

**Decision Maker:** PORTFOLIO HOLDER FOR CARE SERVICES

**Date:** 16<sup>th</sup> August 2016

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** CONTRACT AWARD FOR TENANCY SUSTAINMENT SERVICES

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**Ward:** All Wards

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1. Reason for report

- 1.1 This report is a summary of the Part 2 "Contract Award for Tenancy Sustainment Services" to be considered by the Portfolio Holder for Care Services subject to the views of the Care Services Policy Development and Scrutiny Committee on 16<sup>th</sup> August 2016.
  - 1.2 The report provides an overview of the process for tendering a tenancy sustainment services in accordance with the Public Contract Regulations 2015 and the Council's financial and contractual requirements.
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2. **RECOMMENDATION**

Subject to the views of the Care Services Policy Development & Scrutiny Committee, the Portfolio Holder for Care Services is asked to note the summary when considering the recommendations in the Part 2 report to award the Contract.

## Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Safer Bromley and Supporting Independence.
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## Financial

1. Cost of proposal: the contract will incur a cost of £195,101 per annum.
  2. Ongoing costs: Recurring Cost
  3. Budget head/performance centre: 749 000 3462
  4. Total current budget for this head: £1,050,530
  5. Source of funding: Revenue Support Grant
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## Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: Approximately 0.25 FTE Contract Compliance Officer time to monitor the Contract.
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## Legal

1. Legal Requirement: Non-statutory - Government guidance.
  2. Call-in: Call-in is applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 100 Social Housing Tenants at risk of losing their tenancy at any one time, and up to 9 recently released offenders (aiming to include more than one MAPPA client, risk dependant).
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

### **3. COMMENTARY**

#### **Background:**

- 3.1 The Tenancy Sustainment Service will provide support to tenants of Social Housing provided by Registered Social Landlords in Bromley who are at risk of losing their tenancies. The main purpose of this contract is the prevention of homelessness. Tenants accessing the service represent all vulnerable adult client groups, but the main groups are people with complex needs or mental health problems and older people with support needs. The service assists people to manage housing and financial problems which would otherwise result in presentations at the Council's Housing Needs Service.
- 3.2 The Service will also provide support for up to 9 tenants in a supported accommodation scheme for ex-offenders.
- 3.3 A Gateway Report (CS16022) was presented to Care Services Policy Development and Scrutiny Committee on 10<sup>th</sup> March 2016 outlining the options available for the retendering of the Tenancy Sustainment Service.
- 3.4 The Portfolio Holder agreed that a reduced service be tendered. This would provide support to 100 clients at any one time whilst maintaining the 9 units for ex-offenders at Orwell House. The emphasis of the commissioning strategy was to promote tenancy sustainment and to prevent homelessness whilst achieving efficiency savings.

#### **The Tender Process:**

- 3.5 The tender process was undertaken using ProContract, the Council's electronic tendering system and in accordance with the Public Procurement Regulations 2015 and the Council's financial and contractual requirements. As it was estimated that there would not be a significant interest in providing the service, both the Pre-qualification Questionnaire and Award Criteria documents were issued in a single stage process.
- 3.6 A total of 21 suppliers expressed an interest in providing the Service with only two providers submitting compliant bids. 7 suppliers that had registered an interest 'Opted Out' and 12 others 'Did Not Respond'.
- 3.7 The reasons for 'Opting Out' varied;
- 3 companies stated they were unable to fulfil the contract requirements;
  - 2 companies cited that they did not have sufficient resources to undertake the contract;
  - One company cited that they were not geographically located close enough to fulfil the contract; and,
  - One company registered a strong interest, but did not bid as they believed that the risk factors surrounding the TUPE element were beyond their acceptable levels.

#### **Evaluation:**

- 3.8 The Tender evaluation was undertaken in 2 stages. Officers assessed the Pre-qualification Questionnaire submissions to determine whether the tenderers had the general and technical resources and ability to deliver the services. The Council reserved the right to reject a submission at the Pre-qualification Questionnaire Stage if it failed to meet a minimum threshold score for any of the technical questions and on that basis no tenders were rejected at this stage.

3.9 Following Pre-Qualification Stage, Evaluation of the Stage 2 Quality submissions was undertaken by a panel including officers from the Council's Housing and Procurement & Contract Compliance teams, and was based on a 60% Finance and 40% Quality evaluation split.

3.10 The Quality evaluation focused on the following key areas:

1	Financial Resources & Contract Affordability	5%
2	Operational Competence	20%
3	Customer Care	20%
4	Quality Management	20%
5	Sustainability	15%
6	Health and Safety	20%

3.11 The Council again reserved the right to reject a submission at Stage 2 if it failed to meet a minimum threshold score of 6, 'Quite Good', for any of the Quality questions.

3.12 Overall the submission from one tenderer did not meet the minimum threshold for Quality, scoring the minimum threshold for only 3 questions, (Q1. Finance, Q3. Customer Care and Q6. Sustainability). The scores for the remaining 3 questions (Q2. Operational Competence, Q4. Quality Management and Q.6 Health & Safety) were 'Weak'. Due to these poor quality score, this company failed to meet the quality threshold and were excluded from the process. The other tenderer exceeded the quality scores required on every question.

#### **Justification for Award:**

3.13 The market exercise demonstrates that there is currently little capacity within the market with the required skills to undertake the contract.

3.14 The result of the evaluation process is shown in the Part 2 report.

3.15 A recommendation to award the Contract for the Provision of Tenancy Sustainment Services is included within the Part 2 Report.

## **4. POLICY IMPLICATIONS**

4.1 The provision of this service assists in supporting Social Housing tenants, with a range of needs in order to maintain their tenancy, thereby reducing the number of people presenting as Homeless to the Council Housing and Temporary Accommodation Services.

4.2 The provision of this service also continues to satisfy the Council's statutory duty to house clients leaving prison or adult ex-offenders who have unsatisfactory short term housing solutions in the community. This includes the option to house more than one Multi Agency Public Protection Arrangements (MAPPA) clients at Orwell House, dependant on risk assessments.

## **5. FINANCIAL IMPLICATIONS**

5.1 The financial implications of awarding the Contract are included with the Part 2 Report.

## 6. LEGAL IMPLICATIONS

- 6.1 This report seeks the approval of the Portfolio Holder for Care Services, subject to the views of the Care Services Policy Development and Scrutiny, to award a contract for the provision of a tenancy sustainment service for a period up to 4 years in accordance with Contract Procedure Rule 16.5.
- 6.2 Rule 8 of the Contract Procedure Rules provides that for a contract with a total value of above £500,000 the Council must invite tenders from between 3 and 6 organisations and comply with the Public Contracts Regulations 2015. Where it can be demonstrated that there are insufficient suitable candidates to meet this requirement, all suitably qualified must be invited. Paragraphs 3.6 and 3.8 confirm Rule 8 was adhered to.
- 6.3 Rule 14.8 of the Contract Procedure Rules states that for tenders with an estimated value of £50,000 or above, where fewer than the minimum number of Tenders required have been received the Director of Resources and the Finance Director shall be consulted, prior to any award decision, on any steps considered necessary to establish and maintain the adequacy of the tender process. These Officers have agreed to support the award of the contract.
- 6.4 The Public Contracts Regulations 2015 apply to this contract. The Council has carried out a restricted procedure and complied with these Regulations.
- 6.5 The report author will consult with the Legal Department regarding the execution of the contract.

<b>Non-Applicable Sections:</b>	<b>7 'PERSONNEL IMPLICATIONS'</b>
Background Documents: (Access via Contact Officer)	CS13015 "Award of Contract Tenancy Support Services" CS15915 "Gateway Review of Tenancy Sustainment Services" CS16022 "Gateway Review of Tenancy Sustainment Services"