

Report of Shona McFarlane, Deputy Director Social Work & SC Service, Adults & Health

Report to Director of Adult & Health

Date: 25th March 2020

Subject: Authority to undertake a procurement exercise in accordance with Contracts Procedure Rule (CPR) 3.1.6 for the supply of Community Equipment

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 9.2 and 10.4 (3) Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1.0 Main issues

- 1.1 The Leeds Community Equipment Service operates under a Better Care Fund Agreement between Leeds City Council and Leeds Clinical Commissioning Group (CCG). Leeds City Council is the lead commissioner for the arrangement and Adults and Health are the lead provider in the Partnership and deliver the Service in partnership with Leeds Community Healthcare.
- 1.2 On 12th April 2017, approval was given via delegated decision by the Director of Adults and Health for permission to establish a four year framework arrangement for the supply of community equipment for Disabled People for Adults & Health and Children's Services.
- 1.3 The current contract is due to expire on 31st May 2021 with no option to extend available and approval is now sought to undertake a procurement exercise, in order to establish new contracts with effect from 1st June 2021, in order to maintain continuous provision of these services.

2.0 Best Council Plan Implications

- 2.1 Council Business Plan – this work contributes to the outcome of people being able to live with dignity and stay independent for as long as possible.

2.2 Best Council Plan 2019 – 20 – this work contributes to the making the Age-Friendly Leeds KPI by enabling people to live independently in a place of their choice.

3.0 Resource Implications

3.1 The framework agreement is for the supply of community equipment for Daily Living to Leeds Community Equipment Service with an annual base budget of £1,800,000 per year for adults and £400,000 per year for Children's equipment giving a total base budget of £2,200,000.

Recommendations

The Director of Adults and Health is requested to –

- Approve the undertaking of a procurement exercise to procure a 5 year framework agreement, with an option for the Council to extend the contracts for a period of up to 24 months in any combination for the supply of Community Equipment.
- Implementation discussions will take place with the suppliers once the contract is awarded.
- The proposed timescale for implementation is 1st June 2021.
- The Service Delivery Manager- Assisted Living Leeds will be the officer responsible for the implementation.

1.0 Purpose of this report

1.1 The purpose of this report is to seek approval via delegated decision by the Director of Adults and Health to approve the undertaking of a procurement exercise to procure a 5 year framework agreement, with an option for the Council to extend for a period of up to 24 months, in any combination, for the supply of Community Equipment.

1.2 The anticipated value of the 5 year Framework contract will be £11M and the estimated value of total framework contract including the option to extend up to a maximum of 24 months will be £15.4M

1.3 This procurement strategy as outlined in this report provides the flexibility and innovation required by the service to ensure customers' needs are met by the most up to date product.

2.0 Background information

2.1 On 12th April 2017, approval was given via delegated decision by the Director of Adults and Health for permission to establish a four year framework arrangement commencing on 1st June 2017 and appoint a number of suppliers to it for the Supply of Community Equipment for Disabled People for Adults & Health and Children's Services.

2.2 The current framework agreement contract expires on 31st May 2021 with no option to extend.

3.0 Main issues

3.1 The Leeds Community Equipment Service operates under a Better Care Fund Agreement between Leeds City Council and Leeds CCG. Leeds City Council are the lead commissioner and Adults and Health are the lead provider in the Partnership and deliver the Service in partnership with Leeds Community Healthcare.

3.2 The service provides a range of equipment to meet daily living and nursing needs for disabled adults, older people and children. Equipment purchased by the Council, including that purchased through the Pooled Fund, is subject to procurement through Leeds City Council's procurement arrangements.

3.3 The current contract is due to end on 31st May 2021 with no option to extend available. Not to have a contract in place will lead to significant non-contract spend and therefore, a new contract is required to meet the existing demand for the products for the service.

3.4 It is proposed that a five year framework is established with an option to extend for a period of up to 24 months in any combination if deemed necessary, otherwise the service will be re-tendered prior to the end of the first five year framework contract.

3.5 This framework will consist of three Lots:

Lot 1 - Supply of equipment for Daily Living for Adults

Lot 2 - Supply of equipment for Daily Living for Children

Lot 3 – Special equipment and Bespoke items

3.6 The annual cost of the contract is £2,200,000.00. The anticipated value of the 5 years framework contract will be £11m.

3.7 If the available contract extensions of up to 24 months were utilised in full, then this would increase the anticipated contract value to £15,400,000, which the decision maker is taking into account when making this decision.

3.8 As the decision to award the contracts will be as a direct consequence of implementing this decision, then the decision to award the contracts will be treated as a Significant Operational Decision.

4.0 Corporate considerations

4.1 Consultation and engagement

4.1.1 The procurement process to establish the framework agreement will include officers from Adults & Health, Children's Services and Leeds Community Healthcare. Officers involved in the procurement process are from both provider and assessment services. The same officers are involved in the development of the product specifications. Service users from the user involvement group will be part of the evaluation process.

- 4.1.2 A detailed Communications and Engagement Plan will be developed to ensure that all relevant stakeholders are informed / consulted to appropriate levels of information at the appropriate times in the procurement process.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An Equality Impact Assessment screening tool (Appendix 1) has been undertaken for the purposes of this recommendation, and has indicated that an EIA does not need to be carried out. There will be no adverse effect on any particular groups of people within the city by the proposal.

4.3 Council policies and the Best Council Plan

- 4.3.1 The service contributes to National Indicator 142: the percentage of vulnerable people supported to achieve independent living.
- 4.3.2 Council Business Plan – this work contributes the target to increase the number of people successfully completing a programme to help them relearn the skills for daily living; increase proportion of older people (65 and over) who were still at home 91 days after leaving hospital into rehabilitation services; increase the percentage of service users who feel that they have control over their daily life.
- 4.3.3 Best Council Plan 2015 – 20 – this work contributes to the Better Lives programme and to the breakthrough project of making Leeds the best place to grow old.

4.4 Climate Emergency

- 4.4.1 At Full Council on 27 March 2019, Leeds City Council passed a motion declaring a Climate Emergency. In addition, the Leeds Climate Commission have proposed a series of science based carbon reduction targets for the city so that Leeds can play its part in keeping the increase in global average surface temperatures to no more than 1.5°C.
- 4.4.2 Environment and Sustainability considerations were taken into account while developing the specification. Provisions are included which advises that the service will work with suppliers to ensure that they assist Leeds City Council to achieve their carbon reduction targets and reducing emissions across its fleet and operations.
- 4.4.3 In terms of specifics for this contract, the provision of community equipment is a preventative measure that may reduce or eliminate the need for additional transport for the customer to hospital and also may reduce the package of care to the customer therefore reducing the number for visits from homecare staff. Both of these impacts are carbon positive in as much as they are removing the need for unnecessary journeys.

4.5 Resources, procurement and value for money

- 4.5.1 A competitive procurement exercise will be undertaken in compliance with the Public Contracts Regulations 2015 which will be advertised in the Official Journal of the European Union (OJEU) in order to ensure that the Council obtains best value for money, in terms of fit for purpose products at the best price.

4.5.2 Suppliers are appointed ranked by order of price on a line by line basis. The lowest priced item will be ranked in first place the next lowest priced item will be ranked in second place and so on. All Customers will procure goods from Lot 1 as a direct call-off without competition, and will endeavour to obtain value for money by procuring the cheapest goods available from the ranked list of framework goods.

4.6 Legal implications, access to information, and call-in

4.6.1 Procurement and Commercial Services (PACS) will advertise the tender in the OJEU to comply with the Public Procurement Regulations (2015). The framework will also be advertised on the Council's tendering website YORtender and Contracts Finder.

4.6.2 This is a key decision and is subject to call-in and was published on the List of Forthcoming Key Decisions on 18th February 2020. The report does not contain any exempt or confidential information under the Access to Information Rules.

4.6.3 As the decision maker is taking into account the value of the possible extensions to this contract when making this decision, then any future decision to extend the contract will be taken as a direct consequence of this decision, as the contract extension has been included in the initial valuation of this contract and any future decision to extend the contract will therefore be a Significant Operational Decision.

4.7 Risk management

4.7.1 The Service would have to purchase all equipment "off contract". There would be no contract prices which would be very likely to result in higher costs for equipment.

4.7.2 The higher unit costs on the budget would have a direct impact on customer waiting times for equipment.

4.7.3 The aim of the Service, to provide the right equipment quickly to enable people to live independent and inclusive lives, would be compromised should no contract be formalised.

4.7.4 Following an OJEU compliant competitive procurement process, where subsequent to evaluation, successful bidders are not appointed to the framework agreement, the Local Authority must provide justifiable reasons for abandoning the process or risk a challenge from successful bidders.

5.0 Conclusions

5.1 Agreeing to the permission to procure a five year framework agreement with the option to extend for a period of up to 24 months in any combination, for the Supply of Community Equipment for Disabled People for Adult and Children's Services will enable the Leeds Community Equipment Service to continue to meet the demand for community equipment for the people of Leeds.

6.0 Recommendations

The Director of Adults and Health is requested to –

- Approve the undertaking of a procurement exercise to procure a 5 year framework agreement, with an option for the Council to extend the contracts for a period of up to 24 months in any combination for the supply of Community Equipment.
- Implementation discussions will take place with the suppliers once the contract is awarded
- The proposed timescale for implementation is 1st June 2021.
- The Service Delivery Manager- Assisted Living Leeds will be the officer responsible for the implementation.

7.0 Background documents¹

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.