



**Oldham**  
Council

## **Delegated Decision [Key decision or contract award between £50K to £400K]**

**Report to: Councillor Jenny Harrison Cabinet Member for Social Care and Safeguarding**

### **Award of contract for the inspection, servicing, maintenance and repair of straight and curved stairlifts, vertical through floor lifts, step lifts and overhead track hoists**

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**12.04.18**

#### **Reason for Decision**

This report requests approval to award a contract for the provision of the inspection, servicing, maintenance and repair of straight and curved stairlifts, vertical through floor lifts, step lifts and overhead track hoists, installed in domestic properties in Tameside and Oldham.

Oldham has a history of collaboration with Tameside to procure this provision: in 2014 we jointly procured the service with Tameside council, with Tameside as the lead authority holding the contract for both boroughs. The service commenced on 18th January 2015: this report requests that approval is given for Tameside Council to award a new contract for this provision following a tender process.

#### **Recommendations**

That approval is given for Tameside Metropolitan Borough Council to award a contract for the inspection, servicing, maintenance and repair of straight and curved stairlifts, vertical through floor lifts, step lifts and overhead track hoists, installed in domestic properties in Tameside and Oldham.

That the contract be awarded to City Lift Services (NW) Ltd, to commence on or after 16<sup>th</sup> July 2018 and expire no later than 17<sup>th</sup> July 2023.

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**Award of contract for the inspection, servicing, maintenance and repair of straight and curved stair lifts, vertical through floor lifts, step lifts and overhead track hoists, installed in domestic properties in Tameside and Oldham.**

## **1 Background**

- 1.1 This report relates to the inspection, servicing, maintenance and repair of stairlifts, through floor lifts, step lifts and track hoists installed in domestic properties where residents have disabilities. The equipment helps to enable disabled people to remain living as independently as possible, for as long as possible, at home. Oldham has a history of collaboration with Tameside council to procure this provision: in 2014 we jointly procured the service, with Tameside as the Contracting Authority. The service commenced on 18th January 2015. This report describes the service provision and requests that approval is given for Tameside Council to award a new contract to the successful provider identified through the tender process.
- 1.2 The contract addresses the need for ongoing maintenance of 'legacy' items of equipment – owned by the respective Councils and provided some years ago via Disabled Facilities Grant (DFG) funding. In Oldham there are 547 appliances (mainly stair lifts and ceiling track hoists) located across 389 addresses, and the age of the equipment ranges from 3-20 years, so is no longer supported by a warranty. The duty on the respective Councils to maintain and repair the equipment remains however, and a service and maintenance (revenue) budget provision is retained to meet that responsibility. Over the lifetime of the contract the number of pieces of equipment will decline as they become economically non-viable to repair or maintain: if the provision is still required by the disabled person, items are then replaced with new equipment provided under different contractual arrangements funded from the DFG (capital) budget. The 2016/17 contract value of £66k represented a 10.8% reduction against the 2015/16 cost of £74k, and it is anticipated that the rate of scrappage will accelerate as many appliances are reaching an unviable point.

## **2 Current Position**

- 2.1 The intention to collaborate again with Tameside to procure a new contract was referenced in the report (agreed in November 2016) to extend the previous contract for a final year. A panel made up of officers from both councils was established to draft the specification, and an open tender exercise was undertaken from 7<sup>th</sup> September 2017 to 16<sup>th</sup> October 2017. Tameside Council led the tender exercise and advertised for expressions of interest in OJEU (the EU Official Journal) and other related on-line sites and journals via The Chest. The tender was weighted on the basis of a 60% quality and 40% cost split, and there were 11 bids. Both local authorities approved the tender award to the successful bidder, Oldham on 5<sup>th</sup> December 2017 and Tameside a few days later: however a review of the tender processes during the standstill

period following some challenging queries from several bidders revealed inconsistencies in Tameside's tender documentation and a decision was taken by Tameside to abandon the tender and to rerun the procurement process. In February 2018 a second procurement process was undertaken making use of new tender documentation developed by Tameside's legal services. There were bids from 8 organisations, seven of these had submitted in the previous abandoned tender. The winning bidder was the same in both tenders. This original (approved) report has been updated to reflect the second procurement process and outcome, and comments from legal and financial services, and from strategic sourcing, were reviewed to ensure continued relevance.

- 2.2 The tender included six quality questions around track record, handling complaints, performance measurement/legal compliance, dealing with vulnerable customers, social value and contingency arrangements. The range of social value benefits committed to by the highest scoring supplier would form part of the contract and be monitored.
- 2.3 As the number of appliances will decline over the lifetime of the contract (as they become economically non-viable to repair), with a corresponding reduction in charges, Tameside's soft market testing indicated that letting a larger contract across two local authorities would offer economies of scale, improved value for money and prove more attractive to the market than procuring separately. For the same reasons both Local Authorities also considered that a 5 year contract term is beneficial for this procurement, and that it was more likely that the prospect of a longer contract period would encourage bidders to seek local premises from which to operate, increasing the opportunity for employment and training opportunities, as well as stronger local supply chains.

### **3 Options/Alternatives**

- 3.1 Not to tender and allow the service to lapse: this was not considered a viable option as the equipment is vital to the health, safety and wellbeing of disabled residents. It was provided initially under Disabled Facilities Grant (DFG) arrangements and as such there is a degree of duty to maintain the items. Failure to service and repair such equipment would leave vulnerable people at risk.
- 3.2 To undertake a tender process solely for provision in Oldham: this was not considered the most advantageous option, as a contract for a smaller, reducing portfolio is less attractive to the market. Tameside spent £127,000 in 2016/17 (Oldham's spend was £66,000) and a joint procurement would therefore offer economies of scale to the market, as would a longer contract term. Also as each borough would pay for the activity that it uses it would not entail any risk from pooling of budgets between the parties by undertaking a joint procurement exercise, and the contract contains a 'terminate at will' clause if we wished to make alternative arrangements.

- 3.3 To undertake a tender process in collaboration with Tameside council: this was the preferred option as this afforded the best opportunity to maximise value for money. To ask:
- that approval is given for Tameside Metropolitan Borough Council to award the contract for the inspection, servicing, maintenance and repair of straight and curved stairlifts, vertical through floor lifts, step lifts and overhead track hoists, installed in domestic properties in Tameside and Oldham
  - that the contract be awarded to City Lift Services (NW) Ltd, to commence on or after 16<sup>th</sup> July 2018 and expire no later than 17<sup>th</sup> July 2023.

#### 4 **Preferred Option**

- 4.1 The preferred option is Option 3.3:
- that approval is given for Tameside Metropolitan Borough Council to award the contract for the inspection, servicing, maintenance and repair of straight and curved stairlifts, vertical through floor lifts, step lifts and overhead track hoists, installed in domestic properties in Tameside and Oldham
  - that the contract be awarded to City Lift Services (NW) Ltd, to commence on or after 16<sup>th</sup> July 2018 and expire no later than 17<sup>th</sup> July 2023.

#### 5 **Consultation**

- 5.1 Consultation with the Equipment and Adaptations service manager informed the approach and the recommended option, as did appropriate officers from Tameside council.

#### 6 **Financial Implications**

##### 6.1 Revenue

- 6.2 This report seeks approval to award a contract for the provision of the inspection, servicing, maintenance and repair of straight and curved stairlifts, vertical through floor lifts, step lifts and overhead track hoists, installed in domestic properties, with Tameside as the contracting authority.
- 6.3 Recurrent budgetary provision of £130k is allocated within Community Equipment cost centre 64001. The allocation includes but is not limited to the cost of this contract as well as some other smaller elements of spend.
- 6.4 As stated in paragraph 2.3, as equipment depreciates, the repairs and maintenance element of the contract will devalue accordingly. The 2016/17 contract value of £66k represented a 10.8% reduction against the 2015/16 cost of £74k.
- 6.5 Therefore the proposal to award the contract is fully affordable and contained within the current budget allocation.  
(Danny Jackson, Senior Accountant)

6.7 Capital

6.8 There are no capital implications.

7 **Legal Services Comments**

7.1 Tameside MBC led the procurement process which had to be re-run owing to challenges from several bidders during the standstill period following announcement of its intention to award a contract to the successful bidder. A thorough review of the tender documentation revealed inconsistencies in the process. The documents were revised and reviewed by Tameside's Legal Services and the tender process was rerun. In the circumstances, there should be minimum risk to Oldham Council in approving the recommendation to award the contract to the most economically advantageous tender. (Elizabeth Cunningham –Doyle)

8. **Co-operative Agenda**

8.1 The new procurement arrangements should increase value for money and help support people to stay living independently in their own homes. The procurement process took full account of the councils Social Value approach and this will be monitored as part of contract management.

9 **Human Resources Comments**

9.1 N/A

10 **Risk Assessments**

10.1 N/A

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 The tender has been carried out by Tameside MBC in line with EU Regulations and Contract Procedure Rules. Strategic Sourcing has undertaken a credit check of City Lift Services (North West) Limited which has identified that the business has a 10.6% risk of business failure. Consequently, Strategic Sourcing recommends that payment is made monthly in arrears in accordance with clause 23.9 of the service specification. Strategic Sourcing therefore supports awarding the contract to City Lift Services (North West) Limited. (Neil Clough, Sourcing & Contracts Consultant, 16.04.2018).

14 **Environmental and Health & Safety Implications**

14.1 These arrangements support the maintenance of essential equipment in the homes of people with disabilities: this enables them to remain living with increased safety in their homes.

15 **Equality, community cohesion and crime implications**

15.1 The new procurement arrangements should enable people with disabilities to remain living as independently as possible, for as long as possible, at home. The service is available to children and adults with an assessed/eligible need.

16 **Equality Impact Assessment Completed?**

16.1 No

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 SCS-14-17.

19 **Background Papers**

19.1 N/A

20 **Appendices**

20.1 N/A

**APPROVAL**

**Decision maker**

Signed



Councillor Jenny Harrison  
Cabinet Member for Social Care and  
Safeguarding

Dated 12 April 2018

**In consultation with**

Signed



Mark Warren  
Managing Director Community Health and  
Adults Social Care (DAS)

Dated 12 April 2018