

Contract for the Provision of Care and Support for The Lochend Project

Finance & Resources Committee

4 February 2010

1. Purpose of report

To seek approval from the Finance & Resources Committee to award a Contract for the Provision of Care & Support for The Lochend Project. The period of the Contract is from 1 March 2010 to 21 January 2013 (with an option to extend for up to a further two years).

2. Main report

- 2.1. The Lochend Care & Support project was initiated in April 2009. A project team comprising representatives from Finance, Health and Social Care and NHS Scotland, was established and tasked with the following overall aims of the new service:
- ensuring the provision of care and support for up to 10 service users with complex and fluctuating mental health needs, providing onsite care and support as required;
 - developing positive relationships within the community;
 - increasing capacity of the service to meet identified need; achieving efficiency savings
- 2.2. The Contract specification was designed to ensure that the strategic outcomes set out by Health & Social Care and NHS Scotland were met with a particular emphasis on adopting a more strategic approach, ensuring that care is provided to accommodate and support service users moving on from the Royal Edinburgh Hospital, as part of a planned re-provisioning and resettlement programme, to new accommodation at 68 Hawkhill, Lochend Avenue, Edinburgh.

- 2.3. Although the procurement of Care & Support for the Lochend Service is a Part B Service which is not subject to the full rigours of the Public Contracts (Scotland) Regulations 2006, attention has been given to the principles of the Regulations and the guidance issued by Scottish Government on Social Care Procurement (SPPN 10/2088). Given that Part B Services may require a degree of advertising to ensure that transparency, equal treatment and non-discrimination are achieved, a decision was taken to advertise the required services on the Public Contracts Scotland Advertising Portal. Annex 1 contains a summary of the relevant tendering process that has been undertaken.
- 2.4. Seven tenders were received in response to those adverts. Submissions were evaluated from both a financial and quality perspective. A weighting of 30% was applied to financial criteria and a weighting of 70% was applied to quality criteria.
- 2.5. The procurement process was as follows:
- Formulate Project Team
 - Prepare Tender Advert and ITT
 - Issue Tender Advert and ITT
 - Presentation to evaluation team on evaluation process and how to use evaluation matrix
 - Group evaluation and scoring of all tender returns (Quality) – Stakeholder departments. Procurement facilitated to ensure consistency applied.
 - Tender clarifications conducted (if required for individual organisations)
 - Evaluation of pricing – Procurement
 - Price and Quality scores combined – bidders ranked
 - Quality assurance assessment conducted on Group evaluation scores – independent panel
 - Price and Quality scores after QA re-ranked
 - Short-listed providers were invited to a presentation meeting a confidence factor was applied as an outcome of additional information provided – procurement and stakeholder departments present
- 2.6. The Committee will be aware that, whilst the recommendation in relation to the Care & Support Tender is not to proceed to award contracts as a result of a significant change in the business case, there were some procedural irregularities identified.
- 2.7. Whilst the procurement process has followed a similar process to that employed for the Care & Support Tender and whilst as was indicated in the independent evaluation of the Care & Support Tender "it is not ... unusual when a procurement process is examined that ... issues are highlighted", the risk of awarding this tender is considered to be significantly less as a result of the following:
- There are practical differences in this tender on the basis that: this is a new service which has not been tendered previously; it affects only a small number of service users; and it is for a significantly lower contract value.

- The team involved in evaluating the tenders was not identical to the team involved in evaluating the Care & Support Tender;
- The evaluation process was conducted differently to that in the Care and Support Tender on the basis that a group evaluation was carried out and this gave rise to a more consistent outcome;
- The quality assurance team had no access to pricing information and was completely independent of the group evaluation panel;
- The quality assurance review did not result in any changes to the ranking of the bidders; and
- The application of the confidence factor did not result in any changes to the ranking of the bidders and all shortlisted bidders were asked the same questions.

2.8. The usual ten day standstill period will apply once the Committee has decided to award the contract to the successful bidder and only on expiry of that standstill period will the Council enter into the contract.

2.9. Upon award of the contract it is anticipated that there will be a four week implementation phase where the successful provider will implement their transition plans.

3. Financial Implications

3.1. This Contract has an estimated total value of £723,096 over three years. Benchmarking against previous pricing has not been possible as the service is new and not been tendered previously. Hourly pricing is fixed for the initial three year contract period. CARR GOMM is the recommended provider.

3.2. Summarised below is details of the costs.

	Estimated Value per Annum	Estimated Total 3 Year Value
<i>Negotiated Final Tender Costs</i>	£241,032	£723,096

4. Environmental Impact

4.1. There are no adverse environmental impacts arising from this report.

5. Service Continuity

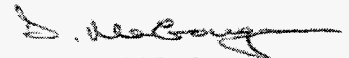
5.1 Unlike the Care and Support Tender the Lochend Tender is a new service and therefore presents no issues of maintaining continuity of service. The 10 adults identified to receive the service are currently hospital inpatients and have been for some years. They receive no services at the moment other than those provided by NHS Lothian and by CEC Health and Social Care staff employed with in the Rehabilitation Service in the Royal Edinburgh Hospital. Therefore this contract does not involve the service users having any change of

provider, but being provided with a brand new service to facilitate discharge and support in the community.

- 5.2 The service users will receive continuity of service from their current NHS and Health and Social Care Staff who will continue to work closely with new provider, both pre - discharge and in the community, providing advice, information and needs assessments as well as ongoing specialist nursing and psychiatric support.

6. RECOMENDATIONS

- 6.1. The Finance and Resources Committee is requested to approve the Contract award recommendation for the Provision of Care & Support for The Lochend Project to Carr Gomm, for a period of three years, with a possible extension of up to a further two years.



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1st February 2010

Appendices

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Wards affected All wards

Single Outcome
Agreement

Background
Papers

Annex 1

Summary of Tendering and Tender Evaluation Processes

Contract	Provision of Care & Support for The Lochend Project
Estimated contract value (over 3 years)	£723,096
Standing Orders Observed	76 (2) Selective competitive tendering. 76 (3) more than 4 tenders invited.
Governing UK Directives	The Public Contract (Scotland) Regulations 2006
EC Procedure Chosen	Part B Services
Invitations to tender issued	
Tenders returned	7
Tenders fully compliant	7
No of recommended suppliers	1
Primary Criteria	The tenders were assessed on the basis of 70% quality and 30% financial and their ability to deliver the Council and partner's strategic outcomes and objectives. Quality criteria were set out in the tender documents and tested throughout the evaluation process.
Evaluation Team	Health and Social Care, NHS Scotland and Corporate Procurement
EQIA	Due regard was paid to the equality public sector duties through this process. An EQIA relevance assessment was completed on this report and a full equalities impact assessment was not deemed necessary