

# REVENUE PROJECTS

## PROCUREMENT STRATEGY- CONTRACT AWARD & WAIVER REQUEST

| Type of Request      |   |                                 |  |                |  |                             |  |
|----------------------|---|---------------------------------|--|----------------|--|-----------------------------|--|
| Procurement Strategy | x | Procurement Strategy via Waiver |  | Contract Award |  | Exemption Record Under C2.2 |  |

|                    |   |
|--------------------|---|
| Reference Number:  | NPS103-2018   |
| Project Title:     | Young Peoples Project Re-procurement  |
| Portfolio/Service: | People  |
| Completed By:      | Rebecca Sellens   |
| Category Code:     | CT15  |
| Supplier:          | Roundabout, Cherrytree Support Services Ltd, Depaul Uk, Guinness Partnership Ltd, Yorkshire YWCA and Young Womens Housing Project |
| Client:            | Ann Ellis   |
| Project Value:     | £2,316,097  |

### Approvals

| Procurement Strategy Approvals   | Signature | Date | Contract Award Approvals   | Signature | Date |
|--|-----------|------|--|-----------|------|
| Client   |           |      | Client   |           |      |
| <b>Executive Director of Portfolio</b><br>(if recommendation is a waiver over £50K in addition to the required P & SC authorisation levels below). |           |      | <b>Executive Director of Portfolio</b><br>(if recommendation is a waiver over £50K in addition to the required P & SC authorisation levels below). |           |      |

|   |  |  |   |  |  |
|---|--|--|---|--|--|
| <b>P&amp;SC</b><br><i>(Up to £100K Senior Category Manager, Over £100K Head of P &amp; SC).</i> |  |  | <b>P&amp;SC</b><br><i>(Up to £100K Senior Category Manager, Over £100K Head of P &amp; SC).</i> |  |  |
| <b>Duly APPROVED by Director of Commercial Services</b><br><i>(or delegated officer)</i>        |  |  | <b>Duly APPROVED by Director of Commercial Services</b><br><i>(or delegated officer)</i>        |  |  |
| <b>Peer reviewed by:</b><br><i>(by a more senior member of P &amp;SC)</i>                       |  |  | <b>Peer reviewed by:</b><br><i>(by a more senior member of P &amp;SC)</i>                       |  |  |

## Background of Review

A review of the commissioning and delivery arrangements for young people's services is underway. In order to allow time to conclude the Leader Review of Young People's Services and the subsequent implementation of the outcomes of the review and any new delivery model this report requests approval for the re-procurement of a number of Young People's support services while this review is concluded to ensure continuity of support and provide a legal framework for continued delivery of existing provision up to 30 September 2020.

On 18th July 2018, Cabinet made a decision that the Leader of the Council would conduct a review of the services the Council commissions or delivers that provide support to young people. This review is expected to report back to Cabinet later this year. The review is investigating the feasibility; opportunities and challenges of bringing a range of services that are currently managed and delivered in different ways into a new service model with a view to improving the effectiveness of delivery and improving outcomes for young people.

The services that are in the scope of the review include services the Council has contracts with external providers to deliver. In order to ensure that no break in provision occurs while the review is being completed and any new service model is being implemented and mobilised it is now recommended that those services are re-procured. This approach will also allow the end dates for all of the contracts to be aligned so that transition to any new model can be more easily facilitated.

The Services that are in scope for this re-procurement are:

| <b>Service Name</b> | <b>Provider</b>                 | <b>Service Description</b>                | <b>Contract expired</b> |
|---------------------|---------------------------------|---|-------------------------|
| Cherrytree          | Cherrytree Support Services Ltd | Medium/high support and accommodation for | 02.10.2017              |

|                               |                              |   |                              |
|-------------------------------|------------------------------|---|------------------------------|
|                               |                              | young people  |                              |
| Depaul Supported Lodgings     | Depaul Uk                    | Supported Lodgings placing young people with host families                              | 31.07.2018                   |
| Sheffield Foyer               | Guinness Partnership Ltd.    | Low/medium support and accommodation for young people                                   | 02.10.2017                   |
| St Barnabas Road              | Roundabout Ltd               | Medium/high support and accommodation for young people                                  | 02.10.2017                   |
| Roundabout Supporting Tenants | Roundabout Ltd               | Support to young people in their own tenancies  | 01.10.2018                   |
| Mediation Service             | Roundabout Ltd               | Support for young people and their families to enable them to live at home              | Grant expiry date 07.01.2019 |
| Peile House                   | Yorkshire YWCA               | Medium/high support and accommodation for young women                                   | 02.10.2017                   |
| Young Womens Housing Project  | Young Womens Housing Project | Medium/high support and accommodation for young women who have experienced sexual abuse | 02.10.2017                   |

A number of these services are currently running out of contract, which is leaving Sheffield City Council open to significant risk. This approach will also allow these non-compliant contracts to become compliant.

## Breakdown of Current Provision

The cost of procuring the contracts is set out in the table below. The table includes the current annual contract values and the budget for continued provision from 1<sup>st</sup> October 2018 to 30<sup>th</sup>

September 2020.

| Lot   | Annual Contract Value (approx.)                                | Budget Contract Sum (18 months)                      |
|---|--|--|
| 1) Low to Medium Support + Accommodation for Young People                                   | £237,200   | <b>£355,800</b>                                      |
| 2) Medium to High Support + Accommodation for Young People                                  | £599,000   | <b>£898,200</b>                                      |
| 3) Medium to High Support + Accommodation for Young Women                                   | £161,500   | <b>£242,200</b>                                      |
| 4) Medium to High Support + Accommodation for Young Women who have experienced sexual abuse | £155,000   | <b>£232,300</b>                                      |
| 5) Mediation to support Young People to live with their families                            | £29,500  | <b>£44,250</b>                                       |
| 6) Supported Lodgings for Young People  | £38,400<br>Core + 6 placements ie not including spot purchases | <b>£57,600 + spot purchases to a max. of £86,000</b> |
| 7) Floating Support for Young People in their own tenancies                                 | £229,400   | <b>£344,100</b>                                      |
| <b>Totals</b>   | <b>£1,450,000</b>  | <b>£2,173,850</b>                                    |

## Consultation

There has been no specific consultation on the proposals in this report and no statutory requirement to do so in these circumstances. Extending current services and re-procuring identical ones will ensure that the provision to users continues.

## Recommendation

Commercial Services Procurement Strategy, Waiver Request and Contract Award Document – V1.00 – April 2017

To grant permission for this short term re-procurement of housing the related support contracts as listed below with a view to a contract(s) being awarded to the successful provider(s) for the period from 1<sup>st</sup> April 2019 to 30<sup>th</sup> September 2020 with an appropriate break clause at 30<sup>th</sup> September 2019 to enable earlier termination in the event that a new service delivery model is ready for implementation.

To allow flexibility it is also recommended that an option (at the Council's sole discretion) to extend is included in each of these contractual arrangements. We anticipate this may not to be required but it is prudent to at this point ensure the council has flexibility in the event that unforeseen circumstances lead to a delay in implementation of any new strategic approach.

To run a One Stage Open Tender under the Light Touch Regime, with a view to meet the Contract start date of 1<sup>st</sup> April 2019.

## Procurement Timetable

| Stage in Procurement Process         | Dates                                     |
|--------------------------------------|---|
| Strategy Sign-off                    | 9th November 2018                         |
| Issue SSQ and ITT                    | 12th November 2018                        |
| Deadline for Clarification Questions | 23rd November 2018                        |
| Evaluation Period                    | 14th December 2018                        |
| Visit Accommodation                  | 17th December 2018 -<br>23rd January 2019 |
| Moderation Panel                     | 24th January 2019                         |
| Clarification Interviews             | 31st January - 1st<br>February 2019       |
| Preferred bidder notification        | 4th February 2019                         |
| Standstill Period                    | 5th February 2019 -<br>14th February 2019 |
| Contract Award                       | 15th February 2019                        |
| Mobilisation Period                  | 15th February 2019 -<br>31st March 2019   |
| Contract Start Date                  | 1st April 2019                            |

## Procurement Process

The procurement will be split into 7 lots, as listed below:

| Lot Number | Service   |
|------------|---|
| Lot 1      | Provision of an accommodation based support service comprising of up to 65 units for young men and women, aged 16-25 years in a scheme based or core and cluster setting that offers low to medium support Monday to Friday from 9 am to 5pm (with additional out of hours cover, such as concierge, during evenings and weekends.) |

|       |   |
|-------|---|
| Lot 2 | Provision of an accommodation based support service comprising of up to 55 units in a scheme based setting for young men and women aged from 16-21 years, offering medium to high support with 24hour staff cover (either sleep in or waking cover). NB Due to complex needs of the client group, accommodation needs to be in separate blocks of no more than 25 - 30 units. |
| Lot 3 | Provision of an accommodation based support service providing 14 units for young women aged 16-25 years (some of whom will have babies/toddlers ) in a scheme based or core and cluster setting, offering medium to high support with 24 hour sleep -in cover   |
| Lot 4 | Provision for an accommodation based support service comprising 13 units for young women aged 16 to 15 years (some of whom will have babies / young children) in a scheme based or core and cluster setting, offering medium to high support with 24 hour sleep-in cover.   |
| Lot 5 | Provision of a mediation service for young homeless people aged between 16-21 years (with a priority focus on 16 and 17 year olds) and their families   |
| Lot 6 | Provision of a supported lodgings service comprising of 6 units for young people aged 16-21 (with a focus on those leaving care)  |
| Lot 7 | Provision of a floating support service for up to 90 young men and women (including couples and families) ages between 18 - 25 years, with low to medium support needs delivered in their own homes or assisting them in moving to new homes.   |

Each individual Lot will have 2 Project Specific questions to assess Technical and Professional Ability (Section 8.3):

1. Question 1 will be a backwards look at experience of delivering a similar service, and will be scored out of 100. Failure to achieve 68% in this question will eliminate providers from progressing their bid.
2. Question 2 will be around the ability to provide suitable accommodation, in line with the specification to provide the service. This will be a Pass/Fail.

Each individual Lot will have unique Method Statement Questions. (*Please see Appendix 1 for individual breakdown of weightings.*) Failure to achieve an aggregate score of 68% and an individual score of 51% in these questions will eliminate providers from progressing their bid.

Each individual Lot will follow the below Award Criteria:

| Criteria              | Weighting |
|-----------------------|-----------|
| Quality               | 55%       |
| Price                 | 30%       |
| Social Value          | 10%       |
| Local Economic Impact | 5%        |



## Social Value

Social Value is inherent in the contract given the nature of the service being delivered. It is weighted at 15% for each individual Lot. Bidders will be asked to demonstrate Social Value within the contract and how they intend to measure it.

## Local Economic Impact

Due to the nature of this procurement, requesting the bidders to provide information around the contracted services and employees who live or work in Sheffield as a % of the total number of company employees would not add value to the procurement as 100% of employees, we know are Sheffield based.

In order to mitigate this, 5% has been weighted to Local Economic Impact, but in the context of how bidders will motivate service users to engage in education, training (including basic skills) and work related activity under the quality weighting.

## Price

For each individual Lot price is weighted at 30%. There will be an individual pricing schedule for each Lot which will be evaluated as part of the procurement process (*Please see appendix 2 for individual pricing schedules and evaluation methodologies*)

As from time to time the Council might wish to buy some additional ad hoc beds from the providers where the council may need to meet duties towards young people. We may, therefore, wish to spot purchase a small number of units over and above the main contracts. This would be no more than 6 units per contract throughout the life of the contract. A spot purchase price will be requested during the procurement exercise.

Please see below breakdown of budget for all Lots:

| <b>Lot</b> | <b>Max budget for 18 months service per block contract</b> | <b>Potential estimated additional cost if spot purchase</b> | <b>Estimated total maximum cost if additional 2 units purchased within each accommodation service and 6 units in Supported Lodgings.</b> |
|------------|--|---|--|
| 1          | £355,800   | £10,947   | £366,747   |
| 2          | £898,200   | £32,000   | £930,200   |
| 3          | £242,200   | £34,600   | £276,800   |
| 4          | £232,300   | £35,700   | £268,000   |
| 5          | £44,250  | N/A   | £44,250  |

|              |                   |                 |                   |
|--------------|-------------------|-----------------|-------------------|
| 6            | £57,000           | £29,000         | £86,000           |
| 7            | £439,700          | N/A             | £439,700          |
| <b>Total</b> | <b>£2,173,850</b> | <b>£142,247</b> | <b>£2,316,097</b> |

Flexibility has been built into the contracts for the accommodation services to give the Council the flexibility to procure additional services if required. This would be at the Council's discretion if the facilities are available from the provider. It is most likely that this provision would be utilised by Children's Care services for care leavers where alternative options might be less suitable and more expensive. The additional costs are estimated based on 2 units for the whole 18 months, however it is unlikely that these units will be purchased for the whole length of the contract so this is an indicative budget. Funding for these additional units would be provided from the Care Services budget to spot purchase additional units. Supported Lodgings is an exception as this is a service where we would like to see strategic growth therefore up to 6 addition hosts could be funded. Given the nature of this service it relies on hosts volunteering and there is a process of assessment and approval. It is unlikely that even if 6 new hosts are available this will be staggered and the costs would not be for the whole period of the contract. Up to £86,000 is available in the Housing Independence budget for this growth

## TUPE

Supplier to supplier TUPE is unlikely to apply, however standard procedures will be followed requesting TUPE information for inclusion in ITT Documentation.

## Alternative Options Considered

Option 1 - An alternative option considered was to re-procure all the contracts so that they had an end date of 30<sup>th</sup> September 2019. This option has been rejected because, at best, this gives only 11 months to conduct a potentially complex service redesign, commissioning and implementation process. If the process is not completed by that date extensions or further re-procurements would then be required at potentially short notice, not in line with the forward plan and at extra cost.

Option 2 - An alternative option considered was to allow some, or all, of the contracts to expire, and transfer the service delivery from the current provider to the Council. This option has been rejected because the services are complex (for example including use of buildings the Council does not own), and include a significant range of resources and staff. It is estimated that this option would take many months to implement, and is not a viable short term solution.



## Risk and Mitigation

**That the new service model cannot be recommissioned and implemented before 30<sup>th</sup> September 2020**

To allow flexibility it is also recommended that an option (at the Council's sole discretion) to extend is included in the re-procured contracts. New interim contracts will also be let with early break clauses in September 2019 to allow the council to move to a new strategic service model sooner if this is achievable. In this scenario the above costs will be reduced.

**There is a lack of interest in the tender opportunity leading to a gap in service provision**

All incumbent providers have been briefed and TUPE transfer information has been requested. Given that we are procuring like for like services, it is unlikely the incumbents will not bid for the services.

**That the bids are not of sufficient quality to pass the quality gate and therefore cannot be awarded.**

On Tuesday 6<sup>th</sup> October a Bidder YORTender training session will be held by Commercial Services. Within this we will provide the standard bidder information around how to write a successful bid. The Award criteria will be clearly communicated and a clarification questions will be handled and responded to in a timely manner (as usual).

## Procurement Strategy Key Details

|   |   |
|---|---|
| <b>Start Date for Contract or Waiver:</b>   | 01/04/2019  |
| <b>End Date for Contract or Waiver:</b>   | 30/09/2020  |
| <b>Proposed Tender Process:</b>   | 1 Stage <b>Open</b> ITT under Light Touch Regime  |
| <b>Current In-House Provider:</b>   | Roundabout, Cherrytree Support Services Ltd, Depaul Uk, Guinness Partnership Ltd, Yorkshire YWCA and Young Womens Housing Project |
| <b>Current Incumbent Supplier:</b>  | N/A   |
| <b>Will you be considering using a pricing schedule that can be converted into an Integra Catalogue thereby simplifying and accelerating the procure-to-pay process for goods and services:</b> | N/A   |
| <b>What level of approval is required under the Leader Scheme of Delegation?</b>  |   |
| <b>Has the project received the required approvals via the Leader's Scheme of Delegation?</b>   |   |
| <b>Is this project on the forward plan for Cabinet Approval?</b>  |   |

## Contract Award

### Result of Activity Undertaken

Record of the activity undertaken, savings achieved (finance approved and where the budget is being adjusted). Record any difference to the PS recommendation, include marketing/communications plan for mobilisation.

### Conditions and Future Procurement Actions – If applicable

If the recommendation in the PS is a Waiver details of any conditions attached to it should be documented here. Please include a summary of actions to address future procurement in relation to this waiver.

### Financial Provision

(Do not complete if using in-house provider)

Please insert the recommendation from Project and Commercial Finance (*for values over £500,00*) together with the date of approval (where applicable)

| Tenderer | Recommendation | Date of Approval |
|----------|----------------|------------------|
|          |                |                  |

### Benefits Tracker and Finance Business Partner Approval

Provide details of approved financial benefits to be added to Benefits Tracker. You must acquire approval from the Finance Business Partner within Finance and Commercial Services.

| Savings Type        | Cashable            | Non Cashable | Rebate                        | Income | Cost Avoidance      | Cost Recovered |
|---------------------|---------------------|--------------|-------------------------------|--------|---------------------|----------------|
| Benefit Group       | Category Management |              | Strategic Contract Management |        | Commercial Projects |                |
| Explanation / Value |                     |              |                               |        |                     |                |

|   |  |  |
|---|--|--|
| <b>Impacted Business Units</b>              |  |  |
| <b>Finance Officer Name</b>                 |  |  |
| <b>Finance Officer Signature &amp; Date</b> |  |  |

## Contract Award Key Details

|  |  |
|--|--|
| <b>Start Date for Contract or Waiver:</b>  |  |
| <b>End Date for Contract or Waiver:</b>  |  |
| <b>Terms and Conditions:</b><br><i>(SCC PO, Contract etc.)</i>   |  |
| <b>Peer reviewed by:</b><br><i>(by your manager or another member of P &amp; SC)</i>   |  |
| <b>WAIVER - Reason for Request:</b>  |  |
| <b>CONDITIONS –</b> <i>(record any conditions that apply to this waiver)</i>   |  |
| <b>WAIVER – Previous Waiver Reference (if applicable):</b>   |  |
| <b>Date promoted to Yortender and Team Forward Plan if applicable.</b><br><i>(Contracts via Waivers above OJEU must NOT be made public on the Yortender Contracts Register).</i> |  |

