
JOINT TENDER FOR A DOMICILIARY CARE SERVICE (ADULT SOCIAL SERVICES AND DARLINGTON PCT) – PROCUREMENT STRATEGY

**Responsible Cabinet Member – Councillor Veronica Copeland, Adult Services Portfolio
Responsible Director – Cliff Brown, Director of Community Services**

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to recommend to Cabinet the procurement strategy for the joint tender of a Domiciliary Care Service for Adult Social Services and Darlington PCT.

Summary

2. The current Agreement for Domiciliary Services for Adults is due to end on 1 April 2009, and a tender was planned to renew this service. However, following discussions with Darlington PCT who were also planning to go out to tender for Domiciliary Services, it was agreed that a Joint Tender should be undertaken for the following reasons:
 - (a) A jointly commissioned service will improve continuity of care regardless of who the commissioning body is particularly around joint packages of care where both Adult Social Services and Darlington PCT are funding the care element.
 - (b) The Service is to provide personal and domestic care to support individuals to remain as long as is possible in their own homes whilst giving relief to carers. A joint specification is being developed to ensure that a seamless service is in place particularly around joint packages of care.
 - (c) A joint service will provide a sound platform for future service design and care reform in terms of the Integration and Personalisation Agenda.
3. A report to Cabinet on 8 July 2008 recommended that the procurement of Domiciliary Care Services for Adults be considered as a strategic procurement. Council also agreed to waive Contract Procedure Rules and allow the current Agreement to be renewed until 31 September 2009 to enable a joint tender with Darlington PCT to take place. To meet the Contract Procedure Rules a further report detailing the Procurement Strategy must be brought to Cabinet.
4. Successful contractors will be appointed on a Framework Agreement from which an appropriate service provider will be appointed on a spot purchase basis.

Recommendation

5. It is recommended that:
 - (a) The contract for Domiciliary Care Services proceeds to tender.
 - (b) Cabinet approves the procurement strategy for the jointly commissioned service.

Reasons

6. The recommendations are supported by the following reasons:
 - (a) This procurement will enable services to be commissioned on a partnership basis, which is supported by a number of Government policies.
 - (b) This procurement meets the aims of the Health and Well Being Agenda by being evaluated against the ethos and principles outlined in papers such as ‘Our Health, Our Care, Our Say (DoH 2006), Valuing People (White Paper: 2001), NSF for Older People (2005) and the Sustainable Community Strategy (DBC 2008) in providing Domiciliary Care Services to individuals living in Darlington.
 - (c) Improved continuity of care regardless of who the commissioning body is particularly around joint packages of care.
 - (d) Provides a sound platform for future service design and care reform in terms of Integration and Personalisation.

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S17 Crime and Disorder	Providing Domiciliary Care Services enables local vulnerable adults to remain safe and secure in their homes despite changing needs over time.
Health and Well Being	The provision of Domiciliary Care optimises independent living for many local vulnerable people and reduces the incidence of hospital and care admissions. Social Care can act as a catalyst to facilitate early discharge or prevent admission to hospital.
Sustainability	The provision of Domiciliary Care can contribute to continued and diverse sustainability of local communities by supporting vulnerable people in their neighbourhood.
Diversity	The provision of Domiciliary Care is targeted at vulnerable local people with assessed needs.
Wards Affected	All
Groups Affected	Adults – Older People, Physical Disability, Learning Disability.
Budget and Policy Framework	This falls within the Council's budget and policy framework.
Key Decision	This is a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	Providing a joint domiciliary service with Darlington PCT will contribute to a number of key themes: Healthy, Aspiring, Safer and Prosperous Darlington.

MAIN REPORT

Information and Analysis

7. Cabinet agreed on 8 July 2008 that the procurement of a joint Domiciliary Care Service would be undertaken as a strategic procurement and in line with the Contract Procedure Rules this procurement strategy is brought to Cabinet for approval.

Specification and Purpose

8. The Service will be to provide personal and domestic care to support individuals to remain as long as possible in their own homes, while giving relief to carers.
9. The current Agreement for Domiciliary Services for Adults and the Agreement for Specialist Domiciliary Services for Adults with Special Needs ends on 30 September 2009. The current Agreement for Specialist Domiciliary Services for Adults with Special Needs: Learning Disabilities, Physical and Sensory Impairments, Mental Health Problems will not be re-tendered in its present format, and services currently commissioned for adults with a physical and sensory impairment under the current Specialist Domiciliary Service Agreement will be incorporated into the new joint Domiciliary Service being developed with Darlington PCT. Services for Adults with Learning Disabilities will be commissioned through a separate joint tender with Supporting People and dealt with in a separate report to Cabinet. Mental Health Services will not be re-tendered as they are highly specialised services and will be commissioned on a spot purchase basis to meet individual need.
10. A joint specification is being developed to ensure that a seamless service is delivered to service users who are funded by both Adult Social Services and Darlington PCT.
11. The jointly commissioned service will improve continuity of care regardless of who the commissioning body is particularly around joint packages of care. It will also provide a sound platform for future service design and care reform in terms of integration and personalisation.

Form of Contract

12. The current Domiciliary Service Agreement has been let on a Cost and Volume basis. Providers were awarded contracts based on a set number of hours per week with a guarantee of 60% of the hours awarded. Any hours commissioned over and above the contracted hours are on an individual, spot purchase basis. Where weekly hours drop below the 60% guarantee level the Council will pay the 60% guaranteed hours including hours it has not commissioned. Therefore, careful consideration was given to how to contract in the future having regard to the move towards personalisation and individual budgets with greater choice for service users.

13. Successful providers will therefore be appointed onto a Framework Agreement in line with Procurement Regulations and Guidance from the Office of Government Commerce. A Framework Agreement will enable the Council and Darlington PCT to contract with a large number of providers, whilst offering no obligation from either the Council or Darlington PCT to purchase a service from any of the providers on the Framework. Tenders will have to demonstrate within the tender process through methodology statements that they offer quality and value for money. The methodology statements will explain how the aims and objectives of the service will be met and form the basis of the contract monitoring process.
14. A summary of advantages and disadvantages of this form of contract are:
 - (a) Advantages:
 - (i) No guaranteed hours to any of the providers on the Framework, therefore low financial risk to the Council and the Primary Care Trust as there will be no block purchase of hours or guaranteed hours.
 - (ii) Provides a sound platform for future service design and care reform in terms of Integration and Personalisation.
 - (iii) Quality of the service provision will be stimulated, as providers will need to demonstrate good quality care in order for services to be commissioned from them.
 - (iv) Stimulate provision of new domiciliary providers in the borough which will provide more choice of providers for service users.
 - (b) Disadvantages:
 - (i) Providers have no guarantee of hours being commissioned with them.
 - (ii) Providers may not want to tender for a service where there is no guarantee of hours.
15. Adult Social Care Managers will commission the majority of services from the Framework Agreement. However, joint arrangements will be made in respect of contract management and contract monitoring.

Procurement

16. The contract will commence on 1 October 2009 and will run for two years with the option to extend for a further two 12 month periods.
17. The contract will be for social care in the form of a Domiciliary Care Service and as such is a Part B service and is not subject to EU rules.
18. We have opted to follow an Open Tender process that will have a one-stage evaluation. Tenders will be evaluated on a price/quality ratio to be determined.
19. Tenders will be evaluated by the Operations Manager - Older People and People with a Sensory and Physical Impairment; Head of Continuing Health Care (Darlington PCT); Procurement Officer (PCT); Team Manager - Contracts; Contracts Officer; Head of Strategic Procurement.

20. The intention is to set a ceiling rate whereby tenderers will be invited to submit a price at or under the ceiling price stated within the tender. Budgets are currently being set and discussion is ongoing in terms of setting an appropriate ceiling price.
21. Consideration will be given to the current domiciliary rate, to allow providers to maintain current business, to have the opportunity to grow the level of business whilst also stimulating new providers to increase capacity and taking account of the current financial climate.
22. Should a current provider not be successful within the tender process TUPE (The Transfer of Undertakings (Protection of Employment) Regulations) may apply. Therefore a transition period of four months prior to the commencement of the new contract has been built in to the tender process to allow for staff transfers, reviews of service user care packages and transfers to new providers.
23. Seven weeks have been allowed for the evaluation period, tenderers scoring 60% or over will be appointed to the framework. The evaluation criteria used will cover a number of areas such as:
 - (a) Health and Safety
 - (b) Equality and Diversity
 - (c) Aims and objectives of the service
 - (d) Quality Assurance
 - (e) Complaints
 - (f) Safeguarding
 - (g) Personalisation
 - (h) Service User Involvement
 - (i) Needs assessment and risk assessments
 - (j) Workforce
 - (k) Business Continuity Plan
24. Tenderers appointed to the Framework will be required to have enhanced CRB checks undertaken by the Council, prior to the take up of the contract for the person signing the contract and the manager of the service. All staff employed within the service are required through the contract to have enhanced CRB checks.
25. A Risk Assessment has been completed and is attached as **Appendix A**.

Proposed Timetable

26. The proposed timetable for the procurement process is as follows:

November December 2008	Disability Equality Impact Assessment
Week beginning 26 January 2009	Tender Advert
27 February 2009	Return of Tenders
2 March 2009 - 17 April 2009	Evaluation Period (seven weeks)
28 April 2009	Report outcome of evaluation to Cabinet and recommend award of contracts.
4 May 2009	Contract award letters to go out and CRB checks to be undertaken prior to signing of contracts

Outcome of Consultation

27. Current providers have been made aware of the proposed joint tender through the Independent Sector Provider Group, and through bi-monthly meetings of the independent sector domiciliary providers. Current domiciliary providers were also informed of the proposed joint tender by letter in July 2008.
28. A Disability Impact Assessment will be undertaken on the new contract and tender.