

**To:** City Executive Board

**Date:** 12 March 2015

**Report of:** Head of Housing and Property Services

**Title of Report:** Single Homeless Outreach and Assessment Service

## Summary and Recommendations

**Purpose of report:** To seek authorisation to award a contract to deliver the Council's single homeless outreach and assessment service.

**Key decision:** Yes

**Executive lead member:** Councillor Scott Seamons, Executive Member for Housing and Estate Regeneration

**Policy Framework:** Meeting Housing Needs.

**Recommendation:** That the City Executive Board award the Single Homeless Outreach and Assessment Service to St Mungo's Broadway for a period of 3 years initially with the possibility of an extension for up to 2 years.

## **Appendices**

Appendix 1 - Outreach Tender Scored

Appendix 2 – Risk Register

## **Summary**

1. This report requests approval to award a contract to St Mungo's Broadway, with a total contract value of £1,052,679.

## **Background**

2. The Council currently provides services for the most vulnerable people in Oxford by way of commissioning a number of frontline services. Although they are not statutory services, they are considered an essential service when we are aiming to tackle rough sleeping and the issues surrounding it.

3. The services are as follows:

- Oxford City Outreach (Current costs £235,000 per year)
- No Second Night Out team (Current costs £72,000 per year)
- Single Homeless Service (Current costs £52,000 per year)

4. The Rough Sleeping and Single Homeless Team have carried out a review of current service provision.. This includes a prevention service to help divert clients away from rough sleeping, an Outreach service working with people on the streets and an Assessment team who work with clients when they enter the No Second Night Out (NSNO) hub.

5. The Outreach service was tendered on a contract term of 3 + 2 years in 2011/12. The other listed services were commissioned separately following the introduction of NSNO and a later review of NSNO. This has resulted in different providers delivering parts of what is now considered to be a single service

6. The Rough Sleeping and Single Homelessness team has investigated the options of bringing all these services under one service contract. Given that it is not possible to vary the existing main contract to incorporate the smaller ones the remaining procurement options are:

#### **Option 1**

7. Do nothing and continue the existing services. This would result in extending the larger contract by 2 years and the smaller contracts by a year in order to bring the contract end dates in line and retender the whole service.

#### **Option 2**

8. Start the tender process with the aim of creating a single holistic service.. The NSNO or the Single Homeless Service can be terminated without penalty under their service level agreements. Having evaluated the business case of such a change, it was considered that that option 2 would yield the most benefits for the single homeless clients.

9. Bringing together services into one contract will deliver efficiencies by streamlining the Council's business processes.

10. It is envisaged that similar efficiencies will be achieved by the single service provider.

#### **Budget**

11. The Rough Sleeping and Single Homelessness Team revenue budgets include £1,052,679 for these services for three years starting in April 2015.

## **Tender Process**

12. The service held a bidders' day, attended by 15 organisations, to consult and ensure that the proposed changes to the service delivery were in line with best practice..

13. After analysing the information gained at the bidders day and further refining the service specification, an (EU, Part B) open tender process was conducted using the South East Business Portal.

14. 22 organisations expressed an interest in providing their services to carry out Single Homeless Assessment and Outreach service.

15. Three tenders were received and evaluated by an officer panel

The panel recommends that St Mungo's Broadway as being the organisation best suited to meet the needs of this contract.

## **Evaluation Criteria**

### **Criteria 1: 40%**

17. Financial Proposal – Bidders were asked to submit an annual price for each of the three years..

### **Criteria 2: 60%**

18. The Quality of the Proposal was assessed as follows:

Tenderers were asked to explain how they would deliver the service, with evidence from case studies of current or previous contracts, future developments, and how they contribute to this sector as an organisation. The tender documentation also questioned their financial projections, efficiencies and the value they would add to this contract. The documentation probed them on their procedures on monitoring the quality of work. Details were required on where they would locate the service, their implementation plan, their involvement of service users in the development and how they would adapt in the light of changing budgets and client groups.

## **Tenderer Proposals**

19. All 3 tenders passed the first stage minimum selection criteria and went on to stage 2 assessment.

20. The tenders were ranked as follows (a more detailed list of scores can be found at appendix 1):

| <b>Tenderer</b>     | <b>Overall weighted score achieved (quality and price)</b> | <b>Overall ranking</b> |
|---------------------|--|------------------------|
| St Mungo's Broadway | 80.9   | 1                      |
| Tender 2            | 79.6   | 2                      |
| Tender 3            | 72.35  | 3                      |

21. All Providers attended tender clarification interviews.

22. St Mungo's Broadway further increased confidence in their ability to carry out the services to a high standard in responding to the tender questions. They demonstrated their desire to continue to provide the excellent service and committed to enhance this through new innovative and creative approaches. They demonstrated a good understanding of how they would re-structure the service incorporating the other contracts. This contract would be placed in their new organisational Directorate, which would be focused on this area of work. They confirmed that additional management resources have been brought in to boost their capacity and they also committed to recruit a further trainee to the contract, resulting in 2 new apprenticeships. This meets with the Council's priority to create new jobs and apprenticeships

### **Contract Rules Compliance and Financial Assessment**

23. This is a fixed price contract and Payment is made on a quarterly basis.

24. A financial assessment on St Mungo's Broadway has been carried out which confirms that the company represents a low risk to the Council.

25. The contract is using Oxford City Council Standard terms and conditions.

### **Savings**

26. The fixed price tender submitted by St Mungo's Broadway is £1,052,679.00, which will deliver an estimated saving of £24,321 over a three year period.

### **Contract Management**

27. The Council's Rough Sleeping and Single Homelessness Manager will be responsible for the contract.

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**List of background papers:** None

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