

Report of: Executive Member for Health and Adult Social Care

Meeting of:	Date	Agenda item	Ward(s)
Executive	7 February 2012	D5	All

Delete as appropriate	Exempt	Non-exempt
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SUBJECT: CONTRACT AWARD FOR DISCRETIONARY SERVICES FOR PEOPLE WITH LEARNING DISABILITIES

1. Synopsis

- 1.1 This report outlines the recent procurement process and seeks approval to award new contracts for discretionary services for people with learning disabilities.

Contracts have been re-tendered in a total of three contract groups: advocacy services, social inclusion and leisure, and consultation services.

The report outlines the tender process, including evaluation criteria. The evaluation scores are set out in the Exempt report.

2. Recommendations

- 2.1 To approve the award of three-year contracts (with an option to extend by two years) to the organisations named below, commencing 1 April 2012:

- Advocacy Services – The Elfrida Society
- Social Inclusion and Leisure – Royal Mencap
- Consultation Services – The Elfrida Society.

- 2.2 To bring the contract for supporting the service user management committee at Daylight day centre in-house from March 2012.

3. Background

3.1 The Council's Procurement Rules require that these contracts are re-tendered to comply with the need for competitive tendering and achieving best value. The Council has previously approved contract extension waivers to cover the period of the tender. Re-procurement has been achieved by carrying out a competitive tender exercise.

3.2 The Learning Disability Partnership Board and people with learning disabilities using these services and family carers were consulted about the tender. Priorities established by these groups were included in services specifications and tender selection criteria. In addition, people with learning disabilities have been involved as members of tender panels.

3.3 The services were grouped into three contract groups:

- Advocacy Services
- Social Inclusion and Leisure
- Consultation Services.

Providers were permitted to tender for any number of groups, and were also permitted to put in consortium bids

3.4 There is currently an additional discretionary service, support to the service user management committee at Daylight, the council's day centre for people with learning disabilities. This support is not required as Daylight staff are on hand to assist.

3.5 Cost efficiencies

Cost efficiencies have been facilitated by grouping the nine services into three contracts. To ensure savings were achieved, a maximum price was set for each contract representing a reduction of 15% compared with current contract prices.

3.6 Assessment process

An advert and tender documents for these services were publicised in September 2011. Tender documents were made available to all organisations that expressed an interest.

The assessment criteria were set out in the invitation to tender as 80% quality, and 20% cost. This table summaries the approach to evaluating quality:

Quality – made up of	Method statements	Presentation	Interview	Overall %
Compliance with service specification	5%	10%	10%	25%
Support to Service Users	10%		10%	20%
Partnership Working and Relationship Management	5%	5%	10%	20%
Management approach	10%		5%	15%

Providers submitted expressions of interest and four method statements. All questions put to them at presentation and interview stage were based on information in the council's invitation to tender. The 20% cost element consisted of 10% on unit cost, 5% on cost distribution between direct costs and overheads, and 5% on overall contract costs. All bidders followed the required format, and evaluation criteria were applied consistently by the tender panel.

3.7 Short-listing was based on the organisation's experience of providing relevant services, quality assurance, working with stakeholders and financial robustness. The four highest scoring bidders, who had to meet a minimum threshold, were short-listed.

A total of 58 organisations expressed an interest, of which 6 submitted an application for one or

more of the groups. All six bidders were evaluated. Two did not meet the requirement threshold at the pre-qualification questionnaire stage, so they were not short-listed. The remaining four were invited to interview, site visit and presentations.

- 3.8 Tender panels included six people with learning disabilities, the Senior Commissioning Manager, the Commissioning Support Officer, the Transition Team Manager and the Deputy Team Manager for Islington Learning Disability Partnership. The tender was managed by the Strategic Procurement Team.
- 3.9 The Exempt report details final scores for the four organisations in each group which were successful in going through to the tender stage.

4. Implications

4.1 Financial implications

The 2011/12 total annual cost of the Learning Disability discretionary services contracts was £369,461. The 2012/13 total annual cost of the contracts will be £318,929 (excluding TUPE costs), which represents a gross saving of £50,532 (14%).

The Social Inclusion and Leisure contract will incur TUPE costs of £10,500 on top of the annual contract value. The successful provider will be contacted to provide more detailed calculations of TUPE costs, which are expected to decrease over the duration of the contract due to staff turnover.

A value for money assessment was carried out as part of the tender process.

The 2012/13 Medium Term Financial Strategy (MTFS) savings for Adult Social Services included £51k allocated to LD Discretionary Services. The reduction in contracts value (excluding TUPE costs) achieved through this retender has demonstrated the achievement of these savings.

These contracts are funded within the Islington Learning Disabilities Partnership (ILDLP), a pooled budget with contributions from Islington Council and NHS Islington (Commissioning). The contracts should not create a financial pressure for the pooled budget.

4.2 Legal Implications

The Council has power to enter into contracts with providers of services for people with learning disabilities under section 1 of the Local Government (Contracts) Act 1997 on the basis that such services are properly required for the discharge of the Council's duties.

The threshold for application of the Public Contracts Regulations 2006 is currently £156,442. The value of each of the three contracts to be let is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services as well as those with a value below the threshold to comply with the principles of equal treatment, non discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender. In compliance with the principles underpinning the Regulations and the council's Procurement Rules a competitive tendering procedure with advertisement has been used.

The council's procurement rules require a minimum of four written competitive tenders. Where however, less than this number successfully meet the pre-qualification requirement the council may proceed with the procurement if it chooses to do so.

The tenders were subject to evaluation in accordance with the tender evaluation model. Accordingly the Executive may award the contract to the highest scoring providers which is Elfrida Society for both advocacy services and consultation services and Royal Mencap for social inclusion and leisure services.

In deciding whether to award the contract to the recommended providers the Executive should be satisfied as to the competence of the suppliers to provide the services and that the tender prices represent value for money for the Council. In considering the recommendations in this report members must take into account the information contained in the exempt appendix to the report.

4.3 **Environmental Implications**

An environmental impact assessment was completed on 06 July 2011. The contracts relate to support services and no specific environmental implications have been noted.

4.4 **Equality Impact Assessment**

The Council must, in carrying out its functions, have due regard to the need to eliminate unlawful discrimination and harassment and to promote equality of opportunity in relation to disability, race and gender and the need to take steps to take account of disabilities, even where that involves treating the disabled more favourably than others (section 49A Disability Discrimination Act 1995; section 71 Race Relations Act 1976; section 76A Sex Discrimination Act 1975).

An Equality Impact Assessment was completed on 6 July 2011.

The EIA identified that there would be no differential impacts. This decision was made because the tender would have no impact on the right of people with learning disabilities to continue receiving services from these contracts.

5. **Conclusion and reasons for recommendations**

5.1 The report proposes that contract awards be made to the following organisations:

- Advocacy Services – The Elfrida Society
- Social Inclusion and Leisure – Royal Mencap
- Consultation Services – The Elfrida Society.

5.2 That the recommendation is based on a competitive procurement process where a wide range of potential providers competed for the services contained within these contracts. Feedback from service users and family carers from monitoring visits carried out by the User Led Monitoring group and the Carers' View group over the last year were incorporated into the development of service specifications, and service users have been part of the tender panel choosing the new providers.

5.3 The successful bidders evidenced both value for money and the ability and track record to provide high quality services.

Final Report Clearance



Signed by Executive Member for Health and Adult Social Care Date: 19/1/12

Received by Head of Democratic Services Date

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