

Delegated Cabinet Member Decision Report

Decision Maker and Portfolio area:	Cllr Zahid Chauhan, Cabinet Member for Health and Social Care
Date of Decision:	23rd January 2019
Subject:	Modification of a contract - for provision of stairlifts, ceiling track hoists and vertical and step lifts to domestic properties where residents have disabilities.
Report Author:	Lynda Megram, Planning & Commissioning Manager, Ext 622-6440
Ward(s) Affected:	All: consultation not required at this time

Reason for the decision:	To seek approval to Modify a contract for provision of stairlifts, ceiling track hoists and vertical and step lifts to domestic properties where residents have disabilities. The Modification would allow an extension of the current contract to 31st May 2019 in order for a new procurement exercise to conclude. The provision has been re-tendered and the contract award will be considered by Commissioning Partnership Board in March 2019.
Summary:	The provision is funded from the Disabled Facilities Grant (DFG). The legislative framework governing DFGs places a statutory duty on Local Authorities to approve an 'eligible application': the provision must therefore be available. The existing contract was awarded following a tender process in 2014: Oldham Council led on the procurement exercise for Oldham and Tameside boroughs. The contract commenced on 2 nd February 2015 and will expire on 1 st February 2019 without the requested Modification.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Option A: Allow the contract to expire at the current end date without other provision in place.

This is not the preferred option as the legislative framework governing DFGs places a statutory duty on Local Authorities to approve an 'eligible application'. The provision must therefore be available.

Option B: That the contract for the provision of stairlifts, ceiling track hoists and vertical and step lifts be extended until 31st May 2019.

This is the preferred option as this enables service continuity whilst both authorities collaborate to procure a new contract to be in place from 1st June 2019.

The three current suppliers have indicated that they would be willing to continue on the existing terms until the new contract is awarded.

Recommendation(s):

Option B: That the contract for the provision of stairlifts, ceiling track hoists and vertical and step lifts be extended until 31st May 2019.

Implications:

What are the financial implications?

The proposed contract extension, if approved, will continue to be funded by the DFG capital allocation. The estimated cost for Oldham Council for the additional four months up to 31 May 2019 is approximately £120k and the service expects to deliver the works within the available resources.

Provision exists within the overall Adult Social Care capital allocation to support the contract extension. (Danny Jackson)

What are the procurement implications?

Procurement went out to Tender on the Chest portal, we have received good response from the potential tenderers, and we are currently in the evaluation process of the tender and will be awarding this contract soon. (Mohammad Sharif, Interim Sourcing 03/01/2019)

What are the legal implications?

There is provision within Rule 17.1 (c) to modify a contract where the need for the modification

has been brought about by circumstances which a diligent contracting authority could not have foreseen; the modification does not alter the overall nature of the contract and any increase in price does not exceed 50% of the original contract value. (Elizabeth Cunningham Doyle)

*What are the **Human Resources** implications?*

Not applicable

Equality and Diversity Impact Assessment attached or not required because (please give reason)

An EIA has not been completed as the proposals enable continuity of statutory provision of adaptations / equipment to improve the independence, health and wellbeing of people with disabilities.

*What are the **property** implications*

None: the majority of the provision is to disabled people living in owner-occupied / rented domestic properties.

Risks:

No significant risks identified

Co-operative agenda

The proposal supports the Council's co-operative agenda as the provision enables disabled people to remain living in their own homes with increased independence, health and well-being, helping to avoid the need for increased care packages or for residential care.

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?

Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?

Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council?

No

Reason(s) for exemption from publication:

N/A

There are no background papers for this report

Report Author Sign-off:	
Lynda V Megram	
Date: 2 nd January 2019	

Please list any appendices:-

Appendix number or letter	Description
None	

Background:

This report relates to a contract for the provision of stairlifts, ceiling track hoists and vertical and step lifts to domestic properties where residents have disabilities. The provision was

jointly procured with Tameside council in 2014 with Oldham as the contracting authority: however, there is no pooling of budgets between the two authorities, with each council paying for its own activity.

As Oldham is the contracting authority - holding the contract on behalf of both boroughs - we need to take account of Tameside's activity and spend when determining the decision maker in our approval process: as the provision is demand-led, levels of likely activity/spend under these arrangements can only be estimated. Based on current expenditure levels, it is estimated that the Modification requested, an extension of the existing contract for 4 months (1st February 2019 to 31st May 2019) will result in spend of £220,000 across both boroughs.

The current contract commenced on 2nd February 2015 and will expire on 1st February 2019 unless a Modification to allow an extension to 31st May 2019 is approved: this will enable service continuity whilst re-tendering of the provision concludes for a new contract to be in place from 1st June 2019. The planned procurement exercise was delayed due to capacity issues in the procurement team, however new personnel have been engaged and a tender exercise is now close to conclusion.

The current contract has three Lots, awarded as below. Each lot includes the supply and installation of the provision, all with **'life of client'** warranty: this places responsibility for the maintenance (or replacement) of any installed equipment on the contractor, thus securing long term revenue savings for each of the local authorities who would otherwise have to fund this from revenue.

- Lot 1 - Stairlifts: Platinum Stairlifts Limited
- Lot 2 - Ceiling track hoists: Prism UK Medical Limited
- Lot 3 - Vertical and step lifts: Wessex Lift Co. Limited

The provision is funded from the Disabled Facilities Grant (DFG): this provides funding to adapt a disabled person's home - where an assessed need has been identified - to enable the occupant to continue to live as independently as possible in their own homes. The legislative framework governing DFGs places a statutory duty on local authorities to approve an 'eligible application', i.e. where the council considers the adaptation to be:

- necessary and appropriate to meet the disabled applicant's needs
- reasonable and practicable in relation to the age and condition of the property

From 2015/16 the allocation of DFG was included in the Better Care Fund (BCF), which operates under section 75 pooled budget arrangements between Clinical Commissioning Groups (CCGs) and Councils. The statutory duty on local housing authorities to provide DFGs to those who qualify remains, therefore each area has to allocate funds from the pooled budget to their respective housing authorities to enable them to continue to meet these duties. In 2015/16 the allocation of DFG to Oldham was £925,000. This rose significantly to £1,618,419 in 2016/17, to £1,766,154 in 2017/18 and to £1,913,889 in 2018/19.

Proposals:

Oldham has a history of collaboration with Tameside Council on contracts relating to DFG provision, and for community equipment and minor adaptations. It is considered by both local authorities that the advantages gained through economy of scale in letting larger contracts across both areas has resulted in better value for money, and more robust and well run contracts - to the benefit of both Authorities.

Officers from both boroughs have collaborated to review the current specification in order to jointly procure this provision again: the updated specification used in the new procurement exercise is more robust with tighter targets around key timescales.

Conclusions:

That the current contract for the provision of stairlifts, ceiling track hoists and vertical and step lifts be extended until 31st May 2019. The Modification would allow for a new procurement exercise to conclude: the provision has been re-tendered and the contract award will be considered by Commissioning Partnership Board in March 2019.

This is the preferred option as this enables service continuity whilst both authorities collaborate to procure a new contract to be in place from 1st June 2019.

The three current suppliers have indicated that they would be willing to continue on the existing terms until the new contract is awarded.

In consultation with

A handwritten signature in black ink, appearing to read 'Mark Warren'.

Mark Warren, Managing Director Health & Adult Social Care Community Services
Date: 15 January 2019