

**006945 – Adaptation Services**

**Commissioning Model**

**27.03.2020**

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| **1.** | **Commissioning Intentions** |
|  | An Adaptation Working Group comprising representatives from: Adult Social Care (ASC); the Fairer Housing Unit (FHU); and Your Homes Newcastle (YHN), was created on 21 June 2019 to undertake a review of our Adaptations Services. Following an extensive period of engagement and formal consultation, the Council have arrived at a final position and are publishing the Final Commissioning Model and Feedback Documents, which details our response to feedback received. We will formally close the commissioning phase on Tuesday 31 March 2020, so if you would like to provide any further feedback please do by sending it to the Commissioning and Procurement Officer detailed at the end of this document. On 1 April 2020, we will move into the procurement phase, but we will not move directly to tender. Due to the current situation with COVID-19, we will put the tender exercise on hold until Autumn/Winter 2020. Prior to publishing our tender documents for this procurement opportunity, we will notify the Provider Market in advance. |
| **2.** | **Introduction** |
|  | **Background**This proposal is about a single procurement exercise to commission adaptations across the Council. Newcastle City Council has a duty under the Care Act 2014 and the Housing Grants, Construction and Regeneration Act 1996 to provide adaptations for qualifying residents. The adaptations are either new or refurbished. All households are occupied residential properties within the City of Newcastle upon Tyne, with the residents who are older and/or vulnerable. The properties are either owner occupied, or Council owned as part of the Councils Housing Revenue Account (HRA) stock or owned by a third party (social or private landlord) and may be part of a sheltered housing or similar scheme. The management of this Contract will be undertaken by Officers of the Council and Your Homes Newcastle.The Council is committed to enhancing resident’s lives by providing adaptations with the aim of supporting residents to live independently, safely and with dignity in their homes and if this is not possible, to support residents to make informed decisions about their long- term housing needs.**Current arrangements**We commission our requirements through several existing Frameworks, Contracts and our in-house service provision as follows:* Disabled Adaptations Framework
	+ Lot 1 Stair Lifts
	+ Lot 2 Ceiling Track Hoists
	+ Lot 3 Platform Lifts
	+ Lot 4 Temporary Access Works
	+ Lot 5 General Building Works
* Disabled Adaptations - Installation of Specialist Bathing Equipment
* Disabled Adaptations - Maintenance and Repair of Specialist Bathing Equipment
* Disabled Adaptations - Domestic Stairlift Installation
* Disabled Adaptations - Repairs, Maintenance and Servicing to Stairlifts, Hoists and Vertical Lifts
* Disabled Adaptations - Installation of Temporary Ramping
* In-house Minor Adaptations (£1,000 or less)
* In-house Key Safes

All of the above contractual agreements run to 31 May 2020. **The Collaborative Commissioning Phase**Over the past 5 months, significant engagement and consultation has taken place between Providers and the Adaptation Working Group to develop a new Service Model that would be viable for both the Provider Market and Newcastle City Council. Initial engagement with the market was undertaken on the 27 September 2019. Feedback from the event shaped a revised commissioning model which was shared with the market on the 18 October 2019. At the engagement event on the 27 September 2019, we also offered a procurement support package via the NEPO Business Club. This ensures any Provider who believes they require support prior to the tender process to access this. All subsequent engagement has been via the NEPO portal.A second round of engagement took place between the 15 November and 22 November 2019. During this period, we used the NEPO Portal to ask additional questions of the marketplace. The Council is now satisfied that it has enough information from the engagement process to formally close the commissioning phase and proceed to tender.  |
| **3.** | **Original Commissioning Model** |
|  | Officers from the Council and YHN as part of a collaborative working group, developed an original potential Lotting structure, to share with the market at the event on the 27 September 2019. The proposed Lotting Structure is detailed below:1 Stair Lifts * Straight Track Stair Lift
* Curved Track Stair Lift

1b Servicing and Repair – Stair Lifts2 Ceiling Track Hoists 2b Service and Repair – Ceiling Track Hoists3 Platform Lifts* Vertical Lifts
* Step Lifts

3b Servicing and Repair – Platform Lifts4 General Building Works (Major Adaptations – works over £1000)* Bathroom Modifications
* Automated Toilets
* Extensions
* Room Conversions
* Garage Conversions
* Permanent Ramps
* Paving
* Shallow Steps

4b Repair - Bathing Equipment5 Minor Adaptations (works under £1000) 6 Materials 7 Key Safe Installations 8 Door Entry 9 Temporary Access Works * Temporary Ramps
* Temporary Steps
 |
| **4.** | **Summary of Feedback from Providers and Service Users** |
|  | Initial feedback was provided by the market at the workshop held on the 27 September 2019 where we asked their view on our proposed Lotting Structure (above), Draft Specifications, Servicing and Repair, Call Outs, Social Value and their capacity to deliver our requirements.**Summary of Feedback following Consultation Period 1 (27 September to 18 October 2019)**Feedback from the session was published on the North East Procurement Organisation (NEPO) Electronic Tendring Portal and we gave the Providers a further opportunity to feedback. The key points raised are detailed below.

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| **Feedback from Providers** | **Participating Authority Response** |
| **Reduce Lots**  | **Lot 9 Temporary Access (Steps and Ramps**) move into **Lot 4 General Building Works** Further consultation with providers was undertaken – please see Period 2 (15 November to 22 November 2019)**Lot 8 Door Entry** move into **Lot 4 General Building Works** Door entry will remain as a separate Lot.As this is a specialist service which has its own market place the Council are unable to accommodate the request from the market.**Lot 7 Key Safe Installations** move into **Lot 5 Minor Adaptations** As the same skill set is required the Council agrees with the market. |
| **Remove Material Lot** | **Lot 6 Materials** caused confusion with most providers stating they could get better value for money through their own supply chain / preferred suppliers.The Council agreed with the market as it believes the market has better supply chains / economies of scale due to the greater number of similar works they undertake. Providers will source materials as part of each Lot. |
| **Separate servicing and repair** | **Lot 1b, Lot 2b, Lot 3b, Lot 4b** will form a new **Servicing and Repair Lot** The Council agreed with market that repairs out of warranty need to be in a separate Servicing and Repair Lot.  |
| **SME’s and Size of Lots**  | The Council agree with market that SME’s should not be disadvantaged however, sub-contracting in its usual form is not suitable for this framework as it will potentially increase the number of providers entering individual properties. Instead, we will ask the marketplace to demonstrate how they support SMEs within their supply chain. This approach will maximise the potential for Social Value.  |
| **Warranty Period** | The Council proposes that all adaptation equipment should have a 5-year warranty. Where the manufacturer’s warranty is less than 5 years then we would expect the marketplace to provide an extended warranty up to 5 years.  |
| **Response Times –** Providers recommending:* Emergencies
* Urgent
* Non-Urgent
 | The Council are proposing to use risk ratings to define response times: Emergency [HIGH] Standard [MEDIUM] |
| **Social Value** | As part of the provider engagement session on 27 September 2019, we delivered a Social Value workshop to consider how we could incorporate our Social Value requirements into this opportunity. Following this workshop, the Council has agreed to incorporate its Social Value requirements into the tender response form which will be weighted as part of the award criteria.  |

Following engagement with the marketplace, further consultation took place via the NEPO Electronic Tendering Portal.**Summary of feedback following Consultation Period 2 (15 November to 22 November 2019)**Providers were given a further opportunity to comment via the NEPO Portal on the changes being proposed to the Lotting Structure, specifically around Temporary and Permanent Ramps / Steps and the equipment scrappage scheme.

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| **Feedback from Providers** | **Working Group Response** |
| Include Temporary and Permanent Ramps / Steps in Lot 4 General Building Works | The market was divided on this issue. As such, The Council’s decision is to keep permanent ramps / steps and temporary ramps steps as a separate Lot. |
| **Scrappage scheme**Feedback on possibility of including a scrap value scheme within specification. At the end of 5-year warranty period on Council “Loan” equipment the supplier would: * Remove Council equipment
* Pay scrappage value to the Council for the removed equipment and dispose of the equipment
* Install new equipment in property
 | The Council agreed to incorporate wording on the scrappage scheme within the contract. |

**Summary of Feedback from Service Users**The Council developed a questionnaire covering the following areas:1. Being kept well-informed about the work to be undertaken by our contractor:2. The work being done in a timely manner:3. The work being done at a convenient time:4. The work being completed to a good standard5. How happy were you with the work undertaken? The scoring system was from 1 (Extremely poor) to 10 (Excellent)Adult Social Care consulted with 50 service users, leaving a questionnaire and pre-paid envelope when a minor adaptation had been installed – there were 18 responses all with favourable scoring between 9.83 and 10.00.The Fairer Housing Unit (FHU) consulted with 18 residents – all responses were favourable scoring between 9.44 and 9.94. Your Homes Newcastle consulted with 24 residents – all responses were favourable scoring between 9.79 and 9.96.All feedback was considered, and decisions made to arrive at the final Lotting structure detailed in section 5. |
| **5.** | **Final Commissioning Model** |
|  | All feedback obtained throughout the commissioning phase has been considered by Officers of the Council and YHN. The Final proposed Commissioning Model is:Lot 1 Stair Lifts Lot 2 Ceiling Track HoistsLot 3 Platform Lifts / Vertical Lifts / Step LiftsLot 4 General Building Works* Bathroom Modifications
* Automated Toilets
* Extensions Room Conversions
* Garage Conversions
* Kitchens

Lot 5 Door Entry Lot 6 Servicing and Repair – Stair Lifts, Ceiling Track Hoists, Platform Lifts Lot 7 Servicing and Repair – ShowersLot 8 Access Works* Temporary - Ramps and Steps
* Safety Provisions
* Permanent Ramps
* Paving Shallow Steps

Lot 9 Specialist* Bariatric Stair Lifts
* Auto wash/dry toilet

The Council will retain some elements to be delivered by our own internal service provision, which are detailed below: * HRA Building Works
* Bathroom Modifications
* Automated Toilets
* Extensions Room Conversions
* Garage Conversions
* Kitchens
* Minor Adaptations (works under £1000) and Handy Person Service
* Key Safe Installations

All Lots above will be offered to the external Provider market giving an opportunity for interested bidders, to tender when the competitive procurement process is undertaken in Autumn/Winter 2020. |
| **6.** | **Financial Model** |
|  | Funding comes from three sources:* **Disabled Adaptations Grant**

The funding is provided by annual award to Newcastle City Council under a Disabled Facilities Capital Grant Determination made by Ministry of Housing, Communities and Local Government. The money provided under that grant determination must only be used for the specific purpose of providing adaptations for disabled people who qualify under the scheme. * **Housing Revenue Account (HRA Budget)**

HRA’s adaptations yearly budget is £715,500.(note – Your Homes Newcastle manage this element on behalf of the Council)* **Adult Social Care (ASC) Budget**

ASC has three budges for:* + Repairs, Maintenance and Servicing to Stairlifts, Hoists and Vertical Lifts provided by Service Direct (Durham County Council) of £75,000.

Funding is broken down as follows:

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|  |  |  | **Indicative** |
| **Lot** | **Framework Categories** | **Sub-Category** | **Total Number of Sub-Category Cases** | **Budget** |
| 1 | Stair Lifts | Straight Track Stair Lift | 90 DFG30 HRA | £701,500  |
| Curved Track Stair Lift | 110 DFG39 HRA |
| 2 | Ceiling Track Hoists | Ceiling Track Hoists | 50 DFG2 HRA | £104,000  |
| 3 | Platform Lifts | Vertical Lifts | 5 | £98,000   |
| Step Lifts | 3 |
| 4 | General Building Works | Bathroom Adaptations | 150  | £1,360,000      |
| Automated Toilets | 10 |
| Extensions | 4  |
| Room Conversions | 2 |
| Garage Conversions | 4 |
| Safety Provisions | 5 |
| Kitchen Adaptations | 5 |
| 5 | Door Entry Systems | Supply and Fit | 10 | £25,000   |
| 6 | Servicing and Repair  | Stair Lifts, Ceiling Track Hoists, Platform Lifts |  Unidentified volumes | £212,500  |
| 7 | Service and Repair - Showers | Level Access Showers | 3209 | £290,000   |
| Shower Units | 2870 |
| 8 | Access Works | Temporary Ramps | 40 DFG41 HRA | £204,500  |
| Temporary Steps | 2 |
| Permanent Ramps | 20 |
| Paving | 5 |
| Shallow Steps | 5 |
| 9 | Specialist | Automated Toilets | 10 | £45,000   |
| Bariatric Stairlifts | 5 |
|  |  |  |  | **£3,040,500** |

Note: the figures provided in the table above are annual budget figures from the three service areas. |
| **7.** | **Procurement Solution**  |
|  | **Person Centred**The procurement adaptation solution will satisfy the requirements of the Care Act 2014 and the Housing Grants, Construction and Regeneration Act 1996, as applicable.**Length of Solution**The proposed length of this procurement solution will be 24 months plus 2 x 12-month Options to Extend. **Price Reviews**Annual pricing review will be available within the Contract based on the Building Cost Information Service (BCIS). Any request must be made in writing with supporting evidence no later than one month before the application of the suggested increase. **Warranties**All adaptations will have a 5-year warranty which will include an annual service as well as repairs.Where equipment is removed for refurbishment and a portion of the warranty remains then there will be a six month guarantee on labour and parts, plus an annual service included within remaining warranty period.**Call-off Procedures** Call-off against the Framework Agreement (the Contract) will be:**Ranked** for **Lots 1, 2, 3, 4**:This means, the Provider Ranked 1st on each of the Lots above, will receive all orders for work from the Council and YHN on behalf of the HRA. Other Providers appointed to these Lots, will only receive orders for work if the first Ranked Provider can’t deliver or deliver within our timescales.The Council reserves the right to run a Mini Competition where it feels it is in its best interest to do so.**Mini-Competition** for **Lot 5**:This means the Council will undertake a further competition with all Providers appointed to this Lot.**Single Provider Appointment** for **Lots 6, 7 and 8**:This means the Council will appoint a single Provider to each lot in order to deliver the services required on Lots 6, 7 and 8. **Direct Award** for **Lot 9**:This means the Council will appoint specialist Providers to this Lot and will direct award when required to the specific Provider depending on our requirements.**Insurance**The Organisation will purchase professional indemnity insurance as required if such insurance is not already held: Public liability £10 millionEmployers liability £10 million**Response Times**The risk rating is High for Emergencies and Medium for Standard, this requires:* A 24 x 7 emergency call-out staffed phone line 365/366 per year.
* An on-site response within 2 hours for calls classed as Emergencies.
* An on-site response within 24 hours for calls classed as Standard.

For Lots 8, and 9 there is a requirement for the Provider to have a phone line available between 9am – 5pm as their risk rating is Medium. The risk rating is contained within a separate document which is available if required.**Contract Monitoring**The Council will carry out its monitoring, in line with the Council’s Contract Management requirements set out in their Commissioning and Procurement Plan. Operational monitoring will be specified within the Specification for each Lot.**Existing Equipment**Tenderers may be required to remove, store and recycle equipment. There may be a requirement to store any equipment that is currently being stored by existing Provider(s), where that Provider is unsuccessful and not appointed to the new procurement solution, on the commencement of the Contract. There are pre-existing warranties for equipment installed under the previous contract arrangements which will run their course and be serviced and repaired by the previous contracted installer as applicable.Once a pre-existing warranty expires on equipment owned by the Council which has been provided on a loan basis and there is a continued need for a stairlift for the resident, any new Provider will be required to remove the equipment and replace it with one of a “like for like” specification. Where the new Provider is the same as the previous Provider, a new warranty may be purchase, or the product replaced on a “like for like’’ specification basis, as determined by the Council.Where the Provider identifies the equipment may no longer meet the person’s needs, they will be required to refer the person to the social work team for a re-assessment, which will be prioritised.For any equipment removed, the Council will expect the Provider to scrap and provide a scrappage re-fund. **Wider Market Development**The Council has a requirement for the Provider market to be able to install and repair all forms of manufacturers equipment. At this point in time through engagement with the market, we understand that they are not at this position. It is the Council’s aspiration to work with the Provider market to arrive at this position in the future.Following the award of this procurement solution the Council will co-design a wider market development plan to achieve this goal and the changing adaptation needs of the residents of Newcastle. |
| **8.** | **Timescale for Procurement** |
|  | Please see below **indicative** procurement timescale. All dates are indicative and subject to change.

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| 1. | Proposed Final Commissioning Model published alongside Provider Feedback for final comment.  | March 2020 |
| 2. | Final Commissioning Model and Feedback documents published along with notification to the Provider market informing that the Commissioning Phase has closed. | April 2020 |
| 3. | Procurement Phase commences but is put on hold due to COVID-19 | April 2020 |
| 4. | Procurement process undertaken | Autumn / Winter 2020 |
| 4. | Evaluation of tender responses | Autumn / Winter 2020 |
| 5. | Intention to Award notices sent to successful Providers | Winter 2020 |
| 6. | Award notices sent to successful Providers | Winter 2020 |
| 7. | Pre-start activity | Spring 2021 |
| 8. | Contract commences | 1 April 2021 |

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| **9.** | **Social Value** |
|  | Newcastle City Council has made a commitment to consider Social Value within the commissioning and procurement process. Newcastle City Council’s Social Value Commitment sets out five principles of Social Value, which must form the basis of our Social Value focused activities throughout our commissioning and procurement cycle. These are:* **Think, Act, Support North East** – thinking about local benefit first
* **Community Focused** – thinking about the value that could accrue to whole communities (as distinct from customer or service user groups)
* **Ethical Leadership** – thinking about how we make sure our suppliers and their supply chains operate in line with Local Authority principles
* **Green and Sustainable** – thinking broadly about the environmental and sustainability aspects of our commissioning
* **Enabling Change** – making sure stakeholders have knowledge, information and skills to be able to make Social Value real

Social Value can be built in throughout a commissioning process. Indeed, the best opportunities to drive Social Value appear right at the beginning of the process, before any decisions are made. We can potentially build in Social Value by incorporating it into:* the overall commissioning model design
* the contract requirements;
* the specification(s);
* the evaluation questions,
* contract monitoring arrangements, and
* how we apply monitoring findings to inform new commissions.

In order to implement its commitment, the Council has been considering all feedback received during the commissioning phase to determine the best way to incorporate Social Value into the design of the solution from April 2021 onwards.**Commissioning Model Design**Providers were given information on the Social Value requirements for this tender at the provider event on the 27 September 2019.The key themes identified to date have included:Think, Act, Support North East * The development of Lotting Structure to provide opportunities for our local North East provider market.
* Develop markets to increase the local offer and choice, filling current gaps in provision.

Community Focused * The Elders Council and Disability North Forum will form part of the evaluation process. This will ensure people’s voice is heard throughout this procurement.

Green and Sustainable * Reduce waste by increasing our focus on recycling and scrappage.

Enabling Change* The Council has a requirement for the provider market to be able to install and repair all forms of manufacturers equipment. At this point in time the market has indicated that it is not in this position. It is the Councils aspiration to work with the provider market to arrive at this position in the future.
* Following the award of this procurement solution the Council will co-design a wider market development plan to achieve this aim.

**Evaluation Question**As part of the tendering process we will ask an evaluation question around Social Value which will form part of the quality award criteria.**Contract Management**The Council have been working with Your Homes Newcastle to consider if a Social Values measuring tool could be incorporated into this procurement opportunity. |
| **10.** | **Contact Officers** |
|  | The Commissioner responsible for this commissioning process is Rhonda Eagle, Commissioner: Collaboration. The Commissioning and Procurement Officer supporting this project is June Parker. Please contact June with any queries or final feedback you wish the Council to consider. Email June.parker@newcastle.gov.uk |