

PLYMOUTH CITY COUNCIL

Subject: Contract Award – Community Equipment Service
Committee: Cabinet
Date: 11 November 2014
Cabinet Member: Councillor Tuffin
CMT Member: Carole Burgoyne (Strategic Director for People)
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Ref:

Key Decision: Yes
Part: 1

Purpose of the report:

Plymouth City Council in partnership with NEW Devon Clinical Commissioning Group (Commissioners) is seeking to commission a high quality Community Equipment Service for people within the city of Plymouth.

The Community Equipment Service will provide both adults and children's equipment and minor adaptations (e.g. grab rails, fixed shower seats and ramps) up to the value of £1000. The equipment provision will include bathing, toileting, household, pressure care equipment, mobility, manual handling equipment and basic communication aids, although specialist communication equipment is the responsibility of NHS England and as such is not within the scope of this project.

The financial model is a sell (Provider to Commissioners) and buy back (Commissioners to Service Provider) at 100% credit value. This has proved cost effective with the current contract and allows for some control by Commissioners.

The competitive procurement of services to replace the current contract followed a two stage tender process, via the Official Journal of the European Union that commenced in May 2014.

The attached report sets out the result of the tender process and seeks approval from Cabinet for contract award to the Most Economically Advantageous Tenderer.

A separate private report is also submitted on commercially sensitive details.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The Community Equipment Service will support Plymouth being a Brilliant Co-operative Council through addressing three of the four key corporate objectives:

- Pioneering – To be pioneering by designing and delivering better services that are flexible and efficient in spite of reducing resources
- Caring – To promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision- making, promoting independence and reducing health and social inequality

- Confident – To work towards creating a more confident city, being proud of what can be offered and growing a reputation nationally and internationally

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

Between 2010 and 2013 there was an increase of 22% in the number of people accessing the service. Likely influencing factors for this are the ageing population, an increase in the number of people with multiple long term conditions and complexity of client need.

In addition the strategic direction of travel in the local health and social care community is to care for more people in their own homes rather than in inpatient bed based settings which will require the Service to evolve in order to facilitate this and numbers will continue to increase.

By competitively tendering the CES Service reassurances can be given that the successful tenderer has demonstrated quality service provision along with cost effectiveness. As there will be growth within this service area an agreed financial variance relating to market value has been built in to control the financial impact and inflation built in for the life of the contract.

Based on the trend activity of 2013/14 awarding this contract attracts potential savings in the first year. This activity baseline suggests an estimated net reduction in cost of stock of circa (£0.291m), based on 23% of the core stock items being procured at a lower rate, and 73% being held at the 13/14 rates. There is also a saving in other activities including decontamination, admin and handling charges of (£0.075m), giving a potential saving of (£0.366m)

Indicative spend based on 13/14 activity savings incorporated into this tender and trend of growth within the service:

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Money Required for adults £	1.476m	1.609m	1.753m	1.911m	2.083m	2.270m
Money required for paediatrics £	0.263m	0.268m	0.273m	0.279m	0.285m	0.290m
TOTAL	1.739M	1.877M	2.027M	2.191M	2.368M	2.562M

The Provider is committed to working with Commissioners to identify further cost saving efficiencies throughout the contract period.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management

Integrated Health and Well-Being Programme

'The right care, at the right time, in the right place'

Contributes to the following work streams:

- Integration of delivery – Community Health and adult Social Care Services
- Integration of children and young people's services

Cooperative commissioning values and principles & NHS Outcomes Framework 2013 - 2014

By providing the following quality outcomes for service users:

- Maximising independence to enable active community participation
- Enabling individuals to have choice and control over their lives
- Supporting carers to maintain their roles
- Facilitate end of life
- Earlier discharge
- Avoid unnecessary hospital admission
- Enhance quality of life for people with long-term conditions
- Helping people recovering from episodes of ill health or following injury
- Treating and caring for people in a safe environment

Plymouth's Child Poverty Strategy 2013 - 2016

- The CES contributes towards the outcomes of Plymouth's Child poverty strategy by providing specialist equipment for families of disabled children to support them in caring for their child in the family home. This provides disabled children who need specialist equipment the best start to life

Plymouth's Early Intervention and Prevention Strategy 2012-2015

By providing equipment and minor adaptations the CES service plays a key role in the early intervention and prevention strategy as the family are supported to care for their disabled child in the family home.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

You can view the assessment using the following link:

<http://www.plymouth.gov.uk/homepage/communityandliving/socialinclusion/socialinclusionieia.htm>

Recommendations and Reasons for recommended action:

To award a contract for the provision of a Community Equipment Service for a period of three years with the option to extend for a further three years in annual increments to the successful tenderer identified in the Part 2 Report.

Alternative options considered and rejected:

Do nothing: The contract would lapse leaving no service for the provision of community equipment to support people to remain in their own homes and contribute to reduce care packages.

If the service is to continue there is a legal requirement to go out to the market place and tender.

Tender the adults and children's equipment separately: This would not be financially viable as it would result in double the infrastructure costs and would not provide continuity for young people in transition.

Published work / information:

None

Background papers:

None

Sign off:

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Originating SMT Member: David Simpkins													
Has the Cabinet Member(s) agreed the content of the report? Yes													

I. BACKGROUND

The Community Equipment Service (CES) was jointly tendered in 2009/10 by Plymouth City Council and the Plymouth Primary Care Trust (now replaced by New Devon CCG), and the contract awarded to Millbrook Healthcare in 2010. The contract period was for 3 years with the possibility of two further one year extensions. The Service is now in year 5 of this agreement.

The lead organisation for the contract is Plymouth City Council with a partnership agreement (Section 75) with New Devon CCG. The Service is jointly funded with a 50:50 contribution via a pooled budget arrangement.

Children's equipment was added into the service in 2013.

Over the period of the contract demand for the service has grown. Likely influencing factors for this are the ageing population, an increase in the number of people with multiple long term conditions and complexity of client need. The strategic direction of travel in the local health and social care community is to care for more people in their own homes rather than in inpatient bed based settings. This includes providing choice for individuals should they wish to die at home. As a result the increase in demand is likely to continue.

2. PROCUREMENT PROCESS: PRE QUALIFICATION SELECTION

A competitive procurement was run as a 'Restricted' (two stage) process with a Pre-Qualification Stage (Pre-Qualification Questionnaire) followed by an Invitation to Tender (ITT).

The objective of the selection process was to assess the responses to the PQQ and select potential Economic Operators to proceed to the next stage of the procurement.

The following sections of the PQQ contained mandatory questions, the responses to which were reviewed and treated as pass or fail criteria:

- Compliance with EU Legislation/ UK Procurement Legislation [status of Supplier in relation to Regulation 23 of the Public Contracts Regulations 2006 (SI 2006 No. 5).
- Financial [the Supplier must be in a sound financial position to participate in a procurement of this size and the Council will have regard to Regulation 24 of the Public Contracts Regulations 2006 (SI 2006 No. 5). This may entail independent financial checks]
- Insurance
- Timescales

In addition the following sections of the Pre-Qualification Questionnaire were evaluated and awarded a score.

Section	Weighting (%)
Prime Contractor/Sub-Contracting	8
Data Protection Policy	5
Data Protection	5
Quality & Environmental Management	8
Health and Safety Policy	7
Health & Safety	10
Equality and Diversity Policy	5
Equality & Diversity	5
Safeguarding Vulnerable People Policy	7

Safeguarding Vulnerable People	5
Disputes	5
Business Capability	25
Recent Contracts/References	5

These weightings and the scoring methodology for each section were published in the Pre-qualification questionnaire documentation.

A total of 5 PQQs were received. The names of the tenders who submitted PQQs are contained in the Part 2 paper.

4 Organisations met the PQQ threshold score of **70.81** and were invited to tender.

3. PROCUREMENT PROCESS: INVITATION TO TENDER

The project evaluation weightings were agreed prior to despatch of the tender documentation and were published in the PQQ and ITT:

Weighting %	Evaluation Criteria	Breakdown of criteria
Commercial Response		
45%	Price	Annual price for equipment items Total contract price for service items
5%	Cost of Sub-contracting	Sub-contracting arrangements
Quality Response		
36%	Method Statements	Service Requirements Staffing Equipment Communication Environment Implementation
5%	Presentation ICT Systems	IT System meeting the requirements of the Service Specification Online catalogue facilities IT Contingency plan
5%	Customer Focus	How will Customer Feedback be used to inform service improvement moving forward? How will the Provider be assured that Users have had a good experience of the service

4%	Site Visit (to assess future service delivery)	General facilities Purchasing Stores Management/Technical Services Delivery/collection Cleaning and Decontamination Single Point of Contact/Help Line
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The invitation to tender document was published electronically via the Devon Procurement Portal (www.devontenders.gov.uk) on the 9th July 2014 in accordance with the following timeline:

Activity	Date/Target Date
Dispatch of ITT to successful applicants	9 th July 2014
Return of ITT	19 th August 2014
Evaluation of tenders completed and selection of successful Tenderer	25 th September 2014
Notification of successful Tenderer	24 th November 2014
Contract Award	8 th December 2014
Estimated Service Commencement	1 st April 2015

3 Organisations submitted a tender.

The completed tenders were evaluated by a team of individuals / stakeholders with various skill sets from across the business, in order to ensure both transparency and robustness.

4. SUMMARY OF EVALUATION

Tenders were submitted on the 19th August 2014 by 3 suppliers.

The resulting scores from the evaluation process are contained in a Part 2 paper.

5. FINANCIAL

The financial submission was evaluated to identify any risks, score prices offered for core equipment (taking into account alternative product with potential cost savings) and all associated activity charges.

Based on the trend activity of 2013/14 awarding this contract attracts potential savings in the first year. This activity baseline suggests an estimated net reduction in cost of stock of circa (£0.291m), based on 23% of the core stock items being procured at a lower rate, and 73% being held at the 13/14 rates. There is also a saving in other activities including decontamination, admin and handling charges of (£0.075m), giving a potential saving of (£0.366m).