

## PLYMOUTH CITY COUNCIL

<b>Subject:</b>	Award of contracts for Community Domiciliary Care Services
<b>Committee:</b>	Cabinet
<b>Date:</b>	11 November 2014
<b>Cabinet Member:</b>	Councillor Tuffin
<b>CMT Member:</b>	Carole Burgoyne (Strategic Director for People)
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<b>Ref:</b>	Community Domiciliary Care Service
<b>Key Decision:</b>	Yes
<b>Part:</b>	1

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### **Purpose of the report:**

Plymouth City Council in partnership with NHS NEW Devon Clinical Commissioning Group (Commissioners), are seeking to commission high quality personal care and support services for people, within the city of Plymouth, who are assessed as being in need of a service whether they live in their own home or in supported accommodation.

These domiciliary care services will be person centred and focussed on delivering positive outcomes including maximising people's independence, choice and control and be flexible and innovative in response to people's wide ranging assessed needs.

The vision for the future of personal care is one of holistic, integrated and joined up provision whereby providers are able to offer a wide range of approaches including community domiciliary care, rapid response, dementia support and increasing levels of health care type services.

All personal care services will be person centred and focussed on delivering positive outcomes including maximising people's independence, choice and control and be flexible in response to people's wide ranging assessed needs.

The shared aim is to support our citizens to:

- Live independently
- Stay healthy and recover quickly from illness
- Exercise maximum control over their own life and where appropriate the lives of their family members
- Sustain a family unit which avoids children being required to take on inappropriate caring roles
- Participate as active and equal citizens, both economically and socially
- Have the best quality of life, irrespective of illness or disability
- Retain maximum dignity and respect

The contracts will implement the following new requirements through an efficient service specification and therefore providers will:

- Not conduct visits of less than 30 minutes unless requested specifically to meet the needs of Service Users

- Include a Rapid Response element to provide care within 2 hours where identified (within 2 of the eight contracts)
- Pay staff at least the Living Wage
- Pay staff for travel time
- Provide guaranteed hour contracts for staff or will have evidence to support staff who wish to receive zero hour contracts
- Provide good induction, supervision and appraisal for staff with ongoing support mechanisms.

The recommended competitive procurement of services to replace the current contracts saw a two stage tender process which commenced in March 2014 that would lead to the award of eight contracts to deliver Community Domiciliary Care services.

The attached report sets out the result of the tender process and seeks approval from Cabinet for contract award.

For reasons of commercial confidentiality the full details of the tender process are included within a separate part 2 report.

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### **Co-operative Council Corporate Plan 2013/14 – 2016/17**

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

- **Growing Plymouth**

The service will:

- Support a strong economy creating job opportunities by recruiting a local workforce

- **Caring Plymouth**

The service will:

- Help people take control of their lives and communities through supporting them to live independently at home
- Support adults to be safe and confident in their communities
- Ensure people are treated with dignity and respect

- **Pioneering Plymouth**

The service will:

- Strive to exceed customer expectations
- Support in reducing the city's carbon footprint and support in environmental and social responsibility.

The Community Domiciliary Care Service is underpinned by the four key values described in the Co-operative Council Corporate Plan:

- service design was influenced by stakeholders and so is democratic
- reflects the City's commitment to provide high quality support to some of the most vulnerable people and so reflects responsibility
- address inequality through supporting all adults, where an assessed need is identified and so is fair

- require all stakeholders to work together and work in partnership

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

The forecasted annual spend of 2014/15, for PCC only, on these contracts being replaced by this tender is £9,582,839 (697,949 hours).

The value of contracts for new services for the same amount of hours will be, for PCC only, £9,636,778 in year one. This represents an additional financial commitment of approximately £53,939 in year one which increases by 0.15% in year two and 0.43% in year three.

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

These services will contribute towards the delivery of the Health and Well-Being Strategy.

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**Equality and Diversity**

Has an Equality Impact Assessment been undertaken?      Yes

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**Recommendations and Reasons for recommended action:**

To award a three year contract, containing an option to extend the contract for a further three years in annual increments, to the successful tenderers for the delivery of a Community Domiciliary Care Services in Plymouth identified in the Part 2 report. The tender evaluation process has determined that they have the critical knowledge and experience to provide these services and that considering all evaluation criteria they have offered the 'most economically advantageous tender'.

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**Alternative options considered and rejected:****1. Do nothing; the current contracts for Community Domiciliary Care could lapse**

This is not the preferred option because potentially existing providers could stop providing care to all their current clients which would have detrimental impact on adult social care assessment and brokerage teams to review the clients support plans and re broker approximately 13,000 hours per week through spot contracting arrangements.

This would be impossible for our approved spot contract providers to take on as the current situation already indicates spot providers are up to capacity in the current market.

This would leave approximately 1,200 vulnerable people without home care support in the community, which has been identified as a required need as part of their support plan

**2. Extend Existing Contracts**

This would mean we would not be able to achieve the opportunities set out within the business case to jointly commission service with NEW Devon CCG.

In addition procurement of these services is subject to Plymouth Council's Contract Standing Orders which state that any procurement over the threshold value of £100,000 is to be competitively tendered.

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**Published work / information:**

EIA Community Domiciliary Care Services

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Equality Impact Assessment	x									

**Sign off:**

Fin	PeopleF AC1415 006	Leg	2144 5/AL T	Mon Off	dvs 214 47/ 291 014	HR		Assets		IT		Strat Proc	NA/S PU/3 74/C P/101 4
Originating SMT Member: Carole Burgoyne													
Has the Cabinet Member(s) agreed the contents of the report? Yes													



## I. BACKGROUND

The Community Domiciliary Care and Reablement Service business case was approved in January 2013. This business case recommended starting a tendering process jointly with the CCG for a framework of 10 domiciliary care suppliers which commenced in April 2013.

Following evaluation of the submitted tenders for the Domiciliary Care tender, Plymouth City Council was not confident that awarding contracts on a framework would deliver the most cost effective services or achieve all the aims set out in the Business Case including additional measures to improve the quality of services or sufficiently deliver the Council's co-operative principles.

Providers offered a wide range of prices and some prices were significantly higher than those paid currently.

Not all providers were offering to pay all staff the Living Wage or give them guaranteed hours contracts, which the Council views as crucial to enhancing the quality of the service delivered and to demonstrate our co-operative values.

This meant that we were not in a position to award any contracts for Community Domiciliary Care Services.

## 2. PRE QUALIFICATION SELECTION CRITERIA

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:

- Professional and Business Standing
- Financial [the Supplier must be in a sound financial position to participate in a procurement of this size. This may entail independent financial checks]
- Insurance
- Prime Contractor/Sub-Contracting
- Timescales
- CQC Registration

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

Section	Weighting (%)
Data Protection Policy	5.00%
Data Protection	5.00%
Quality Management	10.00%
Health & Safety Policy	5.00%
Health & Safety	5.00%
Equality & Diversity Policy	2.50%
Equality & Diversity	2.50%
Safeguarding Vulnerable People Policy	10.00%

Safeguarding Vulnerable People	10.00%
Disputes	5.00%
Business Capability	30.00%
Recent Contracts/References	10.00%

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

A total of 33 PQQs were received for these services. The names of the tenders who submitted PQQs are contained in the Part 2 report.

25 PQQs met the minimum threshold score of 72.21 and the top 16 scoring tenderers were invited to tender for the Community Domiciliary Care Services.

### References

Reference information covering the following areas was requested for all participating suppliers:

- Management;
- Staff competency and experience;
- Partnership working;
- Service user consultation and involvement;
- How well organized they are;
- Customer care;
- Level of complaints
- Innovation flexibility in adapting to change;
- Overall satisfaction with organisation.

A minimum of two relevant references were required. 15 of the 16 tenders invited to ITT stage received adequate or good and relevant references. One tenderer received a poor score for reference section as only one referee returned their reference.

## **3. TENDER EVALUATION METHODOLOGY**

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

Award Criteria	Weighting (%)	Sub Criteria (%)	Weighting (%)
<b>Financial</b>	<b>40</b>	Price	40
<b>Technical</b>	<b>60</b>	Purpose	10
		Service Details	15
		Performance	10
		Quality Requirements	20
		Management & Operation	5

The invitation to tender document was published electronically via the Devon Procurement Portal ([www.devontenders.gov.uk](http://www.devontenders.gov.uk)) on the 9<sup>th</sup> June 2014 in accordance with the following timeline:

Activity	Date/Target Date
Dispatch of ITT to successful applicants	9 <sup>th</sup> June 2014
Return of ITT	14 <sup>th</sup> July 2014 (midday)
Evaluation of tenders completed and selection of successful Tenderer	13 <sup>th</sup> August 2014
Notification of successful Tenderer and Contract Award	24 <sup>th</sup> November 2014
Estimated Service Commencement	1 <sup>st</sup> April 2015

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.

#### 1; Pre-Qualification Questionnaire/Technical Response

The pre-qualification questionnaires were evaluated to identify the extent to which each tenderer had the ability, experience, and capacity to deliver the service. The technical responses were evaluated to identify how well each tenderer would meet the service specification requirements. The names of the evaluators are contained in the Part 2 report.

#### 2; Financial Response:

The financial response was evaluated to identify the average hourly rate over a period of six years and the overall price that the tenderer could offer for each contract lot i.e. 2500 hours per week, 1500 hours per week and 1000 hours per week. The names of the evaluators are contained in the Part 2 report.

## **4. SUMMARY OF EVALUATION**

Tenders were submitted on the 14<sup>th</sup> July 2014 by 11 suppliers.

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

## 5. FINANCIAL

The table below shows the number hours and spend of Plymouth City Council and NEW Devon CCG externally commissioned Domiciliary Care services (including rapid response) forecasted for 2014/15. This is compared to the annual new contract cost for the same number of hours (978,506 hours per annum) for the first three years of the contracts.

Organisation	2014/15			2015/16		2016/17		2017/18	
	Forecasted hrs	Forecasted Spend	Avg. rate per hr	Cost Yr 1	Rate per hr	Cost Yr 2	Rate per hr	Cost Yr3	Rate per hr
PCC	697,949	£9,582,839	£13.73	£9,636,778	£13.81	£9,650,888	£13.83	£9,692,359	£13.89
CCG*	280,557	£4,236,819	£15.10	£3,873,730	£13.81	£3,879,401	£13.83	£3,896,072	£13.89
Combined Total	978,506	£13,819,658	£14.12	£13,510,508		£13,530,289		£13,588,431	

\* The CCG forecasted hrs and spend are based on actuals from 2013/14.

This represents additional financial commitment of approximately 0.56% (£53,939) for the first year. The average unit cost demonstrated in the table above has increased and reasons for this will include:

- The requirement to pay all staff at least the Living Wage throughout the life of the contract in line with any increases in the Living Wage Rate
- The requirement to pay staff for all travel time associated between visits
- The requirement to provide guaranteed hour contracts for staff
- The hourly rates for contract years 1 to 3 is still a competitive rate against the recent UK Homecare Association report which reported a minimum of £15.19ph to cover wages, training and travel.