

AGENDA ITEM: 8 Pages 67 – 74

Meeting	Cabinet Resources Committee
Date	4 April 2012
Subject	Award of Housing-related Contracts for Young People
Report of	Cabinet Member for Education Children and Families
Summary	This report seeks approval to award contracts to provider/s for the delivery of housing-related services for young people between the ages of 16 and 21. The contract/s for these services is for a two year period commencing 1 April 2012.

Officer Contributors	Flo Armstrong, Divisional Manager, Youth Support Service Sharon Glover, Operations Manager, Youth Support Service Sue Tomlin, Housing Strategy & Business Improvement Manager Roger Lancaster, Housing Needs Team Leader
Status (public or exempt)	Public, with a separate exempt report
Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable

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1. RECOMMENDATION

1.1 That the Committee authorise the award of contracts to:

Lot 1 Safestart Foundation for the provision of the Foyer service (final award £315,600 pa or £631,200 over two years);

Lot 2 Safestart Foundation for the provision of the Crashpad service (final award £77,420pa or £154,840 over two years); and

Lot 3 Metropolitan Housing for the provision of the High Needs service (final award £139,960pa or £279,920 over two years)

The contracts are to start on 1 April 2012 for a two year period with options to extend for a further year, subject to funding availability and performance.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee, 13 January 2011 (Decision item 11) – Prevention Services for Vulnerable Adults – Extension of Contracts for 12 months until 31March 2012.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 This service supports corporate priorities of the Council's Corporate Plan 2011-2013:

- Better services with less money, through the early identification of young people with particular needs which, if left unaddressed, are likely to require more intensive and expensive statutory intervention at a later stage;
- Sharing opportunities, sharing responsibilities, by working as part of a multi-agency response to youth homelessness, and similar issues adversely affecting young people, in the borough;
- A successful London suburb, by providing a service which enhances the Council's reputation with local families and the community.

- 3.2 These housing-related services will contribute to the priorities outlined in the Children and Young People's Plan 2010/11 – 2012/13:

- Embed a safeguarding culture across the partnership to improve the safety of all young people in the community
- Invest in early intervention to reduce the number of young people experiencing complex problems
- Assist young people, including care-leavers and the homeless, achieve a successful transition into adulthood

4. RISK MANAGEMENT ISSUES

- 4.1 The procurement process involved evaluations of the applicant organisations' experience, capacity and resources, capability, quality and financial viability. To mitigate any risk to the Council and in accordance with the Council's Contract Procedure Rules, organisations that were invited to tender verified that they would be able to provide a Parent Company Guarantee or a Performance Bond. In the event that the provider fails to deliver the required service, the bond will be called upon and used to provide a replacement contractor at no additional expense to the Council.
- 4.2 Service continuity will need to be maintained for the transition process. Current providers have been told there is no absolute certainty that decisions will be made in time to permit handovers on 1 April 2012 and are willing to continue to provide existing services for a short period beyond 1 April 2012 if necessary.
- 4.3 To ensure monies are being spent effectively all new contracts will be performance managed throughout the term of the contract using a robust monitoring system. This system is currently in place for contracts in the Children's Service

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Pursuant to the Equality Act 2010, public sector organisations have a responsibility to consider equality as part of every procurement. The council is also under an obligation to have due regard to eliminating unlawful discrimination, advancing equality and fostering good relations in the contexts of age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief and sexual orientation. Civil partnership and marriage are, also relevant within the context of the duty to eliminate unlawful discrimination.
- 5.2 This duty also, applies to a person, who is not a public authority but who exercises public functions and therefore must, in the exercise of those functions, have due regard to the public sector equality duty. This includes any organisation contracted by a local authority to provide services on its behalf.
- 5.3 The role for this duty in this procurement, is to make sure that those who might bid for the contract are not discriminated against, which is largely consistent with the requirements of the European procurement rules (enshrined into domestic legislation by The Public Contracts Regulations 2006 (as amended) and the EC Treaty referred to at paragraph 7 below. In addition, all bidders were asked to complete and submit a Diversity Monitoring Form.
- 5.4 Service users will be able to access services, irrespective of age, gender reassignment, pregnancy, maternity, ethnicity, religion or religious belief, sexual orientation, disability; and with respect to elimination of lawful discrimination, civil partnership and marriage. This will be checked during the regular performance monitoring of the contract. An Equalities Impact Assessment was completed as part of the re-commissioning process. It concluded that the recommendations herein would have a positive equalities impact.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

Finance

- 6.1 The budget for housing-related services transferred from Planning Housing and Regeneration in April 2011, to the Children's Service were £291,032 (Foyer), £95,000 (Crashpad) and £210,390 (High Needs Service). The total budget transfer to the Children's Service was £596,422 per annum.
- 6.2 The contract value for the life of all three services over two years is £1,192,844, with a breakdown as;
- Foyer is £582,064
 - Crashpad is £190,000
 - High Needs Service is £420,780

Please note that there will be an additional value for the 2 months extension period for the existing contractors

- 6.3 The commissioning process has been conducted in accordance with Corporate Contract Procedure Rules.
- 6.4 The tender process is detailed in section 9.
- 6.5 The list of contracts to be approved is detailed in section 9.

Staffing

- 6.6 TUPE may apply but the staff affected have never been Barnet Council employees and this would be a secondary workforce transfer from one provider to another. Some 20 members of staff working for two organisations (plus agency staff falling out with the scope of TUPE) are associated with the delivery of these provisions

7. LEGAL ISSUES

- 7.1 The Procurement Rules as apply to services differentiate between Part A services and Part B services. Part A services are subject to the full tendering regime. Part B services require that specifications for services are not discriminatory and that reporting and notifying obligations are met, this includes advertising the opportunity at onset of process.
- 7.2 The proposed housing-related contracts fall within Part B services. However, contracting authorities are still required to comply with the Treaty on the Functioning of the European Union (formerly the EC Treaty principles) in the way they carry out procurements and also to obtain value for money. These principles apply to all procurements with a "cross-border interest", whether or not the full procurement regime applies.
- 7.3 A written contract, which complies with the provisions specified by the Council's Contract Procedure Rules, will need to be drawn up and executed on behalf of the parties. The Provider will be required to provide a Parent Company

Guarantee or Performance Bond which will mitigate poor performance of the services.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's constitution in Part 3, Responsibility for Functions, states in paragraph 3.6 the functions of the Cabinet Resources Committee.
- 8.2 Section 5 of the Contract Procedure Rule designates Cabinet Resources Committee as the appropriate body to authorise contracts in excess of £500,000.

9. BACKGROUND INFORMATION

- 9.1 The Children's Service has commissioned housing-related services through contracts for £596,422 per annum (maximum) for 1 April 2012 – 31 March 2014. The commissioning process was a competitive process for the award of £1,192,844 (maximum) over a 2 year period.

The tender was divided into three lots;

- Lot 1 – Foyer. This service is for 23 young people, with medium to high support needs, at any one time. It is expected that young people will remain in the accommodation for up to 12 months with a maximum stay of two years. The service will focus on achieving a range of positive outcomes during their stay in the accommodation, in particular supporting young people's engagement in education, employment and training, with the overall aim of enabling them to make a positive transition to adulthood.
- Lot 2 – Crashpad. This service will provide short-stay accommodation (maximum duration 28 days other than in exceptional circumstances) for up to three young people at any one time. It is designed to deal specifically with cases of unplanned homelessness (as distinct, for example, from young people leaving care where arrangements can be pre-planned) and works closely with the Council's housing mediation officer to see whether reconciliation can be effected with the young person's family or other close support network. Where this is not possible, it prepares the young person for an onward move, for example into the Foyer which is located in the same building.
- Lot 3 – High Needs Service. The service is for 10 young people, with high support needs, at any one time. It is expected that young people will remain in the accommodation for up to 12 months with a maximum stay of two years. The service focus is similar to that of the Foyer but will recognise the fact that residents will tend to have higher support needs than Foyer residents.

- 9.2 Bidders were permitted to tender for all lots but, as the Foyer and Crashpad are co-located, it was indicated that the Council proposed to achieve economies of scale by awarding Lots 1 and 2 to a single bidder.

- 9.3 The tender notice was advertised nationally in In-House magazine and on the Barnet Council website as well as in the Official Journal of the European Union to ensure transparency of opportunity. The tender closed on Friday 13 January 2012.

9.4 **Evaluation process**

A fair and transparent due process was followed. The tender process was as follows.

- 9.5 Bidders were required to complete a qualification questionnaire, a pricing schedule and a methodology statement. Bidders were advised that these three documents would contribute towards the overall evaluation respectively in a 40:30:30 ratio. They were also advised that the respective evaluations for the Foyer/Crashpad would be combined after being weighted on a 2:1 basis, reflecting the fact that the Foyer was the larger contract.
- 9.6 The qualification questionnaire included a credit check and financial viability checks on the bidding organisation. It included certain tests which, irrespective of other results, resulted in automatic or discretionary disqualification from the process – no such disqualifications resulted. The completed questionnaires were then assessed by suitably qualified officers on the basis of experience of providing similar work, capacity and resource to support the contract, technical expertise and quality aspects.
- 9.7 The pricing schedule was evaluated with an equitable approach based on tendered figures received.
- 9.8 The component parts of the pricing schedule (one-off start-up costs; general running costs; daytime staffing costs; night staffing costs; off-site management costs) and the total quoted cost were each assessed by suitably qualified officers on a weighted basis.
- 9.9 In the methodology statement, bidders were invited to submit a maximum of six A4 sheets setting out their proposals for running each project. Bidders were advised to use this statement particularly to include ideas and other information which they might feel they had been unable adequately to convey elsewhere, for example, due to the pro forma style of the other two documents. These were assessed by suitably qualified officers looking, in particular, for new ideas and originality of thought.
- 9.10 The Council received 7 bids for Lot 1, 8 bids for Lot 2 and 8 bids for Lot 3. Seven organisations bid for all three contracts. Only one bid (for Lot 2 alone) failed, on the grounds of incompleteness, to progress to the evaluation stage.

9.11 The results of the evaluation process were as follows:

Foyer	Questionnaire – weighted score	Pricing – weighted score	Methodology – weighted score	Overall score
Organisation A	32.6	14.5	25.3	72.4
Organisation B	27.1	18.5	17.6	63.2
Organisation C	29.1	21.5	22.5	73.1
Organisation D	32.3	11.5	17.8	61.6
Organisation E	28.5	15	20.3	63.8
Organisation F	31.9	21	21.8	74.7
Organisation G	35.0	8	22.5	65.5

Crashpad	Questionnaire – weighted score	Pricing – weighted score	Methodology – weighted score	Overall score
Organisation A	32.6	14.5	21.9	69.0
Organisation B	27.1	16	14.3	57.4
Organisation C	29.1	16.5	22.2	67.8
Organisation D	32.3	17.5	17.3	67.1
Organisation E	28.5	13.5	16.1	58.1
Organisation F	31.9	18	20.8	70.7
Organisation G	35.0	21	24.1	80.1

Foyer/Crashpad weighted scores	Foyer (2 x)	Crashpad (1 x)	Overall score	Final award
Organisation A	144.8	69.0	213.8	0
Organisation B	126.4	57.4	183.8	0
Organisation C	146.2	67.8	214.0	0
Organisation D	123.2	67.1	190.3	0
Organisation E	127.6	58.1	185.7	0
Safestart Foundation	149.4	70.7	220.1	£393,020
Organisation G	131.0	80.1	211.1	0

High Needs	Questionnaire – weighted score	Pricing – weighted score	Methodology – weighted score	Overall score	Final award
Organisation A	32.6	11	25.3	68.9	0
Organisation B	27.1	18	16.3	61.3	0
Metropolitan Housing	29.1	19	25.8	73.9	£139,960
Organisation D	32.3	20	19.5	71.8	0
Organisation E	28.5	13.5	16.9	59.0	0
Organisation F	31.9	16.5	20.5	68.9	0
Organisation G	35.0	11	23.4	69.4	0
Organisation H	30.9	14.5	16.3	61.7	0

9.12 These outcomes produce a result within the Council's budget of £596,422.

As a result of this process the following organisations have been successful:

Lot 1 – Foyer

Name: Safestart Foundation Value: £315,600 (£631,200 over two years)

Lot 2 - Crashpad

Name: Safestart Foundation Value: £77,420 (£154,840 over two years)

Lot 3 – High Needs

Name: Metropolitan Housing Value: £139,960 (£279,920 over two years)

9.13 If the contract is awarded on 4 April 2012 the current contractors will continue to hold this contract until the end of May 2012

10. LIST OF BACKGROUND PAPERS

10.1 The Equalities Impact Assessment on commissioning of domestic violence provision can be provided on request by contacting Flo Armstrong, Divisional Manager, Youth Support Service, Children's Service, on 0208 359 7846.

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