



Author/Lead Officer of Report: Carl Mullooly –
Accommodation and Support Team Service
Manager

Tel: 0114 2052569

Report of: *Laraine Manley, Executive Director, Place*

Report to: *Cabinet*

Date of Decision: *16/01/2019*

Subject: *Request for permission to tender and award contract for Furnished Accommodation Procurement Framework.*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>
- Affects 2 or more Wards	<input type="checkbox"/>
Which Cabinet Member Portfolio does this relate to? <i>Neighbourhoods and Community Safety</i>	
Which Scrutiny and Policy Development Committee does this relate to? <i>Safer and Stronger Communities</i>	
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>	
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-	
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>	

Purpose of Report:

The purpose of the report is to obtain permission for Sheffield City Council to tender for, and award contracts for the provision of furnished accommodation goods under a fully Public Contracts Regulations 2015 and OJEU compliant Framework. The existing contract is due to end in January 2019 and it is intended that a waiver be sought to extend this contract for a period of 10 weeks so that a full procurement and contract award process can be completed, whilst maintaining the service provision and our contractual obligations.

The proposed new service contract under a Framework Agreement will ensure that the Furnished Accommodation service has a reliable and continual supply of suitable goods at competitive rates to ensure service delivery is maintained. In addition the service supports third party works in the form of the Local Assistance Scheme, the Gateway Refugee Programme, Syrian Vulnerable Persons Resettlement Scheme and Rotherham Council Furnished Accommodation Service. The furniture is also used for properties used as Temporary Accommodation for families and vulnerable people who present as homeless and we have a duty to home pending further investigation. The Service will continue to look for supply opportunities within the locality and so require a robust, cost effective, flexible supply contract framework and supply chain to support its mainstay activity and future ambitions. The council will actively explore opportunities to extend the agreement to external bodies and internal services.

Recommendations:

To procure services via a Framework Agreement for the supply of furnished goods as detailed and outlined within this report.

To delegate an authority to the Director of Finance and Commercial Services in consultation with the Director of Housing and Neighbourhoods to award such contract and take such other necessary steps not covered by existing delegations to achieve the outcomes outlined in this report.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

N/A

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Paula Martin – Commercial services and Claire Jamieson - Finance
		Legal Henry Watmough-Cownie
		Equalities: Louise Nunn
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	Laraine Manley
3	Cabinet Member consulted:	Jim Steinke
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Carl Mullooly</i>	Job Title: <i>Service Manager</i>
	Date: 26/11/18	

1. PROPOSAL

- 1.1 The purpose of the report is to obtain permission for Sheffield City Council to tender for the contract for the provision of Furniture for our Furnished Accommodation Service which has an estimated value of £7million over 4 years. The Furnished accommodation service has operated since 1998 and has grown rapidly over this time. The Service provides an essential offer to Housing Clients, the Local Assistance Scheme, The Gateway Programme and the Syrian Refugee Project amongst others. SCC Furnished Accommodation service is engaged in works to provide a number of customers with a service which also now includes fulfilling a contractual agreement for the Furnished Service of Rotherham MBC on a formal 2 year agreement which commenced July 2018.
- 1.2 The main role of the service is to provide furnished accommodation and we currently have approximately 2452 furnished properties out of the councils housing stock. It forms part of an offer to vulnerable households who come through our homeless route, are fleeing violence or other difficult circumstances and are unable to afford to furnish their home. We

offer a variety of items ranging from carpets and curtains to white goods such as fridge freezers and washers. Items are given a points value and customers can access what they need and is affordable to them. This is paid via a service charge which is covered by housing benefit to a cost of £10, £15 or £20 per week depending on the value of the items. This ties in with the Housing Plus approach to create sustainable tenancies for our customers.

- 1.3 The team furnish properties that are used as Temporary Accommodation for homeless customers. Customers who required furniture and are awarded a grant under our Local Assistance Scheme also access this service with furniture being delivered to these clients. In addition we have started to allow Care Leavers to access this provision and the team links in with personal advisors to arrange furniture delivery. It is intended that the new framework will also be utilised to furnish properties provided to refugees resettled in Sheffield under grant agreements with the Home Office. We currently receive income to set up properties ready for the arrivals of vulnerable people fleeing their home country and who have lived in camps whilst waiting to be resettled in a place of refuge, and that will continue where possible.
- 1.4 Despite having a number of different clients we have standardised the specifications across the piece. The agreed range of goods provided for all recipients of the service will be replicated enabling us to increase our buying power with the market, streamline the offer and bring efficiencies to the ongoing administration of the supply chain for example by raising fewer purchase orders.
- 1.5 We are proposing to continue to utilise a Framework approach for a contract period of four years. Under the PCR regulations we will be able to conduct a series of further competitions annually which allows the market the opportunity to refresh the offer to SCC and is ultimately more flexible for the SME's (Small or Medium size enterprises) in our supply chain. We would have flexibility to review arrangements annually and also have mini competitions if there is a need for big bulk one off orders. The framework provides no volume guarantees and flexibility not to call off.
- 1.6 The Framework will be let across 6 LOTS with bidders eligible to bid for one or more LOTS, again offering flexibility.
- 1.7 The LOTS are as follows:
 - Lot 1 – White and Brown Goods
 - Lot 2 – Sofa's and Suites
 - Lot 3 – Dining Room Furniture
 - Lot 4 – Bedroom Furniture – Bed Bases & Mattresses & Cots
 - Lot 5 – Curtains and Curtain Tracking

Lot 6 – Household Consumables

- 1.8 We are also exploring the possibility of conducting a reverse e-auction for the White and Brown Goods LOT as we feel there are commercial benefits to doing this given the volumes in this category which could create savings.
- 1.9 During the tender process we will be actively exploring with the market the introduction of apprenticeship schemes which are currently not widely used in this market. Soft Market Testing will be carried out to ascertain if the supply chain is currently aligned to the Foundation Living wage and if not what the effect might be on the market and tender process if this was a requirement. Our approach would be to work with suppliers on achieving this outcome. Transparency of all our supply chains will also be mandated to assist with future product availability and traceability.
- 1.10 The current Framework agreements end in Jan 2019 and as such SCC have a legal obligation to retender the contract given its size in value.
- 1.11 As with the current agreement it could be accessible to other Local authorities or Housing associations. We will actively explore opportunities to extend this agreement to other services within Sheffield City Council and external partner organisations
- 1.12 All goods we purchase through this agreement will carry a 2 year warranty as standard. The exceptions being small value consumables such as cutlery.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 This decision allows us to provide good quality furniture to furnish council homes and provide vulnerable people access to goods to help sustain tenancies and develop thriving communities:
- 2.2 By standardising product specifications across the piece regardless of end user makes bidding easier and supply less complex and more inclusive
Offers opportunities for SME's and small local family run businesses and supports employment in the region.
- 2.3 Social Value and Local Economic Impact and Contractor's performance in relation to air quality are integral to the evaluation criteria of this procurement as scored elements which will give our local supply chains the opportunity to showcase the impacts they have in a manner that is influential.
- 2.4 Anticipated lower purchase prices will increase the amount of awards that can be granted by the Local Assistance Scheme benefitting more vulnerable impoverished people in the city.

2.5 Gives SCC scope to attract further business from other Local Authorities and/or Housing Associations in a collaborative and proven approach going forward.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 N/A

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 Advice received that an EIA is not required.

4.2 Financial and Commercial Implications

4.2.1 The estimated value of the contracts £7million over 4 years. A procurement strategy has been developed by Commercial Services to tender for this process

4.2.2 There always will be an ongoing, upfront requirement to purchase goods and place them in to stock prior to sending out to customers including third parties like Rotherham MBC. This Stock is usually distributed from Solpro to our clients but for bulk purchase clients like RMBC we are looking at some direct deliveries to clients premises to assist with efficient logistics.

4.2.3 Bulk Call Off orders are placed with the most frequently used suppliers and quantities are called off at regular intervals based on stock availability and third party demand.

4.2.4 As part of our offer to the market this time suppliers will be offered the opportunity to consider the Supply2Sheffield Early Payment scheme under our Ethical Procurement Policy as we feel this could have a very positive effect on this supply chain given some of our current suppliers are SME's and we are hoping to continue to attract the small suppliers under any new arrangements.

4.2.5 Some purchase outlay is off set by the revenue from service agreements with Council tenants and the sale of goods to third parties and other agencies such as the Local Assistance scheme.

4.2.6 Given the value of the procurements across the service and for the Framework duration of four years the tender will be SCC Standing Orders and OJEU compliant.

4.3 Legal Implications

4.3.1 Section 1 of The Localism Act 2011 provides the Council with a 'general power of competence' which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited.

4.4 Other Implications

4.4.1 None

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 N/A

6. REASONS FOR RECOMMENDATIONS

6.1 The reasons for recommending this business are highlighted above in the summary of benefits at section 2

6.2 The successful tender and contract awards will benefit vulnerable residents of the city and offer opportunities to develop the Furnished Accommodation Service with other Local Authorities and Registered Social Landlords.

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