

**INVITATION TO TENDER – FRAMEWORK FOR PROVISION OF HOUSEHOLD GOODS FOR THE LOCAL WELFARE PROVISION SCHEME (REF: CU2588)**

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

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**Executive Summary:**

This report is seeking approval to commence the tender process to set up a multi-lot framework for the provision of beds for the Local Welfare Provision Scheme and other Council services for a contract that will be from 1 August 2017 to 28 February 2019 with the option to extend for 1 year plus 1 year.

**1. Recommendation(s)**

1.1 That the commencement of a single stage European (OJEU) open tender process to set up a multi-lot single supplier framework for the procurement of beds for the Local Welfare Provision Scheme and other Council Services be approved.

**2. Background**

2.1 The Welfare Reform Act 2012 (the Act) ended the provision of Community Care Grants (CCGs) and Crisis Loans (CLs) under the Discretionary Social Fund for living expenses provided by the Department for Work and Pensions (DWP).

2.2 Funding was transferred from the DWP to Local Authorities (LAs) from 1 April 2013 for 2 years, to provide locally-administered assistance to vulnerable people.

2.3 There was no statutory duty requiring local authorities to deliver a specific scheme for administering this funding but Milton Keynes Council (the Council) considered that it was in the best interests of the community to run a scheme for a minimum of two years from April 2013 to provide the Council with an opportunity to understand and measure local demand. This scheme is known as the Local Welfare Provision (LWP) scheme. The scheme is now subject to annual approval and funding has been agreed for 2017/18.

2.4 Local Welfare Provision is a discretionary scheme which the Council has agreed to fund under the Discretionary Financial Assistance Policy.

2.5 The Council published a tender under CU2536 for the Provision of Household Goods (including Lot 2, Beds) in 2016 but none of the tenders that passed the

quality threshold could make same day deliveries. In view of the need to reduce the reliance on hotel type accommodation for homeless families it was decided to not award Lot 2 Beds.

- 2.6 This report requests approval to obtain tenders to set up a multi-lot framework for the provision of beds for the LWP Scheme and other Council Services. The estimated budget for this will be in the region of £52k per annum based on spend in 2015/16.

## 2.7 Consultation

A survey of internal and external stakeholders was undertaken in 2015 and the feedback was overwhelmingly in favour of providing goods and services, not cash or cash equivalents. It is not considered necessary to consult on which company should provide these goods but it is important that they are procured for the lowest price possible in order to maximise the number of people who can benefit from awards.

A review of the current procedures has identified the following:

- (i) Lessons learned – It is essential that we receive one invoice for each LWP award per supplier regardless of how many items are on that order to enable us to reconcile expenditure to each LWP application.
- (ii) Speed of delivery for beds is important. This avoids delays in the applicant moving in. Delays in moving in can result in lost Housing Benefit and increased rent arrears as well as extending the time someone may need temporary accommodation at a cost to the council. A framework will provide the opportunity to ensure delivery timescales are met.

## 2.8 Specification

- (a) The procurement seeks to deliver the following service objectives:
  - (i) To provide a supplier and process that is compliant with the Council's procurement policy and protocols.
  - (ii) To identify the supplier or suppliers that will provide best value for public funds and to the Council.
  - (iii) To maximisation the number of awards that can be made through the Local Welfare Provision discretionary fund
- (b) The specification can be summarised as:

Provision of household items in two lots:

|       |  |
|-------|--|
| Lot 1 | Beds for Milton Keynes and surrounding areas |
| Lot 2 | Beds for Luton area                          |
- (c) There will be a requirement for suppliers to meet specified delivery timescales including same day delivery.

- (d) It is anticipated that savings will be made within the contract by utilising the framework agreement prices.
- (e) Public Services (Social Value) Act 2012 - officers have considered whether this procurement can deliver any element of Social Value and have decided that suppliers will be tested on their proposals for Social Value.

## 2.9 Evaluation Criteria and Panel

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

| Area* | Evaluation Area   | Weighting (%) |
|-------|---|---------------|
| 1     | <i>Tender Price</i>   | 75%           |
| 2     | <i>Quality criteria in which we will test Delivery processes, Ordering processes and Social Value contribution.</i> | 25%           |

- (b) Tenders submitted will be evaluated by a panel comprising of service managers. Colleagues within Finance and Legal and Corporate Procurement will be engaged to support the tender process.

## 2.10 Contract Terms and Conditions

- (a) Tenders will be sought for a contract period starting on 1 August 2017 and ending on 28 February 2019. The Contract will provide for an extension of 1 plus 1 year. This date range brings it into line with the contracts awarded under Tender CU2536 mentioned above.
- (b) Legal will be engaged to ensure that appropriate terms and conditions are used for the framework and the call off contracts.

## 2.11 Project Management

- (a) The Council's Project Manager for the procurement is the Assistant Benefits Manager.
- (b) The Council's Senior Client Officer for the procurement and for the management of the contract is the Assistant Benefits Manager.

## 3. Alternative Options

### 3.1 The following options appraisal has been conducted:

- (a) Do nothing. This is not an option because we would not comply with Public Procurement regulations if we continue to purchase goods ad hoc for the Local Welfare Provision scheme.
- (b) Open (single stage) tender (Recommended). This provides maximum opportunities for Small and Medium Sized Enterprises as well as large companies.

- (c) Use a Council Framework or an external framework. There is no current framework available.

#### 4. Implications

##### 4.1 Policy

The procurement seeks to implement the Council's policy for awards under the Discretionary Financial Assistance Policy, adopted by Delegated Decision on 29 March 2016. The award of this contract will progress the priorities/outcomes within the Corporate Plan 2012/16:

##### 4.2 Resources and Risk

The costs of this contract are met from the Revenues and Benefits Service Budget (Revenue). The expected level of spend on this contract will be c£52k per annum based on previous spend levels. This cost can be contained within the total budget of £250k for Local Welfare Provision.

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

- (a) The key opportunity secured by this contract is to enable the Revenues and Benefits Service to meet the need for household items under the Discretionary Financial Assistance Policy. It is assessed that the delivery of this contract provides a high likelihood that will secure the opportunity defined providing the Council with a high positive Impact.
- (b) The key threats for this contract have been assessed as:

| Risk  | Likelihood/ Impact | Mitigation  | Impact after mitigation |
|---|--------------------|---|-------------------------|
| Delays in progressing the tender process          | Low / High         | Timetable embedded into work plan   | Low                     |
| Long term absence or availability of key officers | Low / Medium       | Timetable embedded into work plan and standby officer to pick up if required. | Low                     |
| Not enough market interest                        | Low / Medium       | Inform the market in advance  | Low                     |

The governance measures set out in 2.10 above provide a basis to conclude that these threats, properly managed represent a low likelihood with a medium impact.

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

#### 4.3 Carbon and Energy Management

Not applicable

#### 4.4 Legal

The services to be provided under this procurement are discretionary services which will facilitate the well-being of individuals within Milton Keynes. The Council has the power under the Localism Act 2011, powers of general competence, to provide these services. This procurement will also facilitate the realisation of the policy adopted by the Council, the Discretionary Financial Assistance Policy.

The proposed establishment of a framework to facilitate the provision of the services complies with the law relating to frameworks i.e. the term of the framework is proposed to 4 years at maximum.

The estimated value of the spend under the combined framework with CU2536 is £190,000 over term which is beyond the EU threshold for supply of goods. The tender will therefore require publication in the European Journal as well as on INTEND to comply with the procurement law and the Council's contract procedure rules.

The proposed tender price weighting is 75% and therefore complies with the Council's contract procedure rules which require that the price weighting should be no less than 40%.

#### 4.5 This report seeks approval to proceed to tender in accordance with the Council's contract procedure rules. Other Implications

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

Background Papers:            Discretionary Financial Assistance Policy (web link)  
[Link to Discretionary Financial Assistant Policy](#)