

NORTH SOMERSET COUNCIL

**DECISION OF: EXECUTIVE MEMBER FOR ADULT SOCIAL CARE
AND HEALTH
WITH ADVICE FROM: DIRECTOR OF PEOPLE AND COMMUNITIES
AND HEAD OF STRATEGIC PROCUREMENT
DIRECTORATE: PEOPLE AND COMMUNITIES**



DECISION NO: PC72 (2019/20 SCHEME)

SUBJECT: COMMUNITY EQUIPMENT SERVICE – PROCUREMENT PLAN

KEY DECISION: NO

REASON: This is a procurement plan therefore not a key decision .

BACKGROUND:

The current NSC contract with Medequip Assistive Technology Ltd will end on 30 September 2020. The service assists children and adults to remain in their own homes, at school and in care homes through provision of essential equipment. The service provider manages, maintains and delivers equipment for the people of North Somerset. Equipment will range from a grab rail to support someone up the stairs, to a specialist chair to support our most disabled children in the district. Many of our care plans include the provision of equipment and it is an essential service for the council to deliver its statutory duties. We will be procuring the Community Equipment Service with the newly formed Bristol, North Somerset and South Gloucestershire (BNSSG) Clinical Commissioning Group (CCG), South Gloucestershire Council and Bristol City Council to provide a consistent service across the area.

The plan is to tender a five-year contract with up to two-year extension period, the estimated cost to North Somerset Council across the term of the contract will be in the region of £4.3 million if current budgeted funding levels are maintained over the period of the new contract. The total value of the contract across all the organisations will be circa £42million. North Somerset Council will be leading the procurement with a project group meeting regularly to make key decisions.

This procurement will support the council regarding the ambitions for health and wellbeing in the district and will:

- Enable residents to make healthy choices and promote active lifestyles which reduce ill-health and increase independence.;
- Support families to give their children the best start in life;
- Commission or provide quality health and care services, which deliver dignity, safety and choice.

The procurement aligns with People and Communities directorate statement as it will support the directorate to provide:

- Support to vulnerable adults to live independently;
- Promote and support independence by enabling children, young people and their families to improve their own lives.

There is a strong legal framework that dictates what equipment health and social care needs to provide. Legislation focuses on equipment that reduces the need for care and preserves a person's health throughout their life course. London ADASS had produced a report on the legal framework of equipment provision.

The procurement will support the vision for adult social care as it enables the provision of equipment to North Somerset to enhance the strengths-based approach

DECISION:

- It is requested that this procurement plan be approved to proceed to tender with the following partners: North Somerset Council (lead); South Gloucestershire Council; Bristol City Council and the BNSSG CCG.

REASONS:

Scope

The Community Equipment Service has existed as a joint service for North Somerset Council and the CCG since 2003/04. The service assists children and adults to remain in their own homes, at school and in care homes through provision of essential equipment. The service provider manages, maintains and delivers equipment for the people of North Somerset. Equipment will range from a grab rail to support someone up the stairs, to a specialist chairs to support our most disabled children in the district. Many of our care plans include the provision of equipment and it is an essential service for the council to deliver its statutory duties.

As the CCG now covers the geographical area of Bristol, North Somerset and South Gloucestershire, it is our strategic intention to run a collaborative procurement resulting in a contract which covers the following partners:

- North Somerset Council
- South Gloucestershire Council
- Bristol City Council
- BNSSG Clinical Commissioning Group.

Commissioning Plan

The commissioning plan was approved by the Executive on 19 March 2019. The commissioning plan was endorsed, subject to satisfactory conclusion of the commitments required for North Somerset in recommending this option. In particular, the Executive

wanted assurance that the existing professional prescriber model remained throughout the lifetime of the contract, thus avoiding any issues regarding potential overspends occurring outside of organisational responsibility.

Contract spend

The estimated total spend under the new contract across all authorities will be between £5million and £6million. The actual spend will be driven by demand.

The total spend under the current North Somerset contract was £ 1.82 million for 2018/19 which includes both health and local authority net expenditure. The table below shows a breakdown of the expenditure for 2018/19 between the Council and the NHS for North Somerset.

2018/19 Spend Profile	NHS BNNSG CCG	North Somerset Council	Joint	Total
	£'000	£'000	£'000	£'000
All Equipment Costs*	2,286,653	675,868	72,966	3,035,487
Servicing & Repairs	57,452	51,475	56,111	165,038
Delivery & Collect Costs	353,542	100,612	41,797	495,951
Recycling Cost	127,632	28,770	26,332	182,734
Recovered/collection	-1,451,715	-355,923	-252,029	-2,059,668
Subtotal	1,373,563	500,801	-54,822	1,819,542
Apportioned Joint Costs	-40,174	-14,648	54,822	0
Total to date	1,333,389	486,153	-0	1,819,542
% of Net Spend	73%	27%		
* includes cost of minor adaptations and specials				

For North Somerset Council, total net expenditure was £0.49 million which equates to 27% of total net costs in 2018/19. This includes community equipment prescribed for Adult Social Services, Children's Social Service and Children's Education. The bigger share of net spend was £1.33 million paid for by NHS health partner for North Somerset. As can be seen from the table above a significant amount of costs are recovered by recycling returned stock

This is a demand-led contract and so is subject to fluctuation in volume and specific equipment demands depending on the needs of the people in the community. In 2018/19, the contract completed 13,054 activities, made up of delivery, servicing, repair, minor works and collections. In 2018/19 overall net spend on equipment was reduced by recycling over £2 million worth of equipment. The highest areas of equipment spend by value was on beds, seating and wheeled commodes.

Specification

The specification will be developed and approved by the Project Group. Key points include:

- A single catalogue across all commissioners, which is outcomes based using a generic specification with tolerances, rather than naming products;
- We describe requirements in outcome terms wherever possible;
- North Somerset Council will be included in scope for the tender, which will be a single offer with no variants;
- North Somerset Council will be involved in the evaluation and moderation of the initial (pre-negotiation phase) tenders, at which point we will reserve the right to opt out;
- If North Somerset Council opts out, then the scope will be reduced and offers refined during the negotiation phase.

Data Protection/Information Governance

The supplier will have access to a wide range of sensitive and personal data under the contract. Risks will be mitigated through:

- Including detailed requirements in the specification;
- Checking supplier capability as part of the pre-qualification stage;
- Ongoing checks as part of the Contract Management Plan;
- Evaluating as part of the Mobilisation Plan.

Pricing Model

Current contracts have different commercial models, the most common being based on either an 80% or 100% refund for recycled equipment. The charges for other services vary and are higher for the 100% refund and analysis has shown that overall costs are similar regardless of the model.

It has been decided to tender on the basis of an 80% refund model for the following reasons:

- Incentivises supplier to clean and maintain better equipment;
- Incentivises supplier to buy equipment that lasts longer;
- Incentivises the supplier to care about recycling;
- It spreads the areas where the supplier is getting paid (mitigates all eggs in one basket risk).

Contract

The new contract will begin on the 1st of October 2020, and will be for an initial period of 5 years with an optional extension of up to 2 years.

The contract documentation will be produced with support from the South Glos Council Legal Team.

Secondary TUPE may apply to this contract. Currently there is a community equipment store run by Medequip Assistive Technology Ltd on the Weston Industrial Estate; this

employs people from the local community who may be eligible for TUPE transfer. Other partners will have similar arrangements with current suppliers that may be in scope for TUPE.

Route to market

We intend to use the OJEU Competitive with Negotiation route under the light touch regime. A three-stage process will be used set out as follows:

- Combined stage 1&2 including a selection questionnaire and initial tender;
- We anticipate inviting the 3 highest scoring bidders to the negotiation stage;
- Following the negotiation stage, we will invite final bids.

Timescales

An indicative timetable is set out below:

- OJEU notice issue: 2 December 2019
- Initial tenders returned: 13 January 2020
- Initial evaluation and moderation: January 2020
- Negotiation Phase completed: February 2020
- Submission of best and final offer: End February 2020
- Final evaluation and moderation: Early March 2020
- Contract award internal approvals: Beginning April 2020
- Standstill period: April 2020
- Contract award: April 2020
- Mobilisation: 1 May – 30 September 2020
- Contract commencement: 1 October 2020

Governance

There is a strategic board for the procurement represented by each authority's Head of Commissioning and CCG Deputy Director of Commissioning. The Procurement Project Board consists of:

- Strategic Procurement: Head of Procurement and Procurement Officer;
- Commissioning: ICES Partnership Manager;
- Finance: P&C Finance Business Partner;
- Project Board: Members from BNSSG CCG; South Gloucestershire & Bristol City Council;
- The North Somerset Council Contract Award report will need to be agreed by: The Director of People and Communities;
- All partners will follow their own internal governance processes.

Market / Suppliers

There are three current major suppliers of community equipment:

- Medequip
- NRS
- Millbrook

Pre-tender discussions were held with each of these suppliers in May 2019 in order to explore current market views on areas such as:

- Commercial Model;
- Enabling technology;
- Asset Transfer;
- Stores;
- KPIs and Evaluation;
- Specification.

All three suppliers provided useful insights and views that have informed the main areas of this plan and all three indicated that they were very keen to bid for a joint contract.

A PIN notice was issued in June 2019 in order to alert the market and identify any additional potential providers.

A supplier day was held on 6 August 2019 with the purpose of:

- Providing background information;
- Discussing joint commissioning requirements;
- Discussing the procurement process;
- Holding a Q&A/feedback session.

15 suppliers attended the event and the feedback expressed was very positive.

Social Value, Sustainability and VCSE

It is proposed to include the following question within the methods statements:

Considering the Public Services (Social Value) Act 2012, what Social Value will you provide in the delivery of this contract? (See Appendix X for guidance and link below for the Social Value outcomes we are looking to achieve):

<https://www.n-somerset.gov.uk/wp-content/uploads/2018/02/social-value-outcomes-table.pdf>

Please ensure that your response contains clear, specific, measurable commitments to which you are prepared to contractually agree.

Please note:

1. The Social Value outcomes referenced above are from the North Somerset Council Social Value Policy. Your Social Value commitments should not be restricted to North Somerset and should also benefit South Glos and Bristol.
2. You are not expected to deliver Social Value in all of the outcome areas set out in the policy. It is for you to determine where you are prepared to make Social Value commitments, although as a guide the commissioners view is that you should consider as a minimum the following:
 - Reducing negative and promoting positive environmental impacts;
 - Apprenticeships and Internships;

- Supporting local suppliers and SMEs;
- Providing training, workplace experience and/or employment opportunities for those most removed from the labour market.

Commissioners are NOT looking for you to tell us the initiatives you currently have within your organisation as 'business as usual', or are doing at present with other customers (although you may look to replicate what you have done with other customers). We are interested in exactly what you will offer for this contract and how you intend to deliver such initiative(s) so that they can be tracked throughout the resulting contract.

Evaluation

Tenders will be evaluated using a 40% Cost and 60% Quality Model. Quality will be assessed using responses to the following Method Statements:

Criteria	MS question	Weighting
Service Delivery	<p>How will you deliver the Service set out in the specification to agreed KPIs? Please ensure that your answer covers, but is not limited to:</p> <ul style="list-style-type: none"> • How your service will enable prescribers and service users to get the right service first time; • How you will ensure that you maintain a skilled and motivated workforce to meet all of the requirements of the contract? • How you will manage quality control <p>Please include an Organisation Chart to show the staff (FTE) who would be working on the contract and a reporting line to your organisational board/senior management team (note that this is in excess of the Word Count)</p>	25%
Customer Service	<p>How would you consistently deliver the standards of customer service set out in the specification? What methods will you employ to get feedback on the service from service users and prescribers and what would you do with the feedback?</p>	5%
Value and innovation	<p>How will you work with the commissioners to drive improved value throughout the life of the contract whilst maintaining quality and ensuring that outcomes are met?</p>	5%
IT and technology	<p>How will you ensure that your IT system supports delivery of the Service, provides useful, accurate and timely data, enables prescribers to self-service, enables managers to manage their budgets and enables commissioners to manage the contract?</p>	10%

Mobilisation and implementation	<p>Please set out an overview of how you will work with the current providers to transition smoothly from existing services, and mobilise to deliver the whole Service as set out in the specification, from Day one.</p> <p>Please provide a detailed Project Plan (including contingency arrangements) to support your answer (note that this is in excess of the Word Count)</p>	10%
Social Value	<p>Considering the Public Services (Social Value) Act 2012, what Social Value will you provide in the delivery of this contract? (See Appendix X for guidance and link below for the Social Value outcomes we are looking to achieve):</p> <p>https://www.n-somerset.gov.uk/wp-content/uploads/2018/02/social-value-outcomes-table.pdf</p> <p>Please ensure that your response contains clear, specific, measurable commitments to which you are prepared to contractually agree.</p> <p>Please note:</p> <ol style="list-style-type: none"> 3. The Social Value outcomes referenced above are from the North Somerset Council Social Value Policy. Your Social Value commitments should not be restricted to North Somerset, and should also benefit South Glos and Bristol. 4. You are not expected to deliver Social Value in <u>all</u> of the outcome areas set out in the policy. It is for you to determine where you are prepared to make Social Value commitments, although as a guide the commissioners view is that you should consider as a minimum the following: <ul style="list-style-type: none"> • Reducing negative and promoting positive environmental impacts • Apprenticeships and Internships • Supporting local suppliers and SMEs • Providing training, workplace experience and/or employment opportunities for those most removed from the labour market. 5. Commissioners are NOT looking for you to tell us the initiatives you currently 	5%

	have within your organisation as 'business as usual' or are doing at present with other customers (although you may look to replicate what you have done with other customers). We are interested in exactly what you will offer for this contract and how you intend to deliver such initiative(s) so that they can be tracked throughout the resulting contract.	
	Total:	60%

The standard NSC quality evaluation table will be used. We reserve the right to exclude bidders who score less than 3 on any method statement questions.

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

Price Evaluation

Price assessment will encompass three areas:

- Cost of Equipment ;
- Activity Costs;
- Specialist Equipment.

Bidders will be requested to provide unit prices for each of these elements and a total annual estimated cost will be calculated using the estimated usage matrix.

The tender with the lowest total price will receive the maximum score of 40% and the prices of all other tenders will be expressed as a percentage of the maximum score.

Representatives from each partner organisation will form the evaluation panel.

Contract Management

Contract Management will be led by the BNSSG CCG with involvement from all three local authorities.

KPIs for the contract will be based on the following:

- On time fulfilment and delivery (as per contract);
- Call / email response times;
- Collections made on time;
- Complaints as a percentage of orders ;
- 90% of equipment that go back into the store is re-used;
- % of equipment value that is re-used;
- % of collection credits against total equipment charge;
- Prescriber satisfaction - rated satisfactory or above – 90%;
- Complaints resolution;
- Short term KPI to cover mobilisation and implementation.

OPTIONS CONSIDERED:

The Community Equipment Service is an essential service and is required to enable us to meet our statutory duties under the Care Act 2014. The BNSSG CCG is committed to commissioning the Community Equipment Service across Bristol, South Gloucestershire and North Somerset. This will enable the contract to provide a more consistent offer across the geographical areas which will assist with cross-county transfers, especially from hospitals in this area.

If we chose to leave this partnership arrangement we may struggle to procure alone due to the small size of the contract, we would lose the economies of scale and the operational benefits of this services being integrated.

FINANCIAL IMPLICATIONS:

North Somerset Council net budgeted resources for 2019/20 is circa £611,000 per annum to the Integrated Community Equipment Service, it is expected that future costs of the service will be within budget.

Costs

All parties agree to share the cost of a project officer to support the procurement; North Somerset's contribution to this is £5,000.

Funding

This will be funded under a Section 75 agreement. This demand-led contract with each authority responsible for its over- or under-spends.

LEGAL POWERS AND IMPLICATIONS

The legislation that governs the prescription of equipment is different for the CCG and North Somerset Council. The table below outlines the legislation that must be considered by each agency when prescribing equipment.

North Somerset Council	Clinical Commissioning Group
<ul style="list-style-type: none"> • The Care Act 2014 • Children Act 1989 • Chronically Sick and Disabled Persons Act 1970 • Children and Families Act 2014 	<ul style="list-style-type: none"> • National Health Service Act 2006
<ul style="list-style-type: none"> • Health and Safety at Work Act 1974 and Regulations • Manual Handling Operations Regulations 1992 • Lifting Operations and Lifting Equipment Regulations 1998 • Provision and Use of Work Equipment Regulations 1998 	

London ADASS has produced a report on the [legal framework of equipment provision](#).

Legal support to the project will be provided by the Bristol City Council Legal Team, which will be leading on developing the contract.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

We will address the climate change emergency with suppliers as part of the social value question (this could include sustainable transport, use of electronic systems, waste reduction / responsible recycling etc.).

CONSULTATION

The contract manager has consulted with all the main partners who use the contract about the joint procurement, how the contract is working and what needs to be include in any specification. These partners include:

- North Somerset Council, adults and children's service leads.

- Avon and Wiltshire Mental Health Partnership NHS Trust
- North Somerset Community Partnership Trust
- Weston General Hospital
- North Somerset Care Homes

This is to ensure that the current Community Equipment Service is fit for purpose and to support the specification. Some key themes have come out that will be considered when developing the specification:

- Greater support for complex equipment refurbishment and reissue;
- An equipment store within easy reach of the main staff offices;
- Focus on ensuring good recycling levels;
- More consistent offer across the Bristol, South Gloucestershire and North Somerset areas;
- More information to support clinical decision making.

The commissioning team that will be managing the procurement will be made up of representatives from:

- North Somerset Council
- Bristol City Council
- South Gloucestershire Council
- Local Community health partners
- Local Hospitals
- BNSSG CCG.

These representatives will consult with their individual organisations about the specification and tender process as this is developed.

RISK MANAGEMENT

Three main risks have been identified:

Change in Supplier – this will be mitigated using an in-depth mobilisation plan as well as a long implementation period.

Standard Catalogue – this will be mitigated on the basis of generic specifying and ensuring we develop the catalogue well in advance of the tender (currently ongoing).

Stores Location – there are currently stores covering each geographic region. There is a possibility this may change to one hub that covers all areas. We could mitigate this by using up to date IT technology as well as having Occupational Therapists based at this hub.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

A Stage 1 Equalities Impact Assessment was completed. The aim is to procure the same level of service to meet health and social care statutory duties to provide equipment for the residents of North Somerset.

There will be a low positive impact for people with disabilities as having a contract that is consistent across North Somerset, Bristol and South Gloucestershire will make cross-county transfers and prescription of equipment easier.

CORPORATE IMPLICATIONS

The governance of the contract will be considered as part of the procurement process and this will be finalised by May 2019, for implementation by 1 September 2020. Staff will be consulted on any changes to job requirements during the contract implementation period.

APPENDICES

N/A.

BACKGROUND PAPERS

Commissioning Plan.

SIGNATORIES:

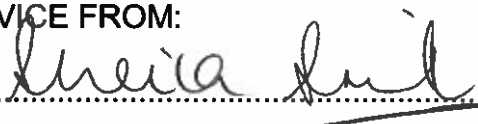
DECISION MAKER(S):

Signed: 

Title: Executive Member for Adult Social Care and Health

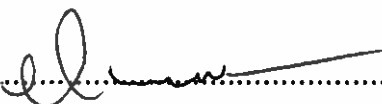
Date: 20/12/2019

WITH ADVICE FROM:

Signed: 

Title: Director, People and Communities

Date: 20.12.19

Signed: 

Title: Head of Strategic Procurement

Date: 20.12.19

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable: