

Approval of Contract Award: Provision of Care and Support at Extra Care Housing Schemes in Peterborough Ref: LH0001/1

Councillor Wayne Fitzgerald, Cabinet Member for Integrated Adult Social Care and Health

JUNE 2015

Deadline date: N/A

Cabinet portfolio holder: Responsible Director:	Cllr Wayne Fitzgerald, Cabinet Member for Integrated Adult Social Care and Health Wendi Ogle-Welbourn, Corporate Director for People and Communities
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: YES Unique Key decision Reference from Forward Plan: KEY/12DEC/14/02
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO

RECOMMENDATIONS

The Cabinet Member for Integrated Adult Social Care and Health is recommended to:

1. Approve the award of contracts to deliver personal care and support within extra care housing schemes to the following organisations from 27 July 2015 to 26 July 2018 with the option to extend up to two further one year extensions.

Scheme	Provider	Maximum contract value (including possible two year extensions)
Friary Court	Axiom Crossroads Care	£1,642,153
The Pavilions	Axiom Crossroads Care	£2,286,543
The Spinney	Axiom Crossroads Care	£2,203,396
St Edmunds Court	Hales Group Ltd	£2,294,390
Bishopsfield	Hales Group Ltd	£2,228,964

1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks the Cabinet Member for Integrated Adult Social Care and Health's approval to award contracts to the aforementioned organisations from 27 July 2015 to 26 July 2018 with the option to extend for a further two one year extensions.

1.2 The organisations will provide a range of community based personal care and support services that will support the Council meeting its statutory adult social care duties.

2. PURPOSE OF THIS REPORT

2.1 This report is for the Cabinet Member for Integrated Adult Social Care and Health to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (b).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
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4. CONSULTATION

4.1 Market engagement and consultation was undertaken with existing providers and extra care housing providers prior to starting the procurement exercise.

4.2 Consultation has been undertaken with:

- Residents of extra care schemes and their carers at all extra care schemes involved in the tender
- Health and social care professionals
- Council officers

5. ANTICIPATED OUTCOMES

5.1 The key outcome will be the implementation of contracts delivering high quality and outcome focussed personal care and support at five extra care schemes. The contracts will ensure that value for money and strategically relevant community support services are available and that these services support the health, wellbeing and independence of people living within extra care housing.

5.2 Additionally the provision of effective personal care and support services within extra care housing schemes will:

- Reduce demand for more expensive longer term placements, e.g. residential care;
- Provide value for money services and provide the opportunity to have a home for life;
- Avoid reliance on more expensive alternatives that do not maximise people's independence;
- Provide an alternative and sustainable provision to the residential market to meet health and social care requirements and offer value, choice and control;
- Ensure compliance with Adult Social Care legislation including the Care Act 2014.

6. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

6.1 The proposed approach will support the Council in meeting its statutory duty to meet assessed eligible adult social care need by ensuring personal care and support is available within extra care housing schemes where the Council has rights to nominate residents.

- 6.2 The tender carried out to select providers within the five schemes is compliant within the framework agreement, further details are set out in section 6 below.

Background

- 6.3 Extra Care Housing (ECH) has, over the past twenty-five years, established itself as a cost-effective and popular alternative to residential care provision for older people whose needs for care and support cannot be met in their existing homes.
- 6.4 The Council currently contracts for personal care and support at five extra care housing schemes for people aged over 55 in Peterborough. The Council retains 100% nomination rights in all five schemes. The schemes were originally commissioned by NHS Peterborough at different times and with different service specifications leading to differences in the support available in the schemes. Ensuring contract compliance alongside developing a more consistent approach across all schemes is a priority for the Council.
- 6.5 The commissioning project retendered personal care and support within the five extra care housing schemes with specifications based on consultation and engagement with residents. The new specifications are expected to lead to more efficient use of resources within the schemes, better quality care delivery and reduced cost to the Council and residents.
- 6.6 The intended outcome of the tender is to select a provider within each scheme who will deliver core personal care and support comprising of overnight support and floating daytime support for all residents as well as providing personal support to meet individual needs agreed on a case-by-case basis. Where a resident is eligible for adult social care support this will be paid for through a personal budget.
- 6.7 The new service provision will be an outcomes-based contract using the regionally agreed Eastern Region Association of Directors of Adult Social Services (ADASS) contract terms and conditions and East of England Service Outcomes and Standards of Care for Provision of Community Based Personal Care & Support Services.

Tender process

- 6.8 The tender exercise was a further competition under the Council's Personal Care and Support (homecare) framework agreement LH0001. The framework allows for further competition between the providers who have been selected to the framework following a previous tender exercise, with specific reference to a possible competition to provide support within extra care schemes. The Providers on the framework (27 providers) were invited to bid for the delivery of care at the five extra care schemes that the Council has nomination rights for.
- 6.9 There are eight providers that submitted bids to provide support at one or more of the schemes: providers were permitted to bid for one or more schemes and could bid for all five.
- 6.10 Bids were evaluated by panel consisting of Council officers and two residents living in extra care in Peterborough. Evaluations were carried out against quality of the bid, using a pre-agreed criteria, and price.
- 6.11 The evaluation scoring was split across quality and cost with a 50:50 weighting against each area. Moderation of scores was carried out by the evaluation panel on Wednesday 27 May to give final scores and, subject to approval, identify the recommended provider in each scheme.

Quality evaluation

- 6.12 Tenderers were required to prepare a number of method statements addressing between them all aspects of the required service. The method statements explore the approach and

methodology proposed by each tenderer concerning (amongst other things) how the new service will be implemented and delivered. Each method statement was scored using the 0 to 4 points scale:

Score 0	No Information Information not provided and/or insufficient information provided to demonstrate that the Tenderer has the ability, understanding, experience, skills, resource & quality measures required, with little or no evidence to support the response.
Score 1	Basic Satisfies the requirement with major reservations. Considerable reservations of the Tenderer's relevant ability, understanding, experience, skills, resource & quality measures, with little or no evidence to support the response.
Score 2	Adequate Satisfies the requirement with some minor reservations. Some minor reservations of the Tenderer's relevant ability, understanding, experience, skills, resource & quality measures required, with little or no evidence to support the response
Score 3	Good Satisfies the requirement. Demonstration by the Tenderer of the relevant ability, understanding, experience, skills, resource & quality measures required, with evidence to support the response. Responses may identify factors that will offer potential added value, with evidence to support the response
Score 4	Excellent Exceeds the requirement. Exceptional demonstration by the Tenderer of the relevant ability, understanding, experience, skills, resource & quality measures required. Response identifies factors that will offer potential added value, with evidence to support the response.

6.13 Each method statement was given its own 'importance weighting' to reflect its significance in the overall scheme, with those areas that are more critical to the success of the scheme carrying a higher weighting. The specific weighting carried by each method statement was shown alongside each one so bidders could clearly see which method statements carried most weight.

Price evaluation

- 6.14 Price evaluation was based upon a comparison of the whole contract life costs implied by each tender received. The whole life cost means the total cost of delivery of service over the period of three years and two subsequent extensions.
- 6.15 Tenderers were required to complete a pricing schedule in their Tender Submission with each lot priced separately. When submitting bid for more than one lot providers were given the option of offering volume discounts; such discounts were considered in the price evaluations.
- 6.16 The tender achieving the lowest whole contract life cost figure for each lot, was awarded the maximum 'price' score of 100 points. Higher priced tenders scored proportionately fewer points, in accordance with the calculation illustrated in the following table:

Tenderer	Whole contract life cost	Points calculation (Formula is lowest price divided by supplier's price, times 100)	Points out of 100
Supplier A	£100,000	Lowest price, maximum score	100
Supplier B	£125,000	$(100,000/125,000) \times 100$	80
Supplier C	£140,000	$(100,000/140,000) \times 100$	71

6.17 The points-out-of-100 score achieved by each tenderer was then be arithmetically re-calculated as a percentage score in accordance with the weighting carried by the 'price' high-level criterion.

6.18 All of the bids were of good quality but two providers were successful in submitting overall winning bids and they are therefore the preferred provider for the new contracts.

6.19 Summary of bid scores by scheme:

Lot 1: Friary Court

	Weight	Axiom	Other bidder scores						
Total:	100	88.29	79.38	77.40	77.13	81.30	77.47	80.56	79.46

Lot 2: Bishopsfield

	Weight	Hales Group	Other bidder scores		
Total:	100	82.53	79.38	75.42	77.47

Lot 3: The Pavilions

	Weight	Axiom	Other bidder scores				
Total:	100	88.29	79.38	76.72	84.69	77.47	79.98

Lot 4: St Edmunds

	Weight	Hales Group	Other bidder scores				
Total:	100	82.56	79.38	81.83	75.42	76.78	77.47

Lot 5: The Spinney

	Weight	Axiom	Other bidder scores					
Total:	100	88.29	79.38	78.10	84.67	77.47	80.56	79.46

6.19 The tables above illustrates the total score for each bid. A maximum of 50 points were awarded to each element, quality and price giving a total possible score of 100 for any bid

- 6.20 Following evaluation of the bids the following providers were selected as the recommended provider in each scheme:

Scheme	Recommended provider
Friary Court	Axiom Crossroads Care
The Pavilions	Axiom Crossroads Care
The Spinney	Axiom Crossroads Care
St Edmunds	Hales Group Ltd
Bishopsfield	Hales Group Ltd

- 6.21 The new Contracts are anticipated to commence on the 27 July 2015 for a period of three years with an option to extend up to two further years subject to satisfactory performance, delivery of outcomes, funding availability, price and the continuing need for the service.

7. IMPLICATIONS

7.1 Financial

- 7.1.1 The total cost of providing support at the five extra care schemes is estimated at £2.4 million per year although this can fluctuate as the needs of the individuals living within the schemes change. The tender process ensures that value for money is achieved.

7.2 Legal

- 7.2.1 The contracts will support the Council in complying with its statutory duties under the National Assistance Act and subsequent legislation including the Care Act 2014.

7.3 Human resources

- 7.3.1 TUPE (Transfer of Undertakings (Protection of Employees) Regulations) implications of any change in contractor have been managed through the tender process with TUPE information for all schemes provided to support organisations in complying with their duties under the regulations.

7.4 Procurement

- 7.4.1 The procurement exercise undertaken complies with value for money requirements and with relevant procurement rules.

8. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 8.1 None.

9. BACKGROUND DOCUMENTS

- 9.1 None used.