

Cabinet Member Leader of the County Council
Procurement Title Agency Staff Neutral Vendor Managed Service
Procurement Option Call off without competition using the Managed Services for Temporary Agency Resources (MSTAR) framework let by Eastern Shires Purchasing Organisation (ESPO).
New or Existing Provision Existing Provision
Estimated Contract Value and Funding Arrangements Based on 2015/16 spend the current contract value is in the region of £8 million per annum, the current projection for 2016/17 is that spend will be in the region of £15m per annum, however it is expected that current recruitment practices relating to transformation will be reviewed and therefore spend on agency workers (whilst currently subject to fluctuations) is expected to decrease and align to previous years. Payments in relation to agency staff are transferred to appropriate budget. Estimated Total Contract Value will be between £32 Million and £60 Million
Contract Duration Initial period of 2 years with an option to extend the contract beyond the initial term, by any number of agreed periods, to a maximum of a further 2 years.
Lotting Not Applicable
Evaluation Direct Award – (See Contract Detail)
Contract Detail A neutral vendor agency worker provider acts on behalf of an organisation to manage the agency worker supplier arrangements with recruitment agencies, alongside managing the procurement, placement and payment arrangements of the agency workers assigned by those supplying agencies. The current contract was awarded to Matrix using the Managed Services for Temporary Agency Resources (MSTAR) framework let by Eastern Shires Purchasing Organisation (ESPO), and expires on the 31 st March 2017. A new ESPO framework was established in 2015 (MSTAR2), the framework allows for a quick, simple and competitive route to procuring a managed service for temporary agency resources and is compliant with UK/EU procurement legislation, and therefore removes the need to run a full EU procurement process. In addition all the suppliers listed on the framework were assessed during the procurement process for their financial stability, track record, experience and technical & professional ability. The ESPO framework offers two options for award of contract, call off without competition and further competition. The call off without further competition allows organisations to direct award with a supplier that is regarded as being the most appropriate for the call off agreement, taking into account where the core specification meets the needs of the organisation and is a compliant route to market.

Following a review of the current provider's performance and benchmarking, against the alternative suppliers under Lot 1 of the ESPO framework, which demonstrated value for money, the recommended procurement option is to award a contract using the call-off without further competition option, to Matrix SRM.

In recommending the above procurement approach, the following implications have also been considered;

Contract management implications:

The resource implications that would be required in order to effectively re-train all Matrix 'users' (approximately 200) on a new system, in conjunction with the current instability of a workforce that is undergoing transformation, would be significant in terms of staff time and resource.

The procuring of agency workers is the responsibility of the ordering officer, who is required to conduct employment checks which must be reviewed prior to timesheets being approved. There are risks associated with officers using the system without appropriate and/or adequate training in relation to both safeguarding issues and payments to the supply chain.

Supply chain implications:

In areas of high turnover, such as Children and Older People Service, relationships have inevitably formed between the ordering managers and suppliers where, in some cases, repeat agency workers are requested so that there is consistency in supporting and providing care to some of our most vulnerable clients. A change of agency neutral vendor could mean that parts of the supply chain are required to sign up to a new vendor, this would take time and inevitably have an impact on the supply chain in the short to medium term. During the financial year 2015/16 the council used over 80 suppliers for the provision of agency staff, some of which would potentially have to introduce new systems and ways of working.

The previous ESPO framework was accessed by 180 public sector authorities, to date, approximately 50 public sector authorities have accessed the MSTAR2 framework. Due to the potential value of spend being directed through the framework, should the county council conduct its own procurement exercise, the rates accessible under the framework may not be achievable and in turn, could result in increased costs.

Cabinet Member

Leader of the County Council

Procurement Title

Supply and Distribution of Groceries, Frozen Foods, Soft Drinks & Confectionery

Procurement Option

OJEU – Open Tender Procedure

New or Existing Provision

Existing – Grocery & Frozen contracts end 30/09/2017.

Soft Drinks & Confectionery end 03/11/2017

Estimated Annual Contract Value and Funding Arrangements

Estimated Annual Value £5,227,000

Estimated total contract value of £20,908,000

Approximately 85% - 90% will be funded by Traded Services (Start-Well) 10% - 15% across the rest of the county council including but not limited to:

Facilities Management Services, CYP and ACS.

Contract Duration

Initial period of 24 months with an option to extend the contract beyond the initial term, by any number of agreed periods, to a maximum of a further 24 months.

Lotting

The tender has been separated into 3 lots.

1. Grocery (Approximately £2,346,000 per annum)
2. Frozen (Approximately £2,496,000 per annum)
3. Soft Drinks & Confectionery (Approximately £385,000)

Tenderers will be able to bid for all 3 Lots and may be awarded a maximum of 2 lots, for the reasons outlined below;

- Multi-supplier base assists with contingency planning in case of emergency
- Creates a greater chance of SME's being successful (separate tender procedures for each Lot would not allow the County Council to restrict the number of awarded contracts to a single supplier.)
- Eliminates the potential size and scale of a single delivery from a single supplier, particularly for smaller county council units.

Individual lots have not been tailored to geographical areas on the basis of required service consistency and a single pricing structure.

Evaluation – Applicable to each Lot

Quality Criteria 60%	Financial Criteria 40%
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Social Value will account for 10% of the quality criteria focusing on environmental sustainability, supporting themed events in schools, promoting healthy eating in schools, and assisting promoting training and employment opportunities for the people of Lancashire.

Contract Detail

Lancashire County Council's existing contracts for the supply and distribution of groceries and frozen foods are serviced by a single supplier, Brake Bros Ltd. These contracts are due to expire on the 30th September 2017. Servicing of these contracts

requires the supplier to deliver to approximately 530 educational establishments and 65 non educational establishments and currently represents almost £5 million in total spend per annum combined. The county council's School and Residential Care Catering service accounts for almost 90% of the contract spend. In the previous 12 months the county council has purchased over 1200 lines for groceries and 565 lines for frozen food.

The existing contracts for the supply and distribution of soft drinks and confectionery are also serviced by a single supplier, Batleys Limited. These contracts are due to expire on the 3rd November 2017. Servicing of these contracts requires the supplier to deliver to approximately 28 secondary schools and sixth form colleges (soft drinks only) and 37 non-educational establishments.

The above contracts expire within one month of each other, therefore, the recommendation is to tender all contracts under one procurement procedure, for the reasons outlined below;

- Economies of scale may be achieved by a single supplier winning multiple lots. (Many suppliers now operate multi-temperature vehicles, giving them the ability to reduce their carbon footprint and transport costs and therefore pass some of the savings onto customers)
- Confectionery accounts for approximately 15% to 20% of the combined annual value for Soft Drinks and Confectionery, as both product categories tend to be sold in conjunction by the majority of suppliers / wholesalers, it would be beneficial to merge both contracts.
- Bringing multi-aspects of food expenditure together under one tender, under the proposed lotting structure, will encourage competition within the supply base.

The evaluation procedure will place emphasis on quality in terms of contract service and product offering, which aims to support the county council's key developments / priorities including:

- Positively influencing the Obesity and Health Agenda
- Continuous growth of secondary school take up across Lancashire and subsequent growth of the School and Residential Care Catering Service
- Continual development of product range
- Achievement of a Gold standard catering mark for the School and Residential Care Catering Service.
- Value for money

Cabinet Member

Cabinet Member for Adult and Community Services

Procurement Title

Provision of Reablement Services

Procurement Option

OJEU – Open Tender

New or Existing ProvisionExisting – the current contracts expire in 31st July 2017.**Estimated Annual Contract Value and Funding Arrangements**

Estimated to be £4,000,000 to £7,500,000.

Potential total contract value: £45,000,000.

Contract Duration

Initial period of 2 years with an option to extend the contracts beyond the initial term, for any number of agreed periods, to a maximum of a further 3 years.

Lotting

Reablement Services will be separated into three geographical lots.

- East Lancashire
- Central Lancashire
- North Lancashire

The council is committed to working with a small number of reablement providers that are able to offer an effective sustainable reablement service, reducing the proportion of the provider's spend on management and overheads, offering economies of scale. Service providers will only be able to be successful in one lot to avoid the risk of provider failure impacting county wide.

Evaluation**Quality Criteria 60%****Financial Criteria 40%**

Of which Social Value will form 10% of the quality criteria, the objective will be focused on promoting training and employment opportunities for the people of Lancashire.

Contract Detail

The reablement service forms part of the intermediate care service supporting the promotion of independence and faster recovery from illness. The service aims to prevent unnecessary acute hospital admission, premature admission to residential care, support timely discharge from hospital, to minimise, delay or avoid the need for long term domiciliary supports and to maximise independent living.

The Service will adopt an approach that presumes an individual can be supported to improve their skills regardless of their age or disability. The primary aims of the service are to:

- Assess the needs of individuals;
- Reablement support where appropriate;
- Support individuals to accommodate their change in circumstances by learning or re-learning the skills necessary for daily living;
- Provide assistance that enables the individual to develop an outcome-focused reablement plan and to coordinate the delivery of that plan;

- Enable the individual to complete an outcome focused support plan detailing how they will meet their long term support needs, through the use of a personal budget where appropriate.
- Reduce the degree of ongoing support so far as is possible given the needs of the individual service user.

Work has been undertaken with Newton Europe to improve effectiveness of reablement as well as throughput. Significant changes are to take place within the reablement service and this also involves making changes to the way in which operational staff utilise reablement.

The contract will be let on a block purchase arrangement, with a minimum guaranteed payment. The commissioning intentions focus on:

- Reablement will be commissioned per service user, rather than in a number of hours.
- A guaranteed minimum number of service users will allow the providers to staff up to an appropriate level of capacity, and paying per referral incentivises providers to increase capacity as and when required.
- Service providers will be accountable for quality of Reablement of service users. Providers will be required to achieve a minimum average improvement through reablement.

It is envisaged that the contract will be fixed for two years with the potential to extend for up to a further three years with the potential introduction of a shared savings model from year three.

Whilst these services have not previously been tendered using a price weighting the rationale for having providers submit the price they will charge was set out in the consultation process:

- Using a fixed hourly rate risks setting the wrong price – providers regularly comment that our rates do not reflect market conditions.
- Allowing providers to set their own rate generates true competition in the market enabling us to secure the best rates that reflect market conditions whilst allowing providers to determine a fair price for care for their individual organisation.
- Flexible pricing recognises that the cost of providing care can differ across providers and geographical zones e.g. the cost of providing home care in high population density areas should typically be lower than in rural areas.
- The proposed evaluation ratio of 60% for quality and 40% for price places a majority weighing on quality supporting our commitment to quality improvement whilst striking a reasonable balance to ensure best value.
- Offers a period of stability both internally and externally to adopt and embed the new model.
- Opportunity to incentivise the providers to enable people to their full potential.