

SUBJECT: The Provision of Care in the Extra Care setting of Richards Close (Ewart House)

Responsible Officer:	Paul Najsarek – Corporate Director Adults and Housing
Portfolio Holder:	Councillor Bill Stephenson - Leader of the Council
Key Decision:	Yes
Urgent/Non Urgent:	Urgent – To delay this to the next Cabinet meeting would be financially prejudicial to the interests of the council as the scheme would not be operational until January 2011 and the council would be liable for the void costs.
Power to be exercised:	Portfolio Holder Responsibilities (Allocation of Responsibilities) - Paragraph 3(i) of Delegated Powers of Portfolio Holder, Appendix to the Executive Procedure Rules, Part 4D of the Constitution.
Exempt:	No
Decision subject to Call-in:	No
Enclosures:	Appendix 1 - Procurement Process Appendix 2 - Affordability Study

Section 1 – Summary and Recommendations

This report sets out an overview of the competitive tendering process undertaken to seek a new contract for the delivery of an extra care sheltered housing support service.

Recommendations:

It is proposed that a contract should be awarded to:

- Creative Support limited
5th Floor Dale House
35 Dale Street
MANCHESTER
M1 2HF

and authorize the Corporate Director of Adults and Housing to seal a contract for a term of 2 and a half years with the option to extend for a further three years at 12 monthly intervals.

Reason: Harrow Council in partnership with Harrow Churches Association (HCHA) have developed a an Extra Care Sheltered Housing scheme which will provide an alternative to residential care for older people living in their own homes; and through a tender process a preferred provider was selected to provide the extra support care within the premises of Ewart House at Richards Close, Harrow.

A competitive tender process was conducted according to the EU procurement rules for contract values above the OJEU threshold.

A complex, pre-defined evaluation model was constructed to fairly evaluate each tender against a set of criteria established by the project team, represented by Anne Mosley, Jane Fernley, Nick Davies and Miles Partridge (representing HCHA) and Corporate Procurement as the most important aspects of the service specification (please see enclosed evaluation criteria).

The council followed a restricted tender two phased process – the PQQ stage and Invitation to tender stage. Creative Support limited scored the highest in terms of quality and the highest overall combined score for quality and price.

Section 2 – Report

Introductory paragraph

The decision to award this contract will support the council to achieve its vision to:

- **Improve support for vulnerable people**
- **Deliver “Our Health, our care, our say” a new direction for community services (DoH, January 2006)**
By ensuring we award the contract to the highest scoring bidder who has demonstrated their qualities and ability to provide a high quality service in supporting our service users within the community that is competitively priced.
- **Provide value for money**
The evaluation criteria was designed in a way to identify bids that offered value for money.

Background

Harrow council in partnership with Harrow Churches Housing Association and Octavia are building a modern extra care provision of 47 units due to open in Harrow in October 2010. The care provider to be awarded this contract will work in partnership to provide an outcome focussed service to meet the Council's self directed support agenda. The council's vision is to offer an innovative service that will offer choice, promote independence and healthy life style to service users through personalisation.

Tender Process

Pre Qualification Stage

An advert inviting expression of interest from prospective care providers was posted on the Community Care and the Council's websites in October 2009. We had 49 expressions of interest, from which 23 companies submitted filled Pre Qualification Questionnaires (PQQs).

The Pre Qualification Questionnaire Evaluation panel consisted of the following council officers: –

1. Roger Perez (Health and safety Service Manger) - Health and Safety
2. Nick Davies – Service Manager – contracts & brokerage
3. Anne Mosley - Service Manager Adult's service - Quality Assurance and Capability to deliver the service
4. Varsha Dadlani – Service Manager – Procurement - Equalities, Financial stability and Insurance.

A report on the final PQQ scores and recommendations were presented to the project board by the evaluation team for approval, the 6 highest scored bidders were invited to tender.

Tender Stage - Six bidders were invited to submit a bid, they were

Care UK
Creative Support
Housing 21
Nestor
Sanctuary
Homecare Partnership

Note: Initially Homecare Partnership were excluded at the evaluation stage. Once a technical error was highlighted the PQQ evaluation panel reviewed the final scores and as a result included Homecare partnership in the tender list. The timetable was also revised to give Homecare partnership the same amount of days as given to others, enabling them to submit their bid.

The Council used Bravo, an e-tendering tool for this tender process ensuring a fair and transparent process that is auditable. The tender bids were evaluated as per the evaluation criteria by a panel of four markers, followed by a presentation by each bidder.

Marker 1 – Jane Fernley
Marker 2 - Anne Mosley
Marker 3 – Nick Davies
Marker 4 – Miles Partridge (Harrow Churches)

Each element outlined in the Specification and the price schedule was evaluated separately. It is envisaged that the contract will be awarded based upon the highest scoring bidder. Appendix 1 details the procurement framework utilised.

Consultation

5% of the evaluation criteria were based on service user's views. Bidders were requested to submit case studies on how they will personalise the services for individuals. The case studies were evaluated and scored by a service user representative group.

Implications of the Recommendation

Awarding the contract to Creative Support will ensure a high quality service and best value. It will also provide an innovative service that will support the council in delivering its enablement and personalisation agenda.

Financial Implications

An Affordability study was undertaken that considered two things:

Firstly was the contract price built robustly in terms of hours, staffing and management costs. In the case of Creative Support the criteria were met.

Secondly we modelled the minimum that the contract costs over 3 years would cost/ save and in this equation considered how the costs of Ewart House compare to the likely cost of alternative provision which would be

homecare or residential care. The minimum net saving over the 2.5 years of the contract would be anticipated as being £144 k. In the case of 2 service users alone the estimated saving is £45k. It is anticipated that with the addition of a strategy of prioritising clients in high cost placements, and with the addition of charging income, that additional savings may be achieved.

Performance Issues

There will be no significant impact on any national indicators. However, this contributes to the strategy of maximising independence for our service users and will reflect positively as follows:

- improved quality of life for service users which will be reflected in user feedback and surveys.
- an improvement in the balance between community based and residential care reflected in our 'use of resources' analysis (note that this balance is already comparatively good for Harrow but will improve further)
- For the purposes of personalisation if a service user exercises their choice to opt into extra care then on the basis that they will receive a personalised service this will be treated as a 'Personal Budget' Harrow held.

Environmental Impact

There is no adverse environmental impact anticipated

Risk Implications

The risk of setting up a new service will be mitigated by a nominations process and a project implementation group.

Equalities Implications

The providers ability to meet the diverse needs of the borough were thoroughly examined in the tender process.

Appendix 1 - Procurement process

Extra Care Sheltered Housing Care – PRO245

Evaluation Criteria and Process

The tender process will be conducted to ensure that tenders are evaluated fairly to ascertain the most economically advantageous tender.

This scheme is a new build so there will be a gradual build up of residents and hours within the first 3 months of the contract which is expected to run from July 2010 - July 2012, the provider is asked to price for 620 hours recognising that this is an estimate of the amount of care required when the scheme is full but that flexibility will be required.

In evaluating bids for this contract, the Council will take into account the following issues:

PRICE 35%

Threshold (minimum requirement) score = 25%

The Council is seeking '*efficient and effective use of public funds and resources, and value for money*' as well as '*added value*'. Providers are encouraged to consider how they might draw in additional funding or work together to achieve and enhance the outcomes specified for the borough's residents. Sustainability of funding should be considered.

The Proposed Schedule of Rates (Excel spreadsheet) is supplied to quote proposed prices.

It must be possible for the council to calculate, unequivocally, the annual cost of the services provided. Illustrated with a breakdown of costing under each category i.e.: Staff Costs, Non Staff costs, Management fees etc

The Council is committed to introducing and offering self directed support for all adults who are eligible for social care services. Tenders are requested to provide a Business case with innovative strategies on pursuing self directed care as part of this contract.

• **QUALITY - Service Delivery 50%**

Within the Bravo system there is an option for bidders to attach documents in support of their response. This is not mandatory but should bidders attach any documents they will be included as part of the evaluation.

- Quality of Work - Tenderers methodology statement relating to all aspects of Service Specification. Particular focus on reablement, assessment, offering a culturally specific service, safeguarding and personalisation.
- The way in which the service will be personalised flexible and will be sustainable as a fully personalised model after the initial contract period of two years.
- Ability to meet targets and performance indicators and Ability to deliver a high quality service that aims to meet and exceed the National Minimum Care Standards of Domiciliary Care services.
- Staff, their Qualifications and continuous professional development:
- Systems
 - Customer Care
 - Quality Assurance systems
 - Continuous Improvement
 - Commitment and contribution to Monitoring
 - Delivering and evidencing Outcomes
- Effective Partnership working – Working in partnership with the Council and Harrow Churches to achieve the contracts objective

- **SERVICE USER INPUT** **5%**

Service Users views will be taken into account in the assessment of the tenders

- Stakeholder Involvement - service user's families and carers working together to achieve national social care outcomes for service users .

Applicants are asked to provide case studies of how they will personalise the services for individuals that will then be assessed by a service user panel.

- **PRESENTATIONS** **10 %**

Bidders will be invited to do a presentation to the evaluation panel and service user representation.

Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="checked" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 8/7/10		
Name: Sarah Wilson	<input checked="checked" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 8/7/10		

Section 4 – Performance Officer Clearance

Name: David Harrington



on behalf of the
Divisional Director
Partnership,
Development and
Performance

Date: 8/7/10

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards



Divisional Director
(Environmental
Services)

Date: ...7/7/10

Section 6 - Contact Details and Background Papers

Contact: Nick Davies – SM SP Contracts and Brokerage

Nick.davies@harrow.gov.uk

0208 424 1895

Background Papers:

Position: Divisional Director Adults & Housing

Name: Bernie Flaherty

Date: 27/2/10

For Portfolio Holder/Leader

- * I do agree to the decision proposed
- * I do not agree to the decision proposed
- * Please delete as appropriate

Notification of personal interests (if any):

(Note: if you have a prejudicial interest you should not take this decision)

Additional comments made by and/or options considered by the Portfolio Holder

Signature:

Deputy Leader

Date:

Call-In Waived by the Chairman of Overview and Scrutiny Committee	YES
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Appendix 2

1. Affordability summary of the preferred provider

Creative				
Year	Costs	Savings- OP	Savings- LD& PD	Cost/(savings)
Year 1	243,021	-171,866	-21,422	49,733
Year 2	508,811	-565,038	-46,092	-102,319
Year 3	518,989	-565,038	-45,424	-91,473
	1,270,821	-1,301,942	-112,938	-144,059

2. Full Affordability Study

[illegible]