

## Appendix 'A'

<b>Cabinet Member</b> Leader of the County Council
<b>Procurement Title</b> Design Consultancy Services for Property Construction
<b>Procurement Option</b> Open OJEU Tender
<b>New or Existing Provision</b> New
<b>Estimated Contract Value and Funding Arrangements</b> Estimated annual value between £350,000 and £625,000, and £1,400,000 to £2,500,000 over the maximum lifetime of the contract. The budget is allocated to Design & Construction (Buildings) and is Capital funding. The suppliers are paid from the fee received by the County Council for the individual project.
<b>Contract Duration</b> Initial period of 2 years with an option to extend the contract beyond the initial term to a maximum of a further 2 years.
<b>Lotting</b> The framework will be divided into seven lots.  Lot 1 - Architect led consultancy team to provide multidisciplinary design and contract administration for projects with a construction cost up to £999,999. Lot 2 – Architect led consultancy team to provide multidisciplinary design and contract administration for projects with a construction cost of £1,000,000 to £2,999,999. Lot 3 – Mechanical & Electrical Engineering consultant, working with in-house team and Mechanical & Electrical Engineering consultant, as Lead Consultant. Lot 4 – Structural Engineering consultant, working with in-house team. Lot 5 – Construction (Design & Management) Principal Designer, working with in-house team. Lot 6 – Quantity Surveying consultant, working with in-house team. Lot 7 – Landscape Architecture consultant, working with in-house team.  Where a project has an estimated construction cost exceeding £3million, suppliers from either Lot 2 (full team) or Lots 3 to 7 (individual professions) will be invited to tender via mini completion.

## Evaluation

<b>Quality Criteria 60%</b>
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<b>Financial Criteria 40%</b>
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Social Value will account for 5% of the quality criteria focusing on promoting training and employment opportunities for local people and promoting environmental sustainability in business and designs

## Contract Detail

The purpose of the framework will be to supplement services provided by the County Council in-house design practice as and when necessary enabling the service to respond quickly when capacity to take on new work needs expanding.

A contract was established previously in 2008 and expired in 2012. From 2012 all design consultancy work has been conducted in-house using agency staff to support the service. This approach has been identified as being costly to the County Council and better value for money could be achieved by procuring a specialist consultancy.

As part of its drive to achieve best value the County Council is seeking to set up a Framework Agreement through which it can procure design consultancy services. It is the objective to provide public buildings which are aesthetically pleasing, constructed to good standards, fit for purpose and representing good value for money.

The design and construction expected fees are £6.4 million over the life of the agreement with 10% of this going through the framework (approximately £610,000) in addition the framework allows access for other local authorities including UCLan and Lancashire Constabulary, therefore the estimated Framework value is between £1.4 million and £2.5 million. No business will be guaranteed to the successful consultancies through the framework, services will be called off and paid for at the time of delivery.

**Cabinet Member**

Deputy Leader of the County Council

**Procurement Title**

Lancashire County Council Insurance Programme

**Procurement Option**

OJEU – Open Tender

**New or Existing Provision**Existing – current contract end date 31<sup>st</sup> May 2017**Estimated Annual Contract Value and Funding Arrangements**

£2,211,000 per annum, £11,055,000 over maximum lifetime of contract.

Premiums are paid by the Insurance Team and are funded by revenue budgets recharged across the County Council.

**Contract Duration**

Initial period of 3 years with an option to extend the contract beyond the initial term for two further periods of 1 year each.

**Lotting**

The Insurance Programme will be lotted into 11 classes as per the information provided within the 'contract detail' section below.

**Evaluation****Quality Criteria 40-50%****Financial Criteria 50-60%**

Weightings will vary between Lots reflecting the difference in requirements for claims management handling expertise. Certain classes have higher numbers of lower value claims to manage, whilst others have relatively few, high value claims. Social Value will account for 5% of the quality criteria focusing on promoting training and employment opportunities and promoting environmental sustainability.

**Contract Detail**

The County Council Insurance Programme covers a number of annual insurance policies for Lancashire County Council. The Insurance Programme will be lotted into the following classes of insurance:

**OJEU Tender**

- Property (including money)
- All Risk (contents specific to the museum service)
- Work in Progress (Contractors All Risk)
- Terrorism
- Casualty
- Motor vehicles (General and Leased vehicles)
- Engineering (Inspection & Insurance)
- Group Personal Accident & Travel

- Fidelity Guarantee / Crime insurance
- Marine
- Motor - Uninsured Loss Recovery
- Multi lot (If an insurer won for e.g. Property, Motor & Casualty, would they give a package discount)

Casualty Insurance is not currently part of insurance programme, however, the intention is to align and include this within the 2017 programme.

Fidelity Guarantee insures the County Council against acts of fraud, theft or dishonesty by an employee in the course of employment. Fidelity guarantee was part of the previous Insurance Programme. From June 2013 it was determined more cost effective, given rising premium costs and minimal claims, to self-insure by setting aside a pool of money to be used if any unexpected losses occurred. This was to be reviewed each year. It is the intention to obtain quotes during this exercise and re-evaluate the position.

The current Insurance Programme was procured by way of an open OJEU tender in 2012 with a start date of 1 June 2012. Long term agreements (LTA) were put in place based on an initial contract term of 3 years, plus an extension option of 1+1 years. The LTAs expire on 31 May 2017. The exception is Casualty insurance which was procured in 2014, and technically can be extended up to 31 May 2018, so that it can be aligned with the rest of the Insurance Programme, the extension will not be activated.

An annual premium is paid to insurers to cover each class of insurance. The County Council will in some cases agree to pay an excess (e.g. up to £1 million on employers/public liability) before the insurer starts to pay out to help keep premiums down, known as annual deductibles. The County Council ordinarily agrees with insurers an Annual Stop Loss (ASL) figure. This is the figure agreed where the County Council's total of claims payments made within the deductible is the maximum paid. Anything over the ASL the insurers pay or refund the County Council. This usually applies to Property, Motor, and Employers/Public liability insurance classes.

The County Council uses the insurance broker Arthur J Gallagher (AJG) for consultation and brokerage services. AJG will lead on the production of tender documentation, evaluation, and completion of award. AJG will also advise on suitable lotting of insurance classes, and if engaged by the County Council, undertake an assessment of the current levels of cover currently being requested for each of the insurance classes and advise on cover options that offer best value to the County Council.

The County Council's Procurement Service will provide governance advice concerning the procurement process and assist with administering the procurement through the e-tendering system.

**Cabinet Member**

Cabinet Member for Health and Wellbeing

**Procurement Title**

NHS Health Checks Services

**Procurement Option**

OJEU – Open Tender

**New or Existing Provision**

Existing services which shall be remodelled to provide a more robust service offer. The current contract ends 31<sup>st</sup> March 2017

**Estimated Annual Contract Value and Funding Arrangements**

£600,000 (Public Health Grant)

Potential Total Contract Value: £2,400,000 (4 years)

**Contract Duration**

Initial period of 1 year with an option to extend the contract beyond the initial term, for any number of agreed periods, to a maximum of a further 3 years depending on reviews of funding and need.

**Lotting**

Delivery of the Countywide NHS Health Checks service will be offered as two lots:

1. NHS Health Checks in Communities: (£400,000 capped budget)
2. NHS Health Checks in the Workplace and Places of Worship: (£200,000 capped budget)

It is recognised that the market comprises of providers specialising in delivering services within different sectors; and therefore any one provider may not be proficient in providing health checks within both sectors (Communities and Workplace / Places of Worship). Therefore separating the service into two lots promotes effective competition and the potential for more effective service delivery.

**Evaluation**

Quality Criteria 80%	Financial Criteria 20%
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Social Value will account for 10% of the quality criteria and the objective will be focused on promoting equity and fairness.

**Background / Advice:**

Lancashire County Council's aim is that 20% of the eligible population is offered a health check every year. The uptake target is for 75% of those invited to attend. Providing opportunistic offers for NHS Health Checks across a variety of settings including the workplace, places of worship and communities within Lancashire ensures equity and increase access to and uptake of health checks for citizens residing in Lancashire.

This NHS Health Check programme is aimed at people living and working in Lancashire who are between 40 and 74 years old. Particular attention should be paid to communities who are known to be at increased risk of developing cardiovascular disease, for example deprived communities, South East Asian communities and working men.

These services had previously been subject to Locally Enhanced Service (LES) Contracts with General Practitioners across Lancashire. It is recognised that primary care settings are perhaps not the most effective option to deliver the services. This decision to divert a proportion of the budget to competitive tender was taken for the following reasons:

- The tendered contracts provided for interventions in communities, the workplace and places of worship with the intention of a greater uptake in health checks where the services reaching out to target service users. The services allow easy access for people who are employed to attend either in the workplace or at flexible times such as evenings and weekends outside of regular General Practitioners hours.
- Use of third party organisations provided additional capacity for delivery against national mandated targets. Not all General Practitioners are signed up to deliver the health checks and therefore some Lancashire residents would be unable to access the programme at all.
- The tendered contract allows us to further target low uptake areas to tackle health inequality issues and to target areas of deprivation across Lancashire.

For the reasons set out above it is proposed that these services remain with third party providers and be retendered.

The estimated number of health checks to be performed Countywide across both sectors per annum is 18,000, and this will be split between lots as:

Lot 1	12,000
Lot 2	6,000

**Services**

The services are intended to:

- Identify an individual's risk of cardiovascular disease (CVD)
- Communicate this risk in a way that the individual understands; and
- Manage this risk by appropriate lifestyle advice, follow-up, intervention and management.
- Deliver 20% of the health checks outside core working hours.
- Offer health checks to more people that would fall into the 20% 'At Risk'

category.

- Deliver a high quality, patient focused NHS Health Check service;
- Improve access and uptake to the NHS Health Check;
- Improve systematic management relating to the prevention of CVD;
- Collect data as required by the national health check minimum dataset for every service user that attends the service and electronically transfer data securely back into GP practice clinical system;
- Improve long term health outcomes and the quality of life for patients and their carers;
- Tackle the underlying determinants of ill health and health inequalities;
- Increase life expectancy for men and for women;
- Reduce mortality rates from heart disease, stroke and related diseases in people under 75;
- Reduce the inequalities gap between the fifth of areas with the worst health and deprivation indicators and the population as a whole.
- See an increase in health outcomes of people having health checks in the lowest deprivation areas.

The health checks focus on early intervention with the intention to reduce spending on more specialist health services in the future, which would be more expensive to deliver; and also to provide a better quality of life for residents within Lancashire. The number of health checks being delivered against set targets will be frequently monitored through contract management activity.

**Cabinet Member**

Cabinet Member for Adult and Community Services

**Procurement Title**

Provision of Mental Health Rehabilitation Services

**Procurement Option**

OJEU – Open Tender

**New or Existing Provision**

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

**Estimated Annual Contract Value and Funding Arrangements**

In the order of £10,400,000 (Potential Total Contract Value - £41,600,000 over 4 years)

Mental health rehabilitation services are joint funded between the local authorities and the Clinical Commissioning Groups (CCGs). Each package of care is expected to be a 50/50 split, therefore the expected cost per year will be:

LCC Adult and Community Services Budget	£3,800,000
Blackburn with Darwen Council	£1,300,000
Lancashire and Blackburn CCGs	£5,100,000
Blackpool CCG (with Blackpool Council funding)	£0 - £200,000

**Contract Duration**

The framework agreement will be established for a period of 4 years.

**Lotting**

The delivery of mental health rehabilitation services will be separated into three service type lots:

- Supported Housing (to also include home care)
- Residential
- Nursing

The residential and nursing lots providing services from the service providers care homes will be split into two geographical zones – Lancashire and Blackburn with Darwen.

The supported housing lot providing community based services will be further split into four geographical zones – Central Lancashire, East Lancashire, North Lancashire and Blackburn with Darwen. Supported housing is likely to be the most appropriate service model for the majority of service users therefore progress towards to even coverage of provision is a key objective.

Blackburn with Darwen Council will use the framework to call off packages within its area. There will be flexibility for Blackpool CCG to call off a relatively low value of services from the relevant lot at any point during the framework term. Blackpool CCG have contract arrangements already in place but may seek to augment



capacity through this framework.

### **Evaluation**

Quality Criteria 60%
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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**

Rehabilitation is an intermediate short term service of up to 2 years, for adults with needs in relation to their mental health. This support can be provided to meet the identified needs of individuals within their own home, a supported housing setting or residential/nursing setting.

The focus of the service will be on promoting rehabilitation and recovery, providing specialist time limited support to deliver effective rehabilitation and recovery which will lead to individuals making choices, taking control, progressing to independent living, social inclusion and wellbeing.

The rehabilitation services provision is provided by the independent and voluntary sectors. Providers are registered with the Care Quality Commission, and typically arrangements are made through the County Council for people 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:

- Collaborative commissioning between Health and Social Care – tested and agreed joint commissioning arrangements.
- Developing the Mental Health Pathway – having an agreed model of care for rehabilitation which contributes to the whole system pathway, providing a greater focus on community based service delivery. Although it is accepted that in some cases residential will be the most appropriate service delivery model an objective will be to reduce numbers of service users in residential and increase numbers of service users in supported housing.
- Strengthening the approach to contracting – by being clear with providers about our requirements, that there are robust contracts in place and there is greater emphasis on quality, standards, performance and monitoring.
- Shaping the market – by being specific about the number of providers we contract with, offering contracts based on specific geographical zones and promoting a sustainable and responsive market for rehabilitation services.

This procurement process represents an agreed commissioning intention to partner with the 8 Pan Lancashire CCGs (including those operating within the boundaries of the two unitary councils) for joint procurement, led by the County Council, of community-based Mental Health rehabilitation services across health and social care on a Lancashire-wide footprint.

This procurement will run alongside a NHS procurement for wholly NHS funded

mental health rehabilitation placements in independent hospitals and represents a significant step to improving the rehabilitation pathway. The decision was taken to procure the frameworks separately due to the differentiation between the service types, the minimal benefits to tenderers in a joint procurement and the challenges in merging timescales.

The procurement strategy has been informed by a 4 week market consultation exercise that engaged more than 30 providers and partners on a range of issues including the award criteria, lotting and key performance indicators.

Services to 124 service users are currently delivered by around 50 service providers within Lancashire and Blackburn with Darwen. It is anticipated that this may slightly reduce to approximately 40 - 50 distinct providers.

The number of providers to achieve a place on the framework will depend on the capacity of the highest scoring providers.

Providers will compete on quality and price within the geographic zone(s) they bid for. Rehabilitation packages will be offered via mini competitions and providers may submit bids at or under the tendered rate at this stage. Mini competitions will be evaluated on of 60% quality (based on the service user's specific needs), and 40% price, to allow providers to submit a relevant price for the service users specific needs.

Whilst these services have not previously been tendered using a price weighting, the rationale has been communicated to providers as being:

- Using a fixed 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.
- 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.

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**

Provision of Crisis Services

**Procurement Option**

OJEU – Open Tender

**New or Existing Provision**Existing – the current contracts expire on 31<sup>st</sup> March 2017.**Estimated Annual Contract Value and Funding Arrangements**

Estimated to be up to £1,650,000 subject to continued CCG funding (East &amp; North)

This is made up of:

LCC Adult and Community Services Budget:	£600,000 - £1,200,000
CCG funding:	£0 – £450,000

Potential total contract value: £8,250,000.

A range is given for the value as there will be flexibility for block hours to be varied in order to mitigate the impact of seasonal pressures or utilise varying funding provided by CCG's.

Central Lancashire Crisis Services will be tendered separately to East and North for the reasons set out in the Contract Detail.

**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**

The Crisis Services will be separated into geographical lots. This procurement will only concern East and North Lancashire.

Geographical lots:

- East Lancashire
- North Lancashire

By separating the service into lots this will encourage applications from SME's and will align to the boundaries of the Lancashire Clinical Commissioning Groups in the NHS in the context of integrating health and social care.

## 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

Crisis Services are a domiciliary care service providing support and care for adults in their own homes when an acute situation occurs and who without additional intensive support would normally be admitted to hospital or residential care. The goal is to enable the Service User to remain in his or her own home during the period in which support is required and to return to their previous independent state where possible.

The principal aims of the Crisis Service are to:

- i) Provide short-term personal care and practical support to enable Service Users to remain safe and secure in their own homes for as long as is practical and according to their wishes.
- ii) To provide a Service, which is responsive, reliable and flexible to meet the needs of Service Users, as identified throughout the period of intervention.

The services will be available 24 hours per day, 365 days per year.

The contract will be let on a block purchase arrangement, with a minimum guaranteed level hours per week. There will be flexibility for these block hours to be increased in order to mitigate the impact of seasonal pressures or utilise funding provided by CCG's.

The Crisis and Rehabilitation Service contract for Central Lancashire has for historical reasons integrated crisis services with rehabilitation services. The rehabilitation element of the contract is intended to be incorporated into the forthcoming Reablement Services procurement, anticipated to be tendered in January 2017, with new contracts intended to commence July / August 2017. The Crisis element of the Crisis and Rehabilitation Service contract for Central Lancashire will be procured at the same time as Reablement but will result in a separate Central Crisis Services Contract, consistent with those services procured for the East and the North of the county.

In order to split the two service elements without impacting on frontline service delivery, it is proposed that the current Central Lancashire contract remain in place until the Reablement procurement concludes. Approval to procure Crisis Services in Central Lancashire will be subject to a separate report.