

Wards Affected:

Campbell Park and Old Woughton

ITEM 4**PROCUREMENT AND COMMISSIONING****7 FEBRUARY 2017****INVITATION TO TENDER – CAPITAL WORKS FOR ENHANCEMENT OF DAY CARE SERVICES (REF: CU2570)**

Responsible Cabinet Member: Councillor Long (Cabinet member for Adult Care and Housing)

Sponsor: Mick Hancock (Assistant Director [Joint Commissioning])

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Executive Summary:

This report is seeking approval to commence the tender process for the capital works to the Council owned property in Simpson to provide suitable facilities to relocate existing day care services for older people including those with dementia. The estimated project value is £437,000.

1 Recommendation

1.1 That the commencement of a single stage open tender process for the procurement of capital works to create day care facilities for elderly people be approved.

2 Background

2.1 The procurement will facilitate the relocation of two day care services onto one site. The site proposed is a much better location for the service and will enhance the offer to older people. The project will also deliver required savings of £200,000 that was part of the budget saving proposals for 2016/17.

2.2 The Council has a duty to meet assessed social care needs under the Care Act 2014. Day services are a recognised and well-established way of meeting these needs.

2.3 The relocation of services from Cripps Lodge is part of a wider plan to make this site available for potential development to address the housing demand in Milton Keynes.

2.4 This report requests approval to obtain tenders for the capital works to create day care facilities at the Council owned building in Simpson. The estimated project value is £437,000.

2.5 Consultation

(a) The project commissioner and colleagues from Joint Commissioning have been involved in the development of the project and will continue

to be involved throughout its lifecycle to develop a scope of works that best suits the needs of the service whilst keeping the overall costs within budget.

- (b) A planning application will be submitted for the works and for the change of use of the building and pre-application consultation will take place with planning colleagues.
- (c) Prior to tendering, potential tenderers will be advised of this forthcoming tender opportunity via Milton Keynes Council's e-tendering system Intend.

2.6 Specification

- (a) The specification will be developed by technical specialists appointed either via the LGSS Framework for Professional Services for Building Surveying, Principle Designer and Contract Administration or via a quotation process with the support of the Procurement team.
- (a) In terms of Social Value, tenderers will be asked to include in their responses to the Most Economically Advantageous Tender (MEAT) evaluation criteria, their proposals for increasing local spend.

2.7 Evaluation Criteria and Panel

- (a) The MEAT evaluation of the open tenders includes the following tender specific requirements, which are listed below:

Area	Evaluation Area	Weighting (%)
1	Tender Price	70%
2	Quality	30%

- (b) Open tenders submitted will be evaluated by a panel comprising the Project Leader (Capital) and technical specialist(s) appointed either via LGSS Framework for Professional Services for Building Surveying, Principle Designer and Contract Administration or via a quotation process with the support of the Procurement team. The commissioner of the project will also be invited to evaluate the Quality elements of the tender returns. Colleagues within Finance, Legal and Corporate Procurement will be engaged to support the tender process.

2.8 Contract Terms and Conditions

- (a) Tenders will be sought for a contract period starting in October 2017 and completing in March 2018, excluding the defects liability period, which will continue for 12 months after this. It is anticipated that permission to award the tender will be brought back to Procurement and Commissioning in August 2017.

- (b) It is anticipated that the form of contract to be used for the tender is NEC3 Engineering and Construction Contract Option A: Priced contract with activity schedule. Contract terms will be agreed with Legal prior to tendering.
- (c) Upon approval of the recommendation to award the contracts, the Project Leader will liaise with Legal to have the Terms and Conditions issued to the successful contractor as a formal contract, which will then be executed and stored in the deeds room in accordance with the Council's Constitution.

2.9 Project Management

- (a) The project will be delivered using the methodology contained in the Capital Projects RACI, which aligns with the MK Approach to Project Management.
- (b) The Project Leader (Capital) will be the Lead Client Officer for the procurement of this scheme.
- (c) The management of the contract will be overseen by a Building Surveyor commissioned either via the LGSS Framework for Professional Services for Building Surveying, Principle Designer and Contract Administration or via a quotation process with the support of the Procurement team.
- (d) Issues that cannot be resolved by, or are not within the remit of the Building Surveyor and Project Leader will be escalated to the People Directorate Leadership Team.

3 Alternative Options

3.1 The following options appraisal has been conducted:

- (a) **Do nothing:** this will result in the works not taking place.

Pros:

Capital funding could be reallocated within the capital programme to address other priority issues.

The building could be used for another purpose.

Cons:

If MKC do nothing, the dementia and older people's day services would continue to be delivered from locations that are not suitable and identified service savings to merge the two would not result in year on year savings. Both services currently deliver from shared sites where conflicts with other services arise daily, causing stress and upset to the vulnerable service users. If Redwood remained at Cripps Lodge, the site would not be made available for potential development opportunity to address the housing demand in MK.

- (b) **Restricted Tender:** there is insufficient time in the programme to undertake a Restricted Tender process.
- (c) **Open Tender:** It was agreed by Cabinet in October 2014 that works under £350,000 will be procured via tender to the open market. It is anticipated that the construction value will be approx. £350,000 and the nature of the works is best suited to an open tender process.

4 Implications

4.1 Policy

The award of this contract contributes to the aim in the Corporate Plan 2016/20 to provide a healthy city, to ensure lifelong wellbeing for all and promote prevention, choice and empowerment. This is strongly linked to the adult health and social care priority focussing on promoting independence, prevention, integrated working and dignity through empowering service users and their Carers.

4.2 Resources and Risk

Resource and Spend approval of £10,000 for 16/17 and £427,182.92 for 2017/18 will be requested at Cabinet on 7 February 2017. This budget is funded by Tariff and Section 106 monies.

The budget cost includes the works, professional fees, surveys and a project contingency.

The Risk Assessment for this contract is available if requested or directly via Members access to GRACE. In summary:

The key OPPORTUNITY secured by this contract is to enhance the delivery of vital day care services for elderly and dementia sufferers by combining two existing day centres and re-locating them to the Simpson site (currently known as MK Music Service). This project will deliver a required saving of £200,000 that was part of the budget saving proposals for 2016/17. It is assessed that the delivery of this contract provides a HIGH Likelihood that will secure the opportunity defined providing Milton Keynes Council with a HIGH positive Impact.

The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation	Impact after Mitigation
No tenders received	Low	Potential tenderers will be advised of this forthcoming tender opportunity via Milton Keynes Council's e-tendering system Intend. The tender documents will be kept as simple as possible for ease of reading, completion and submission.	Medium
Cost or time overruns	Low	The project is being tendered with sufficient time to enable the successful contractor to fully resource projects to deliver to the required budgets and programmes.	Medium

Risk	Likelihood	Mitigation	Impact after Mitigation
End User not engaged in process	Low	The commissioner and colleagues in Joint Commissioning are already committed to working with the Capital Development team in the delivery of the project and the Project Leader will promote effective communication amongst the project team.	Medium

The governance measures set out in 2.7 above provide a basis to conclude that these threats, properly managed represent a LOW likelihood with a MEDIUM Impact.

Y	Capital	Y	Revenue	Y	Accommodation
N	IT	N	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

The MEAT document for the open tenders is to include criteria to evaluate the contractors' environmental consideration and to confirm their compliance with the relevant environmental legislation.

4.4 Legal

The Council has a duty to meet assessed social care needs under the Care Act 2014. Day services are a recognised, well established and popular way of meeting these needs for some older people and their Carers.

This procurement will be carried out in compliance with the Council's Constitution and UK and EU legislation.

4.5 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers:

START Project Documentation