



Report of: **Executive Member for Health and Social Care**

Meeting of:	Date	Ward(s)
Executive	13 July 2017	All

Delete as appropriate	Exempt	
-----------------------	--------	--

Appendix 1 to this report is exempt and not for publication

SUBJECT: Contract award for block contracts for Domiciliary Care Services

1. Synopsis

- 1.1 This report details the outcome of the procurement process undertaken with respect of Domiciliary Care Services and seeks approval for the award of five contracts to deliver these services to residents with on-going care and support needs in the borough.

2. Recommendations

- 2.1 To approve the award of five (5) block contracts to Allied Healthcare Group Ltd, Castlerock Recruitment Group Ltd, London Care PLC, Mayfair Home Care and Mihomecare for the provision of Domiciliary Care Services commencing 01 April 2018 for a period of four (4) years with a possible extension or a further (4) years (24 months + 24 months) subject to a performance review of each provider.
- 2.2 To award a contract to the value of £78m over a maximum 8 year term based on an annual value of £9.6m.

3. Background

- 3.1 The procurement strategy for the provision of domiciliary care services was agreed by the Executive at its meeting on 29 September 2016.
- 3.2 Islington Housing and Adults Social Services currently commission domiciliary care services

through three cost and volume contracts with external providers. In 2015/16, these services delivered 563,187 actual hours of care, averaging 10,800 actual hours of care weekly to approximately 835 service users. Contracts deliver a broad range of care and support options that include personal and domestic care, respite care, day and night sitting services, waking night services, escorting services and support with accessing activities and the wider community.

Contracts will provide high quality home care services to residents in the borough who are assessed as having a statutory need for community based care. Providers are required to deliver appropriate and varying levels of support to meet the needs of all eligible client groups in the borough. These include individuals with physical, sensory, global learning disability and mental health needs. Additionally, providers are required to demonstrate expertise, knowledge and sensitivity in their response to equality issues, impairment, disability, ethnic, religious, cultural and communication needs.

This procurement has two strategic drivers:

1. To facilitate the Council's commitment to personal social care and the requirements of the Care Act 2014 by continuing to develop a working flexible delivery model in partnership with providers. The delivery model will extend opportunities for choice and control through self – directed support and will provide a mechanism for service users to be directly involved and influential during the care and support planning process with their care providers.
2. To contribute to the Council's corporate priorities in continuing to work towards a fairer Islington by helping people move into employment and earn a living wage. Contracts will stipulate the requirement to pay the London Living Wage (LLW), travel time and will offer guaranteed hour contracts of 16 hours and above. Contracts will also continue to work towards sourcing local recruitment and offering opportunities for care worker career progression.

The arrangement will be funded from existing Adult Social Services resources. The value of the contracts have been estimated to be c.£78 million and the intended contract term is four years with the option to extend for a further two years on two consecutive occasions. This will be an activity based contract, procured on the basis of an hourly rate. The expenditure on this service for the last two years was £15m, £7m in 2014/15 and £8m in 2015/16. The capped rate for the new service has been comprehensively modelled and has been assessed as value for money with respect to the pressures associated with specific requirements such as LLW and travel costs.

- 3.3 The procurement followed a Restricted Procedure which means the process was conducted in two stages: Selection Questionnaire (SQ) stage and Invitation to Tender (ITT) stage. The tender was advertised on the Islington council website, the London Tenders Portal (the council's e-tendering system), Contracts Finder and OJEU (Official Journal of the European Union). Organisations that submitted an Expression of Interest (EOI) via the portal were given access to the tender documents and any relevant additional information. Questions received via the portal were responded to publicly, in order to ensure that all bidders had access to the same information.

At the SQ stage, the twelve highest-scoring organisations were shortlisted through a selection questionnaire. At the ITT stage, the shortlisted twelve organisations were invited to tender, ten of which submitted tender applications.

The tender evaluation panel comprised of three council officers. In addition, to ensure appropriate expertise, LBI's lead for safe guarding of vulnerable adults was asked to evaluate

the ITT question based on safeguarding of vulnerable adults and risk management. To ensure service user involvement, service users were asked to write and evaluate one of the ITT questions concerning customer care.

At SQ stage, a total of 162 organisations expressed interest in the contracts and of these, 51 submitted selection questionnaires. Following the evaluation of the SQ's, the highest scoring twelve organisations were visited for verification of the written submission. Site visits ensured there was a robust process for shortlisting organisations and provided useful market engagement.

Following the completion of the SQ stage, twelve organisations were invited to tender. Bidders were asked to submit a proposal to address the four method statement areas included in the award criteria, and the pricing schedule. The Council received a total of ten compliant bids which were subsequently evaluated.

- 3.4 The tender submitted was evaluated to determine the Most Economically Advantageous Tender (MEAT) on the basis of 10% Cost and 90% Quality as set out below:

Tender Award Criteria	Total
Cost	10 %
Quality – made up of	90%
Proposed approach to operational delivery	20%
Proposed approach to safeguarding of vulnerable adults and risk management	20%
Proposed approach to customer care	25%
Proposed Approach to quality assurance and continuous improvement	25%
Total	100%

Bidders also had to achieve minimum quality standards to be successful. In order to be awarded a contract, the winning tenderer must score a minimum of 3 points out of 5 in each question.

- 3.5 The price assessment method was that bidders would complete a pricing schedule. The lowest price submitted would be awarded 10% and all further prices a proportionate score.
- 3.6 Value for money has been ensured in this re-procurement and the life of the contracts in the following ways:

- Tenderers were asked to bid at or below an agreed ceiling rate, a standard capped rate across all levels of need - low, medium and high thresholds. The rate is inclusive of provision at weekends, bank holidays and unsociable working hours.
- The service is billed by the minute and spend is capped at the hours agreed in the individual service plan.
- Providers are required to make efficiencies through an electronic call monitoring system and efficient operational rostering in delivery.

The service function in terms of providing preventative care and maintaining independence at home supports people to lead fulfilling lives and contributes to social sustainability in the local community. The continued development of a flexible delivery model facilitates more choice in the way services are delivered.

The re-commissioning of this service aims to reduce unemployment in the borough and provide

good quality jobs for residents.

Good quality jobs are created through the contractual requirement to pay London Living Wage (LLW) in an industry that is historically low paid and undervalued. Providers are also required to pay travel time to ensure the benefit of the LLW is fully realised. The provision of good quality jobs is further strengthened by the Council having signed up to the Unison Ethical Charter.

Local employment is supported through an expectation that providers will strive to source their workforce locally. Providers attend local employment fairs, local universities and host local recruitment days. Providers are also supported to network with the Council's Community Partnership Employment. The contract requirements for investment in the workforce and for sourcing local employment will therefore contribute to local economic sustainability.

A breakdown of tenderers scores are given in the Exempt Appendix to this report.

The contract notice stated that the council would appoint up to six (6) different organisations to provide a comprehensive domiciliary care service with a cost and volume contract model that seeks to extend the range of options available for people accessing the service.

Of the ten compliant bids that were received only five (5) met all the minimum standards required by the council. These five tenders were also the five highest scoring tenders.

TUPE will not apply to this contract as all incumbent providers' bids have been successful.

4. Implications

4.1 Financial implications:

The domiciliary contract is funded from the Adult Social Services base budget and the new contract award will not result in a budget pressure. The projected 2018/19 gross budget for the new domiciliary care contracts will be £9.6m. The contracts are cost and volume with a guaranteed minimum delivery of 600 hours per week per provider.

The total estimated value of this contract over the maximum 8 year term is £78m.

It is anticipated that expenditure in the contracts will increase year on year to meet London Living Wage requirements, and additional funding will be sourced from corporate market inflation bids to meet these requirements.

Contract values are inclusive of any TUPE costs, and therefore no additional payments should be made for TUPE above the agreed values.

As these contracts are on a cost and volume basis, it is important that activity is monitored closely so as to identify any future pressures as early as possible and identify potential funding sources.

4.2 Legal Implications:

The Council has power to provide home care services for residents having a statutory need for community based care services under the National Assistance Act 1948, section 29. The council also has a general duty in exercising its functions under part 1 of the Care Act 2014 to promote the 'well-being' of individuals. Well-being includes (a) physical and mental health emotional well-being and personal dignity (b) control by the individual over day to day life (c) participation in work education, training or recreation (section 1). Section 45 of the Health Services and Public Health Act 1968 also places a duty on local authorities to promote the

welfare of older people "in order to prevent or postpone personal or social deterioration or breakdown". Therefore the council may provide domiciliary care services for those who are assessed as having a statutory need for community based care. The council may enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

The proposed contract is a contract for services. The threshold for application of the Public Contracts Regulations 2015 is currently £589,148,000.00 (for light touch services). The value of the contract to be let is above this threshold and will therefore need to be advertised in the Official Journal of the European Journal (OJEU). The council's Procurement Rules require contracts for light touch services over the value of £164,176.00 500,000.00 to be subject to competitive tender. In accordance with the requirements of the Regulations and the Council's Procurement Rules the contract has been procured with advertisement in the Official Journal of the European Union.

Bids were evaluated in accordance with the evaluation model. The contract notice had stated that the council would appoint up to six (6) different organisations. Of the ten compliant bids that were received only five met all the minimum standards required by the council. These five (5) tenders were also the five highest scoring tenders. Therefore, the contract may be awarded to Allied Healthcare Group Ltd, Castlerock Recruitment Group Ltd, London Care PLC, Mayfair Home Care and Mihomecare as recommended in the report. In deciding whether to award the contract as recommended, the Corporate Director for Housing and Adult Social Services 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. Regard must also be had to the information set out in the attached appendix.

4.3 Environmental Implications

No negative environmental impact is expected in from this service. The service involves delivery by a dispersed workforce to residents in their own homes within the community.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed in July 2016. The service is expected to have a positive impact on older people and people with disabilities. It is also expected to positive impact on economy of the borough as a whole and contributes towards a fairer Islington.

5. Reason for recommendations

- 5.1 This report recommends the approval to award Domiciliary Care Services contracts to Allied Healthcare Group Ltd, Castlerock Recruitment Group Ltd, London Care PLC, Mayfair Home Care and Mihomecare for a period of four (4) years with a possible extension or a further (4) years (24 months + 24 months).

Appendices

- Exempt Appendix 1 - **PROCUREMENT EVALUATION SCORING AND SUCCESSFUL CONTRACTORS**

Background papers: None

Final report clearance:

Signed by:

Janet Burgess

3 July 2017

Executive Member for Health and Social Care

Date

Report

Authors:

Ruby Pearce

Tel:

Contact: Ruby Pearce 020 7527 8483

Email:

ruby.pearce@islington.gov.uk
