

REPORT TITLE: AUTHORISATION FOR AWARD OF CONTRACT FOR
CATERING SERVICE AT CHESIL LODGE EXTRA CARE SCHEME

22 MARCH 2017

REPORT OF PORTFOLIO HOLDER: COUNCILLOR CAROLINE HERRILL

Contact Officer: Amber Russell Tel No: 01962 848229 Email:
arusell@winchester.gov.uk

WARD(S): ST MICHAELS

PURPOSE

This report updates Members on the tendering process for a catering service at Chesil Lodge, Extra Care scheme and seeks final approval to enter into a contract with the recommended contractor.

RECOMMENDATIONS:

That the Assistant Director (Chief Housing Officer) be authorised to enter into a contract to provide a catering service at Chesil Lodge, Extra Care scheme as set out in Exempt Appendix 1 to the Report.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 Providing new homes is a key strategic priority for the Council. The Council also recognises that the elderly population of the District is increasing and has the desire to provide purpose built accommodation for older people who wish to remain independent but need care services. Working with partners to improve the health and happiness of residents in the District is another strategic commitment which Chesil Lodge will facilitate.

2 FINANCIAL IMPLICATIONS

- 2.1 Provision for the cost of this new service has been included within the HRA budget for 2017/18 and beyond, as detailed in Report CAB2893(HSG) dated 1 February 2017.
- 2.2 The annual costs as detailed in the exempt appendix are well within the budget provision and service charges will contribute towards the cost of the catering service.
- 2.3 The individual meal costs as detailed in the exempt appendix are at the lowest end of the scale included within the tender documentation.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 As detailed in 10.2 below, the proposed contract is a below threshold service under Schedule 3 of the Public Contract Regulations 2015, therefore the tender process has been conducted in accordance with the Council's Contract Procedure rules.

4 WORKFORCE IMPLICATIONS

- 4.1 No direct implications, other than the impact on existing sheltered housing staff who will act in a client role and be responsible for monitoring contract performance.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The successful tenderer will be required to use Council equipment installed as part of the Chesil Lodge development project. The contract provides for relevant insurances and maintenance regimes.

6 CONSULTATION AND COMMUNICATION

- 6.1 The Portfolio Holder for Housing and Hampshire County Council Adult Services has been involved in the preparation of the service specification for the catering service.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 No specific environmental considerations impact on the recommendations in this report. On site catering is a key feature of extra care housing and is an important element of the long term sustainability of the scheme.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 Whilst a formal impact assessment is not required to support the award of this contract, the provision of on-site restaurant facilities is an integral part of extra care housing. All residents of the scheme will have access to meals and all will pay the same level of service charge. Actual costs of meals are not included in the service charge and tenants will choose whether to purchase meals or not. With the tender price for meals being at the lowest end of the estimated charge, every effort has been made to ensure meals are affordable.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>		
<i>Poor maintenance of Council owned equipment</i>	<i>Successful tenderer will be required to sign up to a lease for use of the kitchen and equipment with clear terms re maintenance</i>	
<i>Community Support</i>		
<i>Timescales</i>		
<i>Preferred bidder withdraws</i>	<i>Short term interim arrangements required with alternative provider/ re-run procurement process</i>	
<i>Failure to enter into contract and/or mobilise by 1/10/2017 and associated costs</i>	<i>Mobilisation project group to be established with new service provider to secure delivery</i>	
<i>Project capacity</i>		
<i>Ability of Housing and other teams to meet timescales set out in mobilisation plan</i>	<i>Effective mobilisation project planning and monitoring</i>	
<i>Financial / VfM</i>		
<i>Risk of not achieving value</i>	<i>Contract process has</i>	

<i>for money</i>	<i>tested local market and evaluation focussed on value for money</i>	
<i>Legal</i> <i>Risk of challenge</i>	<i>The tender process complies with the Public Contract Regulations and the Council's Contract Procedure Rules. The Tender opportunity being advertised on South East Portal and Contracts Finder</i>	
<i>Innovation</i>		
<i>Reputation</i> <i>Quality/service delivery not in accordance with Contract</i>	<i>Robust quality assessment completed including references/site visits</i>	
<i>Other</i>		

10 SUPPORTING INFORMATION:

10.1 Background

10.1.1 Extra care provides a safe and secure environment where older people can live as independently as possible with the support of 24/7 on site care and support team, in a community of other older people. The Chesil Lodge scheme is a development of 52 units (1 and 2 bedrooms) of mixed tenure, together with a day care centre facility managed by Hampshire County Council for approximately 15 users (non-residents).

10.1.2 It is recognised that as residents get older, their ability to live independently reduces due to physical and mental health needs. The provision of an on-site restaurant facility at Chesil Lodge means that residents can access good cooked food and interact with others without the need to move into residential care.

10.1.3 The overall aim of the catering service is to encourage good nutrition and social interaction through provision of good quality cooked food, prepared from base ingredients on site within the scheme facilities seven days a week. It is hoped that the Chesil Lodge residents and their visitors, together with day centre users and other older people living in the local community will take lunch meals in the restaurant area of the scheme or in the case of day centre users, in the day centre facility.

10.1.4 The Council intends to enter into a Contract with the successful catering tenderer, for a period of two years, commencing on or around 2 October 2017 when the scheme opens, with an option to extend for a further period of up to three years.

10.2 Tender Process

10.2.1 The catering service contract was tendered via the South East Business Portal and Contracts Finder from the week commencing the 21 November 2016 with a deadline for receipt of tenders of 11 January 2017. During this period 3 expressions of interest were received. Contact was also made with three known contractors who provide catering services in Hampshire to make them aware of the tender opportunity.

10.2.2 Only one tender return was submitted by the deadline, the details of which are set out in Exempt Appendix 1.

10.2.3 The evaluation of the tender was a three stage process. Stage 1 was assessed on a pass/fail basis to ensure the tenderer met the Council's minimum requirements for economic and financial standing and mandatory standards relating to insurance, staff, health and safety and local presence as set out in the tender documentation. In stage 2 the tenderer was formally assessed in accordance with the tender assessment and evaluation criteria which was 60% cost and 40% quality as determined in the Council's Procurement Policy. Stage 3 involved the Council undertaking a site visit of the tenderer who achieved the highest score to ensure the Council is satisfied with arrangements in place for the tenderer to safely and appropriately carry out its responsibilities under this contract. Further details of the tender process including scores are contained in Exempt Appendix 1.

10.3 Conclusion

10.3.1 Although only one tender submission was received, the evaluation of the contractor has demonstrated that they meet the Council's procurement requirements, together with demonstrating value for money and high quality services. Also, as the initial length of the contract is just two years, this gives further reassurance with regard to awarding the contract to the one tenderer who made a submission.

11 OTHER OPTIONS CONSIDERED AND REJECTED

11.1 Commissioning a catering provider for Chesil Lodge is an essential element of Extra Care provision. Scope for extending the service to other city centre Extra Care schemes was considered but ruled out as a requirement due to the risk of not achieving value for money. It has however been referred to as a future option for negotiation within the tender documentation.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2601(HSG) Winchester Extra Care Scheme, 9 July 2014

Other Background Documents:-

None.

APPENDICES:

Exempt Appendix 1 – Tender Report