legal challenge alongside pressure on Adult Social Care.

8.3 Procuring through the ESPO framework or DPS will deliver value for money, and respond to the increasing demand for ensuring our vulnerable residents can safely stay within their homes. .

## **9. Community Safety**

9.1 Provision of stairlifts reduces hospital discharges and trips and falls.  
Reducing the risks of hospital admissions and domiciliary and residential care.

## **10. Links to the 3 Key Priorities for the Borough**

10.1 The council's administration has three key priorities for Ealing. They are:

- Good, genuinely affordable homes
- Opportunities and living incomes
- A healthy and great place

10.2 Included in the key priorities are ways in which the strategic priorities will be delivered: (Ealing Corporate Plan 2018-2022. These proposals for consideration fall into the following

- *Residents are physically and mentally healthy, active and independent we will support those with the most complex needs, in particular vulnerable adults and older people, protecting residents from harm, and supporting them to live as independently as possible, continuing to reduce delayed transfers of care, waiting times for assessments and inappropriate admissions of older adults.*

- *Ealing is a strong community that promotes diversity and tackles inequality and discrimination*

We will continue to build a borough where different communities live happily alongside each other and have opportunities to come together. We will enable them to develop the connections and support networks that will enable them to achieve their full potential. We will also do all we can to tackle the inequalities that persist across our borough

- *Collaborating with partners*
- Looking into the future we will need to collaborate even more so that, rather than different agencies, people see and experience ‘one public service’ in Ealing. Our Borough Plan outlines how we will work with partners to deliver results collectively.
- *Driving efficiency and being commercial*  
Find out more Like all public services, the council will continue to review everything it does to ensure we get value for money. This means things like reviewing our management structures or exploring the potential for co-locating our services. It also means thinking about how we can grow income – for example, by providing services to other areas where we have expertise others may want to buy etc.

## **11. Equalities, Human Rights and Community Cohesion**

11.1 An initial Equality Impact Assessment has been prepared for the delivery of stairlifts within the borough. This identified no need for a full assessment at this stage because it did not identify any potential for unlawful conduct or disproportionate impact. All opportunities to address diversity, particularly vulnerability for all residents of various tenure will be addressed through the contract specification on each individual project and ensure residents receive the same service regardless of but considering specific needs.

11.2 Referrals are received based on the needs of the client and adaptations are provided accordingly. services positively promote equalities across all groups with protected characteristics. The provision of adaptations services promotes independence and improves quality of life. The procurement exercise is designed to deliver existing policies and strategies maintaining the current level of equality in service provision. The project is very clear on the equalities related duties on contractors, given the wide range of needs of our customers.

## **12. Staffing/Workforce and Accommodation implications:**

None

## **13. Property and Assets**

13.1 CHA – enhances the asset by making it more accessible for present and future clients

## **14. Any other implications:**

None

## **15. Consultation**

15.1 Foundations (regional director) and other London HIA’s have been consulted with regards to other frameworks used and also stairlift providers used to deliver adaptations in various boroughs



15.4 Suppliers are being consulted and made aware that the council is considering continuing this approach to procurement. Suppliers have been positive about the proposals. and are already following this route with other HIA's.

## 16. Timetable for Implementation

16.1 The following timetable demonstrates stages and deadlines for implementing the recommendations including measurable aims and outcomes

16.2 The proposal is to phase the implementation of the DPS due to size of the overall project and to spread the amount of additional intensive work required in setting up a new procurement approach.

16.3 The following is an indicative timetable for carrying out the proposals.

Activity	Start date
Cabinet Report and Officer Decisions for SLT	April 21
DPS Specification and procurement documents commenced	May 21
Award ESPO Framework to specialist Provider Formal Acceptance required	May 21
Despatch of Contract notice to the Find a Tender for the DPS	TBC Min of 30 calendar days
DPS - receipt of requests to participate (RTP)	10-15 working days from receipt of RTP
DPS – Evaluate exclusion and selection information and make decision whether to admit	TBC
Notify bidders	TBC Earliest possible date
Initial list of DPS Suppliers	TBC
DPS – Set up and implemented	TBC

## 17. Appendices

17.1 ESPO Framework 364\_18 Issue 12 11234 Quick Start Guide Stairlifts, step lifts, vertical through floor lifts (Home lifts) and ceiling track hoists. <http://bealing-tc.gov.uk/Share/REPAIRS AND ADAPTATION/Pereira/Procurement/4 - Cabinet Report/364-18-QSG-Issue-12-Stairlifts-Steplifts-and-Hoists.pdf.pdf>

This framework offers Ealing Council RAS-HIA a quick, simple and competitive route for supply, installation, servicing & maintenance of stairlifts (straight, compact and curved), Steplifts, vertical through floor lifts (home lifts) and ceiling track hoists.

17.2 The framework can be used in two different ways:

- Place orders directly with a contractor selected from those available on the framework agreement on the basis of the pricing and/or the other publicised information.
- Conduct a further competition (e.g. a mini-tender exercise) from amongst those contractors identified in the framework as being able to supply the required products or services.

17.3 The framework has been advertised and established in full compliance with public procurement legislation. Therefore, by using the framework, customers are exempt from having to undertake any further advertising, supplier assessment or adherence to lengthy European Union (EU) procurement procedures and their successors post Brexit. So, procurement costs and timescales are minimised.

17.4 The DPS is a fully electronic procurement approach for setting up and maintaining a list of potential service providers. It is a regulated procurement tool, hence the council must ensure that it is established in accordance with EU public procurement rules and must be open throughout its duration for the admission of any provider that satisfies the selection criteria to be admitted to the DPS and thereafter allows them to bid for any further tenders issued via the DPS. <http://bealing-tc.gov.uk/Share/REPAIRS AND ADAPTATION/Pereira/Procurement/4 - Cabinet Report/Guidance on Dynamic Purchasing System - Oct 16.pdf>

## 18. Background Information

18.1 The proposed Framework Agreement and DPS concept has been discussed with finance, procurement, legal and a procurement strategy developed through this financial year.

### Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
<b>Internal</b>				
Dipti Patel	Director of Place Delivery	18/03/2021	19/03/2021	throughout
Yalini Gunarajah / Rohit Ahuja	Senior Finance Business Advisor Finance Business Advisor	02/03/2021	18/03/2021	4 Financial
Chuhr Nijjar / Shabana Khan	Senior Contracts Lawyer Lawyer	02/03/2021	12/03/2021	5 Legal
Sima Khatun	Commercial Manager	02/03/2021	05/03/2021	Procurement
<b>External</b>				
Dave Eldridge	Foundations – Regional Director	02/03/2021	08/03/2021	HIA Governing Body