

To: City Executive Board

Date: 1st July 2009

Item No:

Report of: Strategic Procurement & Shared Services Manager

Title of Report: Award of Contract for the Furnished Tenancy Scheme

Summary and Recommendations

Purpose of report: To grant project approval and delegated powers to award to the Executive Director of City Services, for the supply of a Furnished Tenancy Scheme Service to Oxford City Council

Key decision? No

Executive lead member: Councillor Joe McManners

Report approved by: Councillor Joe McManners
Executive Director of City Services Tim Sadler

Finance: Chris Kaye
Legal: Lindsay Cane

Policy Framework: Oxford City Council Corporate Plan:
Be an effective and responsive organisation,
providing value for money services.

Recommendation(s):

1) To grant project approval for the provision of a Furnished Tenancy Scheme Service to Oxford City Council

2) To delegate, to the Executive Director City Services, the authority to award the contract for the provision of a Furnished Tenancy Scheme to Oxford City Council

3) To the contract being for 3 years commencing on 1st August 2009 with an option to extend the contract by up to 2 years.

1 Background

- 1.1 Oxford City Council currently uses Furnished Homes Ltd to supply and fit all goods and furnishings that are required in furnished tenancy properties.
- 1.2 The current contract comes to an end in July and the Tenancy Operations Manager has requested the Procurement Team to re-tender the contract.
- 1.3 The Council currently spends in the region of £350,000 each year furnishing tenancies, which are then offered to some of the Council's more vulnerable tenants to stop new tenants 'living rough' in their homes and to improve the quality of life; the sustainability of the tenancy and the length of the tenancy. By doing so reduce failed tenancies and repeat homelessness.

2 Tender Process

- 2.1 As specified in 1.3, the value of the contract meant that an advertisement was placed in the Official Journal of the European Union, local, trade press and on the Council's website.
- 2.2 The evaluation panel is made up of Officers from both the Procurement Team and the Estate Management Team. These Officers are also marking the tenders and will agree on the award recommendation.
- 2.3 The evaluation panel have determined the relevant financial and technical evaluation criteria that will provide the most economically advantageous contract, with 40% of marks being awarded for the pricing offer and 60% of marks awarded for evidence of quality. Suppliers must demonstrate that they are technically and operationally competent and able to meet the specification.
- 2.4 The panel will have conducted interviews with the short – listed tenderers by the time this report is presented at City Executive Board, and a verbal update on the process can be given.

3 Other Options

- 3.1 The Constitution and Procurement Strategy advises that City Executive Board considers what other options are available before giving major project approval and awarding a contract over 100K. These are detailed below.

3.2 Continue as we are

If we continue with the current service, the contract threshold value, as specified by the European Procurement Law, will be exceeded putting the Council in breach of Procurement regulations.

3.3 Use a contract set up by another organisation

Despite a post on the Society of Procurement Officers website, and research amongst the Tenancy Operations Managers peers, there does not appear to be a similar contract in place that is available to join.

4 Benefits of the Contract

4.1 The contract is currently being delivered by a single supplier. The furnishing needs for a tenanted property are quite diverse, ranging from white goods to the installation of carpets. It is thought that efficiencies may be gained by offering the tender in lots, thus exploring whether specialist suppliers can offer goods and services at more advantageous rates.

4.2 Whatever the outcome of the tender process, whether that is through single or multiple suppliers, the Council should seek to achieve savings on the current spend in excess of 2%.

5 Financial Implications

5.1 The Furnished Tenancy Scheme is funded from the Housing and Revenue Account (HRA) and is now self-financing therefore budget neutral on a year on year basis. Therefore there are no financial implications with this tender.

6. Legal Implications

This contract has been tendered in accordance with the EU procurement regime. It therefore complies with both the Council's own procurement requirements and external regulation.

7. Environmental Impact

7.1 This contract is not thought to have a major impact on the achievement of the Council's environmental related corporate priorities, however, as a minimum it is expected that any supplier will adhere to the Forestry Commission guidelines regarding the use of sustainable timber, and be an FSC recommended supplier. The supplier(s) will have a robust

environmental policy in place, and be in a position where they are closely monitoring their supply chain.

8. Equalities Impact

- 8.1 As a formality suppliers are asked detailed questions about their approach to equalities. For example the documentation asks questions around how the supplier embeds their equality related policies within their organisations and ensures fair treatment of all staff.
- 8.2 As part of the tendering process, members of the Tenants panel will be invited to sit in on and contribute to, the short-listed suppliers presentation sessions.

9. Risk

There are no high risks associated with putting this contract in place. There is, however, a low risk associated with this tender. If multiple suppliers (e.g. up to 5 lots are on offer) are appointed for this contract, this may make the contract more complex to manage. This risk will be mitigated by arranging contract management training for the Supervising Officer and by the Procurement Team offering extra support during the first 6 months. Please refer to Appendix 1

10. Recommendations

That the City Executive Board agrees:

- 1. To grant project approval for the provision of a Furnished Tenancy Scheme Service to Oxford City Council**
- 2. To delegate, to the Executive Director City Services, the authority to award the contract for the provision of a Furnished Tenancy Scheme to Oxford City Council**
- 3. To the contract being for 3 years commencing on 1st August 2009 with an option to extend the contract by up to 2 years.**

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List of background papers: None

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