

## **North Somerset Council Decision**



**Decision Of: Director of Adult Social Services**

**With Advice From: S151 Officer and Head of Strategic Procurement**

**Directorate: Adult Social Services**

Following meetings with the Authorities' Senior Leadership, on 21 May 2021 the Authorities have decided to withdraw this contract award decision and to re-evaluate the bids that were submitted in advance of the 6 November 2020 deadline.

The Authorities will announce the new contract award decision once the re-evaluation has been completed and will at that point issue new Contract Award Decision Notices in accordance with Regulation 86 of the Public Contracts Regulations 2015.

**Decision No: ASC011 (2020/21 Scheme)**

**Subject: Award of the Community Equipment Service Contract for BNSSG Clinical Commissioning Group, Bristol City Council, South Gloucestershire Council and North Somerset Council**

**Key Decision: YES**

**Reason:**

Above £500,000 and could affect more than two wards.

**Background:**

The current NSC contract with Medequip Assistive Technology Ltd will end on 30 September 2021. 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 have procured the Community Equipment Service with 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.

## **Decision:**

That the contract for Community Equipment Services be awarded to NRS Healthcare. It will be a five-year contract an optional extension of up to two-years. The estimated contract value across the four partners is £42m over the seven years.

## **Reasons:**

### ***Introduction***

The Community Equipment Service has existed as a joint service for North Somerset Council and the CCG since 2003/04. As the CCG now covers the geographical area of Bristol, North Somerset and South Gloucestershire, we have run a collaborative procurement resulting in a contract which covers all areas.

The Commissioning Plan was approved by the Executive on 19 March 2019.

The Procurement Plan was approved by Cllr Mike Bell on 20 December 2019.

The contract will run for five-years with an optional extension of up to two-years. The total estimated cost for all partner organisations will be circa £42million, with the North Somerset Council contribution based on actual use, and estimated to be no more than the current cost of c. £600,000 per annum, or £4.2m over 7 years

### ***Market Engagement actions***

There are three major suppliers of community equipment. Pre-tender discussions were held with each of these suppliers in May 2019 in order to explore current market views. All three suppliers provided useful insights and views which influenced the Procurement Plan and indicated that they were very keen to bid for a joint contract.

The initial procurement process was aborted in April 2020 due to the impact of Covid on project and mobilisation resources. A PIN notice was issued in September 2020 in order to alert the market that the new process was starting and identify any additional potential providers.

A supplier information day was held on 19<sup>th</sup> October 2020 with suppliers that attended the event expressing positive feedback on our process.

### ***Procurement procedure & publishing information***

The tender was published in the Official Journal of the European Union (alongside our e-tendering portal and Contracts Finder with a return date of 30<sup>th</sup> of November 2020. An open tender procedure was followed.

## **Award Criteria**

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

<b>Criteria</b>	<b>Weighting</b>
Service Delivery	20%
Children Equipment	5%
Customer Service	5%
Value and innovation	5%
IT and technology	10%
Mobilisation and implementation	10%
Social Value	5%
<b>Total:</b>	<b>60%</b>

Price assessment encompassed three areas:

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

Equipment: the BNSSG ICES Project Group agreed a single list of BNSSG catalogue equipment with detailed specifications for each item. Bidders had to submit equipment to meet given specifications, and the price they offered generated an estimated annual cost based on 2019/20 usage data. All the predicted costs were added up to give an annual value.

The schedule of equipment provides the basis for setting up the BNSSG equipment catalogue during contract mobilisation. During this time a BNSSG Equipment Review Group (ERG) will check each item meets specification and will work with the provider to work out how to manage legacy stock and Close Technical Equivalents (CTE), in order to maximise equipment re-use and minimise costs. The catalogue will be signed off before go live by appropriate, qualified leads in the Project Group and or Programme Board.

Activity Costs: The Project Group derived a BNSSG activity costs template comprising all possible activities that the provider will carry out. For example, delivery fees, collection fees, labour fees, etc. Bidders had to submit a price for each type of activity against usage data. This generates an estimated annual cost.

Specialist Equipment: the project team developed a BNSSG template to capture, based on historic data, the activity of managing the Specialist Equipment element of the contract. This model was developed to incentivise the provider to manage and utilise commissioner-owned specials for recycling and reuse, and to disincentivise procurement of new specialist equipment. The bidders submit prices for fees each element of this part of service. The template generates an estimated annual cost.

Tenders were evaluated based on the total of 'Equipment', 'Activity Fees' and 'Specialist Equipment' (Specials). Because other historic and future costs are outside the control of the bidders, these cannot be included in the Pricing Schedule template. Historic data indicates that for BNSSG these costs outside bidder control are in the region of £1.7m. The majority of this expenditure is on Specialist Equipment (new Specials).

The pricing evaluation is not indicative of current or future actual spend because: a) it uses historic, albeit most recent, activity data. Commissioners will note that it is difficult to precisely predict future demand but will have experiences in rising pressure on demand and costs over the years. b) The pricing template does not include price of specials and other costs. c) There is no allowance for price inflation after the first contract year. The Integrated Community Equipment Services are demand-led services that must react and flex to pressures in the system, for example: new initiatives underpinned by equipment provision or changes in activity speed; adding or subtracting to the range of services included in ICES. Therefore, Commissioners and Finance Managers will have to ensure that ICES budgets reflect the true demand and pressures on the service.

### **Evaluation Panel Members**

The Evaluation Panel was selected to represent all partner organisations as well as the key services accessing the contract:

<b>Forename</b>	<b>Surname</b>	<b>Role</b>	<b>Organisation</b>
Vicky	Ledbury	CCG LEAD	BNSSG CCG
Rachel	Webber	Acute LEAD	UHBW
Dominic	Hardiman	Adult Community LEAD	Sirona care & health
Tom	Lander	BCC LEAD	Bristol City Council
Sally	Hunter	Children LEAD	Bristol City Council
Fiona	Shergold	NSDC LEAD	North Somerset Council
Janice	Llewelyn	SGC LEAD	South Glos Council
Elke	Small	Social Care LEAD	Bristol City Council

### **Evaluation outcome**

The standard North Somerset scoring method (0-5) was applied to each method statement response. Evaluators completed their assessments individually (with clinical advice from experts). Following this process, a moderation session was held, and final consensus scores agreed as follows:

Tenderer	Quality Weighting (%)	Actual Quality Score (%)	Price Weighting %	Actual Price Score %	Total Weighted Score %	Overall Ranking
Medequip	60%	46.00%	40.00%	40.00%	86.00%	<b>2</b>
Millbrook	60%	38.00%	40.00%	35.80%	73.80%	<b>3</b>
NRS	60%	51.00%	40.00%	37.16%	88.16%	<b>1</b>

## ***Contract Management***

Contract Management will be led by Bristol City Council on behalf of the four commissioning partners. Each commissioning partner will have a nominated lead for the contract. The new contract will utilise the NHS Standard Contract, with annual variations issued to ensure any agreed changes are incorporated into the contract and that the terms and conditions are updated.

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.

## ***Contract Mobilisation***

Bidders were asked to submit a mobilisation plan for the new contract as part of their tender submission. These were assessed and scored as part of the evaluation process. Mobilisation of the contract will commence in early March 2021 and will be supported by members of the ICES procurement project team.

## **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. BNSSG Clinical Commissioning Group 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, and we would lose the economies of scale and the operational benefits of this services being integrated.

## Financial Implications:

The Pricing Schedule used to evaluate bids generated an estimated annual cost based on historic usage figures. It is important to recognise that this figure should not be used to predict future expenditure, because it excludes expenditure for which there is no agreed contractual price (mainly Specials) and because future demand is difficult to predict.

Nevertheless, an exercise was undertaken before bids were received to populate the pricing schedule using current contract prices as far as possible. This was a complex and inexact exercise because of the differences in current equipment across the different partner contracts. However, it indicated that the annual cost for the estimated usage in the pricing schedule, using current prices, would be between £4.4m and £4.8m. Therefore, given that the NRS Pricing Schedule total is £3.8m this suggests that, comparing like for like activity only, the unit costs for the new contract are lower than the contract. This does not necessarily mean that real savings will be generated, because of system pressures and the impact of collection credits from legacy stock and the potential spend on specialist equipment; it does, however, demonstrate that value for money has been achieved and that the contract prices are affordable. Close monitoring of actual spend will take place once the new contract starts, in order to demonstrate this.

Furthermore, we will also be working to single standard operating procedures, with a single catalogue, a single group of specials etc which will support reducing any variation that may exist in prescriber practice. This is likely to deliver cost reduction, although this will be virtually impossible to measure.

## Funding

Spending is currently funded through the Better Care Fund under a Section 75 agreement, although as this is a demand-led contract, each authority is responsible for its own over or under-spends. Various Council budgets contribute to the funding, including adult social care, children's services and DSG revenue budgets, together with a capital budget for higher value items – the total amounts to c. £600,000 per annum.

## Legal Powers and Implications:

The legislation that governs the prescription of equipment for the CCG and North Somerset Council is different. 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"><li>• The Care Act 2014</li><li>• Children Act 1989</li><li>• Chronically Sick and Disabled Persons Act 1970</li><li>• Children and Families Act 2014</li></ul>	National Health Service Act 2006
<ul style="list-style-type: none"><li>• Health and Safety at Work Act 1974 and Regulations</li><li>• Manual Handling Operations Regulations 1992</li><li>• Lifting Operations and Lifting Equipment Regulations 1998</li></ul>	

- 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 was provided by the Bristol City Council Legal Team, who developed the contract.

### **Climate Change and Environmental Implications:**

We addressed the climate change emergency with suppliers as part of the social value question (e.g. sustainable transport, use of electronic systems, waste reduction / responsible recycling etc.).

### **Procurement timeline**

The dates for key activities for the procurement are as follows:

<b>Activity</b>	<b>Date</b>
OJEU notice issued	12 October 2020
Market engagement event	19 October 2020
Tenders returned	30 November 2020
Final evaluation and moderation	1 December 2020 – 7 January 2021
Due diligence period	8 – 19 January 2021
Contract award report completed	20 January 2021
Programme Board approval	21 January 2021
Approval of contract award report by Local Authority Partners	21 January – 01 February 2021
Approval of contract award report by CCG Governing Body	02 February 2021
Standstill period	03 - 17 February 2021
Contract award	18 February 2021
Mobilisation	01 March – 30 September 2021
Contract commencement	01 October 2021

### **Procurement governance**

A Programme Board consisting of senior officers from the four partners was set up to oversee the process. The Board meets regularly to collectively make key decisions and is supported by a project group of subject matter experts from the four partners and with clinical representation from Sirona care and health CIC. The project group was tasked with preparation of all the procurement documentation, including the service specification, single catalogue and contract. The procurement documentation was approved by the Programme Board prior to the issue of the OJEU notice.

Each of the partners is required to seek approval to proceed to award through their own internal governance routes.

The Programme Board agreed that each partner would provide technical support in kind to support the process. Technical support is provided as follows:

- Senior Responsible Officer – BNSSG CCG
- Procurement support – North Somerset Council
- Legal support – Bristol City Council
- Finance support – Bristol City Council with input from BNSSG CCG
- Project management – BNSSG CCG

### **Consultation:**

The ICES project team consulted with a wide range of stakeholders who will use the contract about the joint procurement, how the contract will work and what was included in the specification. The stakeholders include:

- North Somerset Council, adults and children’s service leads.
- Bristol City Council, adults and children’s service leads
- South Gloucestershire Council adult and children’s service leads
- Sirona Care & Health CiC
- North Bristol Trust
- University Hospitals Bristol and Weston NHS Foundation Trust

This was to ensure that the current Community Equipment Service is fit for purpose and to support the specification. Some key themes came out that were 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.

### **Conflicts of interest**

Everyone involved in the procurement process was asked to complete a declaration of interest form to ensure any conflicts could be identified and managed if required. The register of interests, which includes the names of all participants and their role in the process, is attached

### **Risk Management:**

*The main risks identified are:*

Increase in population:

The population of North Somerset is growing and in 2015 was estimated to be 209,944 people. This is predicted to grow over the next two decades, reaching 256,120 by 2039.



The current cost of equipment service for North Somerset is £566,000 and this is expected to increase year on year. This has been reflected in the financial section.

#### No service provision:

As community equipment service is an essential service, if a new contract is not in place by September 2021, the contract with Medequip will have to be extended beyond the contract term as an exception under Contract Standing Orders. Awarding this contract following the tender process will mitigate this risk.

#### Change in Supplier

Any change in supplier involves risk, and given the current position with Covid this risk is increased because of pressures on the service, partner resources and supplier resources. Mitigations include the following:

- Mobilisation is a key stage in any contract, and one of the evaluation criteria was for bidders to submit a credible Mobilisation Plan. NRS scored 5/5 in this area (higher than both of the other bidders), and their plan was considered to be well thought through and containing all relevant detail
- The Programme Board have committed to provide sufficient resource to support the new contract
- We have allowed for a 7 month mobilisation period for the procurement, contracts of this type are often mobilised in three months or less – this was something discussed with all bidders when there were delays in the previous procurement process and they all confirmed that they can mobilise over short periods of time. NRS will be meeting with a core team on at least a fortnightly basis to support the mobilisation, and any issues that arise in mobilisation can be addressed as soon as they happen, with issues and risks highlighted to the Programme Board on a monthly basis (or more frequently should the need arise)
- Moving to a single contract would have involved significant change regardless of the winning bidder. Had the incumbent been successful then there would still have been significant risk in moving to a different catalogue and model.
- In this market changing suppliers is reasonably commonplace, and suppliers normally co-operate to ensure a smooth transition
- We have a well-established Project Team who are geared up to share tasks involved in mobilisation, and will be led by a strong, experienced Contract Manager.

#### **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:**

Staff will be consulted on any changes to job requirements following contract award.

**Appendices:**

Register of Interests

**Background Papers:**

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

Stage one: Equalities Impact Assessment

Commissioning Plan

Procurement Plan

**Signatories:**

**Decision Maker(s):**

Signed: .....

Title: Director of Adult Social Services

Date: .....

**With Advice From:**

Signed: .....

Title: S151 Officer

Date: .....

Signed:

Title: Head of Strategic Procurement

Date:

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