

PLYMOUTH CITY COUNCIL

Subject:	Award of contracts for Community Domiciliary Care Services
Committee:	Cabinet
Date:	13 October 2015
Cabinet Member:	Councillor Tuffin
CMT Member:	Carole Burgoyne (Strategic Director for People)
Author:	Lucy Pare, Commissioning Officer
Contact details	Tel: 01752 307437 email: lucy.pare@plymouth.gov.uk
Ref:	Community Domiciliary Care Service
Key Decision:	Yes
Part:	I

Purpose of the report:

Plymouth City Council in partnership with NHS NEW Devon Clinical Commissioning Group, are seeking to enhance the current domiciliary care provision which will support:

- A decrease in delays experienced through hospital discharge;
- An increase in domiciliary care capacity across the city;
- The movement to seven day working initiative in order to place packages of care seven days a week;
- The increase in provider choice in market place;
- The decrease in use of residential care.

Commissioners will continue 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 additional domiciliary care services will continue to 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 and enhancing the current community based support offer.

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, dementia support and increasing levels of health care type services.

All personal care services will be person centred and focus 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.

These additional contracts will implement the following requirements, which have begun in existing contracts in April 2014, 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;
- Pay staff at least the Living Wage (Set by Living Wage Commission);
- 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 is to replace one contract which is due to expire on 3 April 2016 and enhance the current community domiciliary care provision with an additional contract. A two stage tender process commenced in March 2015 with the aim to award two contracts in total.

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.

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;
- requires all stakeholders to work together and work in partnership.

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

The forecasted annual spend of 2015/16, for PCC only, on the one contract being replaced by this tender is £1,404,428 (102,367 hours). This tender will effectively award a block contract at a lower hourly rate than is currently being purchased in 15/16. This means that assuming this provider supplies the same number of hours in year one of contract as they are forecast to do in 15/16, there will be a PCC saving of £32,717, giving an expected annual spend for 2016/17 for PCC only of £1,371,711.

The two contracts to be awarded will allow for additional growth of up to 2,500 hours per week over the five years of the contracts, if required. Initially clients and hours will transfer from existing providers where they are delivering over their current contract and therefore be cost neutral. This additional growth allowed for by these contracts has been built into the medium term financial plan.

The tenderers have submitted a minimum hourly wage for staff which is over and above the national living wage currently suggested for 2016/17 Year one of contract of £7.20 per hour. The rates were also over the local living wage of £7.85.

It is important to note that in the interests of protecting public funding the block contract terms and conditions allow for the reconciliation to take place and only pay for actual hours delivered for up to the additional growth of 2,500 hours per week.

This spend will be a proportion of the current Domiciliary Care Spend. The total forecasted spend for Domiciliary Care 2015/16, for PCC only, is £9,671,198, with the 2015/16 budget being £9,687,197.

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.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

To award a two year contract, commencing on 4 April 2016 containing an option to extend the contract for a further three years in annual increments, to the two 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'.

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

This is not the preferred option because potentially the existing provider 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 2,500 hours per week through spot contracting arrangements.

This would be impossible for our current block contract providers to take on as the current situation already indicates most of block providers are up to their current available capacity in the current market.

This would leave approximately 167 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

The 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.

Published work / information: None

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Procurement of Community Domiciliary Care Equality Impact Assessment	x									

Sign off:

Fin	akh1516.41	Leg	MS/23916	Mon Off	DV S/lt/23916	HR		Assets		IT		Strat Proc	HG/C S/405/CP/0915
Originating SMT Member: Carole Burgoyne													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

I. Background

Phase One

On 11 November 2014 Plymouth City Council Cabinet approved phase one of the commissioning process for Community Domiciliary Care Services with the award of eight new contracts which commenced on 1 April 2015. These contracts would replace existing block contracts and reduce the number of spot contract arrangements.

Phase Two

In order to meet the increasing growth and demand for Community Based Services and to replace these hours and the market failure of a previous supplier, the local authority and NHS NEW Devon CCG, embarked on phase two of commissioning process for Community Domiciliary Care Services.

Phase two of the commissioning process is to ensure:

- Sufficient capacity and quality domiciliary care within the city for the next five years supporting hospital discharges;
- Increase provider market sustainability and flexibility across the provider market;
- A consistent pricing service offer across Community Domiciliary Care for both PCC and NHS NEW Devon CCG.

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 have entailed independent financial checks]
- Insurance
- Timescales
- CQC Registration

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

Section	Weighting (%)
Data Protection Management	2.5%
Data Protection Policy	5%
Prime Contractor/Sub-Contracting	2.5%
Quality Management	5%
Health & Safety Policy	5%
Health & Safety	5%
Equality & Diversity Policy	2.5%
Equality & Diversity	2.5%
Safeguarding Policies	10%
Safeguarding	10%
Disputes	5%
Business Capability	25%
Social Value	10%
Recent Contracts/References	10%

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

A total of 16 PQQs were received for these services. The names of the tenders who submitted PQQs are contained in the Part 2 report.

12 PQQs met the minimum threshold score of 74.15 and the top 6 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. 6 of the 6 tenders invited to ITT stage received good and relevant references.

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 (%)
Financial	40	Price	40
Technical	60	Purpose	10
		Service Details	15
		Performance Requirements	10
		Quality Requirements	20
		Management & Operation	5

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

Activity	Date/Target Date
Dispatch of ITT	29 ^h May 2015
Return of ITT	30 th June 2015 midday
Evaluation of tenders completed and selection of successful Tenderer	20 th August 2015
Notification of successful Tenderer and Contract Award	26 th October 2015
Estimated Service Commencement	4 th April 2016

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 five years and the overall price that the tenderer could offer for the contract of 2500 hours per week. The names of the evaluators are contained in the Part 2 report.

4. SUMMARY OF EVALUATION

Tenders were submitted on the 30th June 2015 by 6 suppliers.

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