

<p>Cabinet Member Leader of the County Council</p>			
<p>Procurement Title Occupational Health</p>			
<p>Procurement Option Eastern Shires Purchasing (ESPO) Framework – Further Competition (mini-competition using pre-established providers that have been awarded a place on the framework)</p>			
<p>New or Existing Provision Existing – current contract end date 31/03/2017</p>			
<p>Estimated Annual Contract Value and Funding Arrangements £500,000 (Potential Total Contract Value - £2,000,000) The budget for this contract sits under Occupational Health, individual service areas are then recharged when accessing the services.</p>			
<p>Contract Duration Initial period of 24 months with an option to extend the contract beyond the initial term, for any number of agreed periods, to a maximum of a further 24 months.</p>			
<p>Lotting The tender will be conducted using the ESPO framework. The framework is lotted geographically and the County Council will conduct a further competition using Lot 2 Northwest. No further lotting is applicable.</p>			
<p>Evaluation</p> <table border="1" data-bbox="193 1339 1002 1391"> <tr> <td>Quality Criteria 60%</td> <td>Financial Criteria 40%</td> </tr> </table> <p>Social Value will account for 5% of the quality criteria focusing on the following social value objectives; promoting training and employment opportunities for local people.</p>		Quality Criteria 60%	Financial Criteria 40%
Quality Criteria 60%	Financial Criteria 40%		

Contract Detail

This tender is to provide Occupational Health and Sickness Absence Management services to the County Council.

Sickness absence accounts for a considerable proportion of lost working time. The aim of this contract is to significantly reduce this burden by investing in an occupational health provision that is flexible, performance focused and robust enough to meet the needs of a diverse workforce within a large, complex organisation.

The current contract commenced 1st April 2013 and is due to cease 31st March 2017. The contract was awarded to ATOS health care via a Crown Commercial Services Framework and delivered by OH Assist.

In January 2016 OH Assist became a new legal entity and the contract was novated from ATOS health care

The contract was tendered at £500,000 per annum giving a total of £2,000,000 over the life of the contract.

From June 2015 to May 2016 the total spend was £448,389.54 which would estimate at approximately £1,800,000 over a four year period

The proposal is for a contract to be agreed for a minimum of 24 months with an option to extend the contract beyond the initial term, for any number of agree periods, to a maximum of a further 24 months.

Cabinet Member

Cabinet Member for Adult and Community Services

Procurement Title

Framework for the Provision of Home Care Services across Lancashire for older people, people with physical disabilities, people with learning disabilities/autism and people with mental health problems.

Procurement Option

OJEU – Open Tender

New or Existing Provision

Existing. The framework will replace an open market basis upon which services operate.

Estimated Annual Contract Value and Funding Arrangements

In the order of £55-60,000,000 (Adult and Community Services Budget)
(Potential Total Contract Value - £240,000,000)

Contract Duration

Contract period of 4 years

Lotting

Delivery of home care services will be separated into three client groups:

- Older people, people with physical disabilities
- Learning disabilities/autism
- Mental health problems

Within each client group there will be 12 district lots.

Evaluation

Quality Criteria 60%	Financial Criteria 40%
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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 County Council currently purchases approximately 4.6 million hours of home care each year from 167 registered home care providers at an annual cost in the order of £55-60,000,000.

Home care, also known as Domiciliary Care, is the delivery of a range of personal care and support services to individuals in their own homes. The care delivered can range from a check to ensure that the individual has taken prescribed medication, through to an extensive care package to meet their assessed needs including personal care i.e. support to get in/out of bed, bathing, toileting and meal preparation.

Home Care services provision is externally commissioned from the independent and voluntary sectors. Providers are registered with the Care Quality Commission, and typically arrangements are made through the County Council for many hundreds of people each year who become eligible for support following assessment and the

application of Care Act eligibility criteria/threshold.

The County Council is committed to achieving the following strategic objectives:

- **Improving service quality** – by placing greater focus on: person-centred approaches; the outcomes of service users; promoting independence; ensuring dignity in care; and safeguarding vulnerable adults.
- **Developing the home care workforce** – by strengthening the approach to workforce development and training, and being clear about the required standards.
- **Strengthening the approach to contracting** – by being clear with providers about our requirements, having robust contracts in place with greater emphasis on quality, standards, performance and monitoring.
- **Shaping the market** – by reducing the number of providers the County Council contracts with, offering contracts based on specific geographical zones/districts and promoting a sustainable and responsive local home care market.

The procurement strategy has been informed by a 5 week market consultation exercise that engaged more than 60 providers and partners on a range of issues including the award criteria, Lotting and key performance indicators.

Services are currently delivered by around 160 service providers and it is anticipated that this will reduce to approximately 30-40 distinct providers. Services will in the majority of cases, be distributed directly to providers on a rotational basis where service user choice has not been exercised. In certain defined circumstances such as the provider failure the County Council has reserved the right to group packages of care and allocate business via mini-competition.

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 weighting on quality supporting our commitment to quality improvement whilst striking a reasonable balance to ensure best value.

By asking providers to submit the price they will charge, the County Council intends to utilise the expertise of the individuals who are best placed to make the judgement over current and future potential costs. The pricing to be submitted will reflect not only a fair cost of care but also the true cost of care, inclusive of costs specific to each individual organisation, that is set at a level which would enable a provider to meet the contractual service, workforce and quality requirements and also their own business needs.

Cabinet Member Cabinet Member for Adult and Community Services		
Procurement Title Extra Care Services		
Procurement Option OJEU – Open Tender		
New or Existing Provision Existing		
Estimated Annual Contract Value and Funding Arrangements £2,500,000 (Potential Total Contract Value - £7,500,000) Budget - Physical Support, Social Care Services (Adults)		
Contract Duration Initial period of 12 months with an option to extend the contracts beyond the initial term, for any number of agreed periods, to a maximum of a further 24 months.		
Lotting Extra Care Services will be Lotted according to the location of the schemes. There are 12 Extra Care schemes to be tendered in this procurement, and the proposal is to offer 8 Lots in total. Lots are made up of individual or paired extra care schemes. Where schemes have been paired up, this has been possible due to the close proximity of the schemes, giving rise to the possibility of a provider achieving economies of scale.		
Evaluation <table border="1" data-bbox="209 1317 1016 1370"><tr><td>Quality Criteria 60%</td><td>Financial Criteria 40%</td></tr></table> <p>The proposed evaluation ratio of 60% for quality and 40% for price places a majority weighting on quality supporting our commitment to quality improvement whilst striking a reasonable balance to ensure best value can be achieved. Social Value to be weighted at 10% and covers the following objectives: Promote training and employment opportunities for the people of Lancashire; Raise the living standard of local residents.</p>	Quality Criteria 60%	Financial Criteria 40%
Quality Criteria 60%	Financial Criteria 40%	
Contract Detail Extra care is a compromise between sheltered housing and a care home for the older people client group. It allows residents to continue living independently, typically in a self-contained flat or bungalow, while benefiting from personal care and support delivered in a similar manner to homecare services. Extra Care allows individuals to live in their own accommodation in an Extra Care scheme, promoting independence with the safety net of 24/7 background support, plus additional planned care as required. The services being procured are the personal care and background support at each scheme.		

There are currently 16 Extra Care schemes across Lancashire. There are 12 schemes that will be procured as part of this tender due to the current contracts coming to an end between January and April 2017. Of the excluded schemes, two are contracted under a different operating model and are to be procured separately. A further two excluded schemes have ongoing social care reviews to determine their future.

A commissioning review of the Extra Care service is taking place and it is the intention to use only the initial year of a potential three-year term as an interim solution, prior to the development of a more efficient and effective solution. Understanding the cost model for Extra Care services is challenging due to inconsistencies in service delivery. The model proposed for these interim contracts provides greater efficiency than previous contracts, removing a blanket block contract approach and switching to a part block, part spot approach to avoid overpayment. However as stated, more time is required to identify the long-term approach.