

## **Report for: Cabinet**

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<b>Date of Meeting:</b>	19 <sup>th</sup> January 2023
<b>Subject:</b>	Pan London Community Equipment Services Contract Re-procurement
<b>Key Decision:</b>	Yes - it effects communities living or working in an area of two or more wards of the Borough and has a contract value of over £500k
<b>Responsible Officer:</b>	Senel Arkut - Corporate Director of People Services
<b>Portfolio Holder:</b>	Councillor Pritesh Patel, Portfolio Holder for Adult Services and Public Health; Councillor David Ashton – Portfolio Holder for Finance and Human Resources
<b>Exempt:</b>	No, except for Appendix 1 which is exempt under paragraph 5 of Schedule 12A of the Local Government Act 1972 (as amended) because it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All wards
<b>Enclosures:</b>	Appendix 1 – Exempt Legal Advice

## Section 1 – Summary and Recommendations

This report sets out the procurement undertaken to select a preferred provider to deliver an Integrated Community Equipment Service (ICES) on behalf of the London Community Equipment Consortium (21 Boroughs) including Harrow.

### Recommendations:

Cabinet is requested to:

1. Approve the award of the London Community Equipment Consortium Framework Agreement to NRS Healthcare for a period of 5 years with a 2-year extension option with effect from 1 April 2023 or any later date if mobilisation is delayed.
2. Authorise the Corporate Director People Services, following consultation with the Portfolio Holders for Adult Services and Public Health, the Portfolio Holder for Finance & Human Resources, the Director of Finance, and the Director of Legal & Governance Services to agree to an extension of the existing framework contract to enable the mobilisation of the new contract if required, and, subject to further consideration of risk, to place call-off contracts under the new framework contract with NRS Healthcare.

**Reason: (for recommendations):** To ensure that Harrow Council meets its statutory duty (under the Care Act 2014 and Children & Families Act 2014) to make arrangements for the provision of disability aids and “community equipment” to meet the assessed eligible needs of individuals who are resident in their area.

## Section 2 – Report

### Introductory paragraph

1. This report sets out the procurement process conducted, the evaluation and rationale for recommending the award of the Framework Agreement to NRS Healthcare.
2. Harrow Council is a member of the London Community Equipment Consortium (the “Consortium”) a group of 21 London boroughs which includes, Royal Borough of Kensington & Chelsea (RBKC), Hammersmith & Fulham, Harrow, Ealing, Hillingdon, Hounslow and Westminster who work collaboratively to procure and develop community equipment services. Local authorities have a statutory duty (under the Care Act 2014 and Children & Families Act 2014) to make arrangements for the provision of disability aids and “community equipment” to meet the assessed eligible needs of individuals who are resident in their area. Equipment can range from walking aids through to bath aids and specialist beds.

3. Under the existing contract Medequip supplies and delivers community equipment and undertakes all fittings/installations, adjustments, servicing/testing, collections, refurbishments, recycling and disposals of items of equipment purchased by authorised prescribers on behalf of the 21 Consortium members who accessed the framework. The contract is hosted and led by RBKC. The current contract was awarded to Medequip for 4 years from 1st April 2017 to 31st March 2021 with an option to extend for 2 years up to 31st March 2023, which was used mainly due to covid which prevented an earlier reprocurement exercise.
4. There are two main elements to the costs of the community equipment contract. The Activity Fees, covering the logistical costs including management of equipment, delivery collection etc. The second cost covers the Loaning of Equipment. The costs are broadly 50% each. In addition there is the annual consortium membership fee of £10k.
5. Harrow's total expenditure on community equipment during the 6 year period of the existing contract is expected to be around £8.6m. During 2021/22 the spend totalled £1.87m in Harrow, which has a funding split of 55% funded by Integrated Care Board (ICB) and 45% funded by the Local Authority (£844k). The Local Authority has a section 75 NHS Act agreement with the NHS and is the lead partner for Harrow in the London Consortium.

## Options considered

6. The following options have been considered:
  - **Option A:** Do nothing  
This is not possible as the current contract expires on the 31<sup>st</sup> March 2023 and the council has a statutory duty to provide community equipment.
  - **Option B:** Approve the award of the London Community Equipment Consortium Framework Agreement following the Consortium procurement exercise.  
  
This report sets out the details of the London Community Equipment Consortium's contract award proposal and this option is recommended for approval.
  - **Option C:** Harrow to undertake its own procurement of community equipment service or to partner with other London Boroughs that are not part of the London Community Equipment Consortium (21 boroughs).

Officers explored the possibility of Harrow Council separately accessing other frameworks established by other authorities. However it is considered that other options would not secure any additional benefits over and above the London Community Equipment Consortium. Bringing the community equipment services back in

house on an individual authority basis option would not be cost-effective, due to the loss of economies of scale and volume discounts on equipment as well as the cost of the administration of the contract compared to a consortium approach with shared costs across 21 boroughs.

7. Option B is the preferred option as the most effective way in which Harrow Council is able to meet its statutory obligation with due regard to quality and cost effectiveness.

## **Current situation**

### **Procurement process**

8. The London Community Equipment Consortium framework contract is due to end on 31<sup>st</sup> March 2023. A tender exercise has been completed to identify a preferred supplier for the new single provider framework and call-off contracts for the Consortium member boroughs.
9. The procurement process for the Integrated Community Equipment Service (ICES) contract was conducted in the name of the Royal Borough of Kensington and Chelsea (RBKC) with Westminster City Council (WCC) acting as co-lead with RBKC on behalf of the Consortium.
10. The Framework Agreement for these services is planned to commence on 1<sup>st</sup> April 2023 for a period of five years, with an option to extend for a further two years (maximum term of 7 years). This exceeds the usual 4 year rule as prescribed in The Public Contracts Regulations (PCR) , to maximise the opportunities to further develop ICES for its customers during the lifetime of the arrangement and to deliver value for money. This extended duration, which is permissible under the PCR as an exceptional case duly justified, also considered the level of investment the successful bidder would need to make, and the Contract Notice alerted the market of this.

### **Tender Award Outcome**

11. Two bids were received. A total of 21 suppliers accessed the tender documents with four declining to respond and the remaining not submitting a bid.
12. Both tenders received were reviewed in 2 stages outlined as follows:

#### **Stage 1 – Compliance with the qualification envelope**

- Acceptance of the Councils' Terms and Conditions confirmed
- All tender forms completed in accordance with the Invitation to Tender (ITT)
- Commitment to the required insurances and their respective levels of cover
- Their tenders were compliant and met the specification requirements

- All tenderers provided the required case studies in support of their experience and capabilities in having provided similar services
- Tenderers confirmed that they could meet the stipulated turnover threshold

## **Stage 2 – Quality and Price Award criteria (Technical & Commercial Envelopes)**

13. As both tenderers were compliant and their responses passed all the questions within the Qualification Envelope, a full evaluation of their tender submissions was undertaken by a designated tender evaluation panel.
14. The tender weighting was 60% Quality including 10% for Responsible Procurement and Social Value and then 40% Price.

### **Total Scores (Quality and Commercial)**

15. The table summarises the scores for both suppliers out of 100% combining the technical evaluation (out of 60%) scores and the commercial (out of 40%) scores:

	<b>Weighting (%)</b>	<b>Bidder 1</b>	<b>NRS Healthcare</b>
<b>Quality Score</b>	<b>60</b>	35.80%	43.40%
<b>Commercial Score</b>	<b>40</b>	32.26%	39.95%
<b>TOTAL SCORES</b>	<b>100%</b>	<b>68.06%</b>	<b>83.35%</b>

16. The highest scoring bidder following moderation and totaling of the quality and commercial scores is NRS Healthcare scoring 83.35% out of the 100% available.
17. Based on the overall outcome, the Consortium has recommended that NRS Healthcare is awarded the Framework Agreement for the provision of Integrated Community Equipment Services for the London Community Equipment Consortium and that the call-off contracts for each of the Consortium members can then be entered in to.
18. The Framework Agreement for these services is planned to commence on 1<sup>st</sup> April 2023 for a period of five years, with an option to extend for a further two years.

### **Framework Agreement Sum and Duration**

19. The initial term of this contract will be for 5 years. The estimated total contract value including the two-year extension period across all the consortium members (currently 21) is £360 million.

### **Call Off Contract Sum and Duration**

20. For Harrow (including the ICB funded part), the call off contract term will be for 5+2 years at the sum of £17,766,376.

21. Call-off Contracts can be terminated on a no-fault basis (there are other fault-based grounds to terminate) by the relevant authority on six months' notice in accordance with the terms of the Framework Agreement.

### **Benefits of the New Framework: Overall**

22. There are a number of benefits to the Council in the new framework which are summarised as follows:
  - a. The new contract moves from five to six day / 12 hours per day working which helps facilitate hospital discharges, prevent 'bed blocking' or delayed discharges, with the option to flex up to 7 days if required. It also reduces the need for more costly emergency delivery fees.
  - b. The aim is for all items delivered and installed on time in full with all components, in a clean, safe state that is fit for purpose.
  - c. Repairs are effectively triaged to reduce expensive emergency call outs. All repairs will come with a 3-month warranty as a minimum.
  - d. Improved maintenance solutions, which includes an innovative approach to repair, re-use and re-cycling with a good level of general ongoing maintenance coverage.
  - e. Significant responsible procurement elements focus on recycling and reducing landfill, with the target of most of the service to be carbon neutral during the lifetime of the contract. NRS Healthcare will have fully electric fleet on day one of the contract.
  - f. Effective stock management system, real time reporting, full visibility/tracking of equipment.
  - g. Introduction of London Living Wage for the provider's staff, which will assist in the recruitment and retention of staff
  - h. Robust remedies for poor performance.

### **Benefits of the New Framework: Financial**

23. Whilst the service is a demand driven activity-based service which will be subject to the impact of changes e.g. hospital discharge pathways, there are a number of financial benefits that will be realised through the appointment of the preferred bidder which include:
  - Lower activity fees,
  - Equipment price increases will only apply to new equipment purchases.
  - A recycling target of 70% on the equipment issued
  - The introduction of the Lifecycle model maximises the equipment's useful economic life
  - A 6 day/12 hours per day operating model with the flexibility to switch (at a Consortium level) to 7 days if required during the contract period, partially offset by a reduction in use of the higher cost emergency out of hours activity fee;
  - Failure to achieve the KPIs will result in service credits being applied.

24. The Framework Agreement will be monitored, and performance reported at both at Consortium level and Borough level.
25. The Consortium team will manage discussions during the contract period regarding equipment pricing increases and activity tariff increases and will be subject to approval by the Consortium board.
26. Activity Fees increases will be subject to ratification by the Consortium Board members and satisfactory performance and completion of Open Book accounting requirements as set out in the contract.
27. Increases to the Equipment Purchase Price from one Contract Year to the next may not exceed the average annual rate of the Consumer Price Index published by the Office for National Statistics twelve- month measure for January to December in each case published following the immediately preceding December to the fee review date. These increases will apply to new equipment purchases only.
28. Specials pricing will be determined at the time of purchase.
29. The new contract terms stipulated the payment of London Living Wage which was agreed by the majority of the Local Authority members, many of whom have a commitment for the payment of the London Living Wage for all new contracts. Therefore, it would not have been possible for procurement without LLW.

### **Procurement Challenge**

30. The unsuccessful bidder commenced legal proceedings in the High Court challenging the procurement process which triggered the automatic suspension of the contract award. RBKC applied to the Court to lift the suspension. The case was heard on 15<sup>th</sup> December and the Judgement was published on 21<sup>st</sup>. December. The Court upheld RBKC's application to lift the automatic suspension and ordered that the automatic suspension should be lifted.
31. RBKC is now free to enter into the Framework Agreement with NRS. Call-off contracts can follow in accordance with internal governance and the terms of the Framework Agreement.
32. Lifting the suspension does not mean that Medequip's claim comes to an end. Although the Consortium can now sign the contract with NRS, Medequip can still pursue a claim in damages. If Medequip do pursue legal proceedings, it is unlikely that there would be a court hearing before early 2024.
33. Further legally privileged advice on the procurement challenge is attached at exempt Appendix 1.

### **Ward Councillors' comments**

34. None. The proposals in this report affect all wards in Harrow.

## Performance Issues

35. The procurement and new Framework Agreement give greater regard to effective contract management, including provider performance against key performance indicators (KPIs), and partnership working as well as reporting and business intelligence. There are more contract remedies in place for poor performance including the use of service credits against KPIs.
36. Performance will be monitored and discussed in local monthly Harrow ICES Contract meetings with provider improvement actions contained in an issues log.
37. The contract will be strategically managed by the Consortium Team, who are funded through the Consortium's annual membership fees. Local contract management resource will still be required by each member borough to manage day to day operational activities and authorisations.
38. The Consortium intends to develop a detailed 'Contract Management Manual' which will set out a robust approach in terms of how the contract will be managed, along with clarity on the responsibilities that rest with individual Consortium Boroughs and those which will be undertaken at a Consortium/Strategic level. This will be underpinned by the performance and contract management provisions set out in the framework agreement.
39. In addition to robust performance management in line with the new KPIs, the benefit realisation for responsible procurement and social value outcomes will need to be closely monitored to ensure the provider is delivering on their commitments.
40. Furthermore, enhancements outlined as a result of the revised IT specification will ensure that business intelligence is more transparent and that reporting from this can be used to address opportunities and concerns more robustly and promptly. PowerBI has also been adopted which will enable the Consortium Team to provide performance data and activity analysis to member boroughs.
41. Monthly Consortium level strategic contract meetings will be undertaken with the provider and bi-monthly Consortium Board meetings will be held between the Consortium Team, Borough members and the provider. There will be annual service reviews to assess key performance levels and deliverables against the contract requirements. Contract monitoring meetings at a borough level will be undertaken and will feed into the annual service reviews.
42. 'Critical' KPIs which trigger clearly defined remedial measures, performance indicators and commitments have been developed which are proportionate and SMART. Flexibility on KPI targets in



year 1 will allow the provider to adapt and settle and will be set from year 2 at the level the Borough's require the service to be delivered for the remainder of the contract.

43. The remedial approach will be linked to critical and non-critical defaults and KPIs have been included in the contract.

## **Environmental Implications**

44. Environmental implications were given due regard in the procurement process and specification, 10% of the tender evaluation was set against responsible procurement and social value. The successful Bidder's tender included the commitments summarised below, which will form part of the contract:

### **Fleet Environment Performance**

- Clear commitment to delivering full electric fleet from contract award, which is far more ambitious than the 10% annual carbon reduction requirements set out in the service specification.
- Each element of the question was addressed in detail; they have evidenced the pre-order of 145 electric vehicles with a confirmation letter from supplier, the installation of charge points at each depot is planned, EV driver training committed to, operations including in terms of charging factored in, telematics system to be used, range issues factored into vehicle maintenance and upkeep - tailored to EVs.

### **Social Value**

- A full time social value lead will be appointed during mobilisation and will work with internal relevant partners including employment and procurement as well as social value leads in each consortium borough and will ensure outcomes are measurable. A register will be compiled on targeted recruitment and social value which will be reviewed monthly and report 6 monthly.
- Targeted recruitment in terms of partner organisations and schemes to be used including targeting a wide range of socially excluded demographics targeted.
- Local suppliers - categories of spend and thresholds identified, processes including due diligence described as well as meet the buyer events and reviews of preferred supplier list.
- High level of ambition, specific yet flexible to needs of boroughs, dedicated lead to coordinate, affiliation with various named partner organisations to support, wide range of clear offers committed to.

### **Waste reduction, resource efficiency and circular economy**

- Use of environmental management system 14001 and environmental management & waste strategy, named roles and responsibilities. Currently just 4% to landfill, latest improvements for mattress waste solutions means they should be to net zero to landfill by contract start. From contract start will seek breakdown

e.g. on recycling rates, any 'energy from waste' (incineration is high carbon) % etc. as well as landfill stats to ensure continuous improvement.

- Measuring and baselining waste streams very good - Understand our objective and commit to baselining and measuring all waste produced within the Contract to ensure our strategies for waste reduction are continually effective and transparent. Specific waste streams set out including trade effluent. Will use partner Biffa to provide data on 3 highest waste streams after 3 months.
- High volume waste streams response very good- Will work with us to set targets i.e. tonnage/£1000 contract spend. Excellent initiative being explored with a provider to shred mattresses to use as carpet underlay. Techniques such as removal and recycling of packaging set out, packaging in batches where possible. Will use leverage with manufacturers to continuously improve sustainability of packaging, have already moved away from plastic with small exceptions and no longer use polystyrene.
- Low impact cleaning systems; Will use a dry steam cleaning technique when decontaminating equipment. For chemical cleaning during decontamination processes, TECcare products will be used. These retain the benefits of chlorine-based disinfectants, yet are non-toxic, biodegradable, and non-cumulative in the ecosystem.

45. In addition, as part of the specification, several contract commitments which were responsible procurement focused were included within the specification and are agreed by the winning bidder.

## **Data Protection Implications**

46. Data management and integrity was considered within the procurement process and specification with a 2% weighting. Bidders were asked how they would manage data securely and how they ensure data integrity. For example, limiting the end user ability to create duplicate records, flagging up occurrences of poor data and providing means to resolving data issues. RKBCs Data Protection Officers are content that the contract meets the relevant data protection requirements.

47. The successful bidder confirmed the following requirements;
- The system's data capture, processing and storage complies with the UK General Data Protection Regulation (GDPR).
  - The system's public facing solution records user consent at the point of data capture, especially for processing sensitive personal data.
  - Council/Consortium will always remain the data controller and the system supplier will have no right to use it nor provide it to third parties unless approved by the Council/Consortium. The supplier will keep records of all copies of the data held, including backups and provide the Council/Consortium with this information on reasonable request.
  - The supplier will not sub-contract any task nor allow access to the

Council/Consortium's data to any sub-contractors unless this is with prior permission of the Council/Consortium.

- The supplier will not pass Council/Consortium data, or give access to Council/Consortium data to any third party unless this is with prior permission of the Council/Consortium
- The Council/Consortium shall always have the right of access to Council/Consortium data.
- The solution must enable the application of automated retention policies, automated review dates, audited archive storage, the ability to cascade across integrated systems.
- The source code and ESCROW arrangements are available / provided for the system.
- The solution can meet the following date retention and archiving requirements: retain records 8 years after no longer in receipt of services
- When data is transferred out of the system, stored outside of the system, by any communication or storage medium it must be encrypted to prevent unauthorised access.

48. NRS has provided their current ISO 27001 certification and implementation will now be subject to a Data Protection Impact Assessment which will need to successfully completed prior to system go-live.

## Risk Management Implications

Risks included on corporate or directorate risk register? Yes

Separate risk register in place? Yes the consortium holds a risk register.

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
<p>Delays in mobilisation which could lead to the need to extend the current contract beyond 31<sup>st</sup> March 2023 with the existing provider.</p> <p>Due to the time needed for mobilisation, it is imperative there is minimal delay between evaluation, approvals and award for the framework agreements and call off contracts. Data transfer and access to stored specials needs to take place in timely manor</p>	<p>Given the complexity of this project, with the need for an IT system, depots etc a minimum period of 3 months is required for mobilisation. Dedicated Consortium Resource being dedicated to the tender to ensure milestones and timescales are met. In line with the framework agreement a mobilisation plan will be developed.</p> <p>If there is a delay in the mobilisation process or a longer period is required,</p>	<p>Amber</p>

Risk Description	Mitigations	RAG Status
	delegated authority is requested to agree the extension of the current provider's service.	
<p>Any issues in successful TUPE of staff between the incumbent and new provider such as the number of staff that are will to work for a new provider</p> <p>TUPE data provided by Medequip claims 300+ staff and an indicative £6m cost/liability. The winning bidder has confirmed TUPE will apply.</p>	<p>The winning bidder's bid has a robust plan for TUPE transfer, both the incumbent and winning bidder are experienced in TUPE transfers. The winning bidder has confirmed they will over recruit if required to ensure a seamless transition at contract start. The winning bidder has confirmed they will bring in staff from other depots to support with the mobilisation. The consortium team will have regular meetings with the winning bidder during mobilisation to ensure timelines are met. The consortium will also have regular meetings with the incumbent to identify issues and actions to take. Bevan Brittan are available to support if required. The incoming framework agreement contains TUPE commencement wording.</p>	Amber
<p>IT. The winning bidder needs to continue to develop the new IT System prior to the go live date and has issues in achieving this leading to operational issues</p>	<p>The consortium IT subgroup will continue to meet to oversee the transition. The consortium will continue to liaise with the incumbent to support data transfer. A deadline for system testing and finalisation will be agreed and confirmed before contract start. A full training programme will be agreed before contract start with stakeholders. Updates on progress will be discussed in Pan London meetings.</p>	Amber

Risk Description	Mitigations	RAG Status
<p data-bbox="252 141 628 212">Commercial Dependency/ Single/New Supplier</p> <p data-bbox="252 253 639 477">This contract will equate to more than 30% of the winning bidder's business which could affect their ability to fulfil the contract requirements.</p>	<p data-bbox="691 141 1086 999">Contract terms have been developed to ensure the return of data is in place. The contract includes a termination and ineffectiveness clauses to ensure the councils are protected. The winning bidder will have a similar market share to the incumbent. IT failure is the key area that affects all consortium members and a service credit has been linked to this. A manual and continuous training will be provided to contract managers to ensure support is provided for their teams. The consortium will regularly review the financial standing of the winning bidder.</p>	<p data-bbox="1129 141 1219 170">Amber</p>
<p data-bbox="252 1010 632 1346">Further legal challenge by the incumbent provider leading to a claim for damages for example due to lack of compliance with Public Contract Regulations/CPR's of lead authorities, which would require additional funding</p>	<p data-bbox="691 1010 1034 1122">Legal and procurement advice will be sought as required.</p> <p data-bbox="691 1162 999 1274">Further information is included in exempt Appendix 1.</p>	<p data-bbox="1129 1010 1219 1039">Amber</p>
<p data-bbox="252 1352 647 1424">Anticipated savings are not achieved</p>	<p data-bbox="691 1352 1078 1765">The complexity of the service, demand and local pathways, makes it difficult to determine overall savings throughout the lifetime of the Framework Agreement and will require careful monitoring and reporting both at Consortium level and Borough level.</p>	<p data-bbox="1129 1352 1219 1382">Amber</p>

Risk Description	Mitigations	RAG Status
A significant number of Local Authorities decide to withdraw from the Pan London Framework which would lead to a reduction of the economies of scale and the need to renegotiate the terms of the contract.	Currently no indication that this will materialise, if the situation changes appropriate Pan London negotiations will be undertaken with support from legal and finance colleagues.	Green

## Procurement Implications

49. The 'Current Situation' section of this report outlines the procurement process, tender award outcome, and key framework agreement and call off contract information. More detailed and relevant procurement information and implications is noted in this section.
50. Previous frameworks have had call off contracts aligned with the length of the framework agreement, this was discussed with suppliers during the market engagement, and this was the preference by the market. Any changes to the length of the call-off would impact the pricing submitted in the tender responses and Consortium members have agreed that they would all work to the same contract period.
51. There are some elements to this tender that are not aligned to traditional procurement of a framework:

### Market Engagement Feedback

52. The feedback has been in the form of individual feedback sessions, workshops, questionnaires and a market engagement exercise advertised by the publication of a PIN notice (Publication reference: 2021/S 000- 024374) issued to the market on 30<sup>th</sup> September 2021 which sought their views on key elements of the service and feedback on potential approaches to the model.
53. One-to-one sessions were held in December 2021 with those organisations who responded to convey our direction of travel and proposed approach to the tender to ensure they are engaged and recognise the commercial opportunity. The outcome from these sessions was that broadly all organisations agreed to having an integrated service with the future flexibility to include 'additional and complimentary' services. However, it was decided to remove these from the scope of the framework and make clear that they would be subject to a separate procurement (drafting was included in the Specification to that effect). This reflects that:
  - operationally officers considered that it would be preferable to keep such services separate either at Borough level (i.e. Boroughs make their own arrangements) or in a separate Consortium procurement. This would enable the unified

- contract management approach to the framework;
  - legal advice was that any inclusion of these services would need to comply with Regulation 72, Public Contracts Regulations 2015 at the time they were activated because they were not capable of being fully scoped or priced at this stage. Without full detail it could not be confirmed whether this would be possible to achieve. It was also noted that the potential suppliers of these services might be beyond the suppliers of community equipment.
54. They also recognised that adopting a ‘partnership’ approach with the wider supply chain, would enable issues to be addressed and opportunities to be explored. There was some reservation regarding ‘fixing’ activity prices for an initial 2-year term given the volatile market conditions but were reassured with the opportunity to review prices based on an open book basis. Other feedback included:
- Market not in favour of a ‘lotted’ approach; believed it disaggregated their business models.
  - Price reviews either annual or at set periods during contract life. 2 of the 3 providers willing to badge price reviews with efficiency targets
  - Phased implementation of environmental targets
  - All believed that their IT systems would meet our requirements

### **Tender Stage**

55. The ITT was published on the 9<sup>th</sup>. May 2022 with a submission date of 4<sup>th</sup>. July 2022 at 12:00, and two tender responses were received by the response deadline. The initial 7-week tender period was extended by 7 working days following minor amendments to the contract and specification document. This enabled a proportionate amount of time for the bidders to review any changes prior to submitting their bids. All tender amendments and queries were captured on a spreadsheet which was issued to all bidders. These queries and any post tender clarifications were managed by the procurement led by RBKC. Response to tender queries was supported by the project team and legal at RBKC. Tender query responses and post tender clarifications were approved by the Head of Commercial at RBKC before being issued to bidders. The tender queries and clarifications will form part of the contract.
56. Two tenders were received.

### **Post tender clarifications**

57. Post Tender clarifications were issued to both tenderers based on the assumptions included in their submissions, and queries raised by the evaluators which were closed out post tender. Two post tender clarifications were issued on non-scored elements of the commercial envelope.

## **Legal Implications**

58. The new community equipment Framework Agreement will ensure that Harrow Council meets its statutory duty (under the Care Act 2014 and Children and Families Act 2014) to make arrangements for the provision of disability aids and community equipment to meet the assessed eligible needs of individuals who are resident in its area.
59. The London Community Equipment Consortium has sought specialist legal advice from Bevan Brittan throughout the procurement and this will continue through mobilisation.
60. Further legally privileged advice is included in exempt Appendix 1.

## **Financial Implications**

61. The annual Consortium membership fee is approximately £10k and this is being reviewed alongside resource requirements for the consortium team and has yet to be agreed by Consortium members.
62. Harrow's total expenditure on community equipment during the 6 year period of the existing contract is expected to be around £8.6m. During 2021/22 the spend totalled £1.87m in Harrow, which has a funding split of 55% funded by Integrated Care Board (ICB) and 45% funded by the Local Authority (£844k). This expenditure is above the budget envelope, and this has continued into 22-23.
63. The Local Authority has a section 75 NHS Act agreement with the NHS and is the lead partner for Harrow in the London Consortium.
64. The budget for this contract is within the ASC funding. There are no budget savings assumed within the MTFS in relation to this re-procurement, however the overriding principle is that the equipment issues need to be managed within the available annual budget. The benefits associated with this new contract (detailed in paragraphs 22 and 23 above) are expected to contribute in this respect.
65. The contract is a LLW contract and will be inflated annually in accordance with the contract specification.

## **Equalities implications / Public Sector Equality Duty**

66. Section 149 of the Equality Act requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. This includes public procurement activities.
67. Tenderers were required to comply with RKBC's Equal Opportunities and Diversity Policy and Capability standards as part of the Invitation to Tender (ITT) stage. The tender made the following commitments through their tender in respect of Equality, Diversity and Inclusion:



- Board level oversight, relevant policies and procedures, annual confidential employee surveys to ensure continuous improvement, shortlisted for training and inclusion awards.
- Addressing imbalances; named responsibilities, clear processes after TUPE set out, specific mechanisms described including reviews, training, use of LMS to identify trends, targeted mentoring etc.
- Pay gaps - median pay gap already being closed, mean pay gap negative favouring females (although this indicates higher male representation amongst front line workforce).
- Front line workforce representation/ understanding; local & targeted recruitment to ensure diverse workforce in terms of all protected characteristics, use of specialist agencies, advertising will reflect diverse culture, unconscious bias training for recruiters. Mandatory EDI training for all TUPE transferees, monitoring of new starters behaviours etc.

## **Council Priorities**

68. The reprourement of the new community equipment contract contributes to the Council's priorities of Putting Residents First and a place where this in need are supported by providing a good quality community equipment service for at least 6 days a week.

## **Section 3 - Statutory Officer Clearance**

### **Statutory Officer: Donna Edwards**

Signed on behalf of the Chief Financial Officer

**Date:** 10<sup>th</sup> January 2023

### **Statutory Officer: Stephen Dorrian**

Signed on behalf of the Monitoring Officer

**Date:** 9<sup>th</sup> January 2023

### **Chief Officer: Senel Arkut**

Signed off by the Corporate Director

**Date:** 10<sup>th</sup> January 2023

### **Head of Procurement: Nimesh Mehta**

Signed off by the Head of Procurement

**Date:** 3<sup>rd</sup> January 2023

### **Head of Internal Audit: Susan Dixon**

Signed off by the Head of Internal Audit

**Date:** 9<sup>th</sup> January 2023

Has the Portfolio Holder(s) been consulted? Yes

## **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: NO

## **Section 4 - Contact Details and Background Papers**

**Contact:** Peter Singh, Head of Service Market Management & Commissioning, email: [peter.singh@harrow.gov.uk](mailto:peter.singh@harrow.gov.uk)

**Background Papers:** None

**Call-in waived by the Chair of Overview and Scrutiny Committee - NO**