

REPORT TO: Executive Board

DATE: 9 January 2014

REPORTING OFFICER: Strategic Director, Communities

PORTFOLIO: Health and Wellbeing

SUBJECT: Award of the Contract for the Provision of Domiciliary and Personal Care Services

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To seek the Boards approval to award contracts for the provision of Domiciliary and Personal Care Services in Halton and to seek Board's approval to waive standing orders in order to extend existing contractual arrangements for a period of two months during the period of transition.

2.0 RECOMMENDATION: That the Board

- 1) **Approve the award of a three year block contract to Local Solutions and Homecarers Liverpool for the delivery of the service in Zone 1 (described in section 3.6) at an hourly rate of £11.66 and £11.44 respectively;**
- 2) **Approve the award of a three year block contract to Local Solutions and Premier Care for the delivery of the service in Zone 2 (described in section 3.6) at an hourly rate of £11.66 and £10.50 respectively;**
- 3) **Approve the award of a three year block contract to ICARE and Castlerock for the delivery of the service in Zone 3 (described in section 3.6) at an hourly rate of £11.69 and £11.50 respectively;**
- 4) **Approve the award of a three year block contract to ICARE and Premier Care for the delivery of the service in Zone 4 (described in section 3.6) at an hourly rate of £11.69 and £10.50 respectively;**
- 5) **Approve the award of a contract to each of the providers listed in appendix 2 who will be accepted onto the Domiciliary Care framework to allow Spot purchase of care; and**
- 6) **Approval to Waive standing orders for a period from April 1st 2014 – May 25th 2014 to extend existing contractual**

arrangements as in order to ensure continuity of care throughout the period of transition to the new contractual arrangements and to ensure sufficient lead in time for implementation of the new contract.

3.0 SUPPORTING INFORMATION

3.1 A formal tender process was undertaken and began in October 2013. The reason to go to tender was:

- The current contract ran until March 31st 2013 and then received a one year extension.
- To test the market and offer opportunities for new providers
- To offer best value for Halton residents

3.2 The Council intends that the new contracts will offer standard domiciliary and personal care, but will also be flexible enough to cater for innovation and the wish of the authority to move towards a model of provision that demonstrably delivers positive outcomes for its citizens.

The service is predominantly for older people, but also any adult with a physical or learning disability and will cover the hours between 7:00am and 11:00pm, 365 (366 in a leap year) days a year.

The Contract will be let in 4 geographic zones and 40% of purchased hours in each zone, prior to contract commencement (as at 31st March 2014,) will be purchased on block. The table below provides a snap shot estimate of the volume of business in hours within each zone. However, this may vary dependent on changes to the volume of contracted hours at the date of contract. The remaining hours will be purchased on spot. Whilst endeavours have been made to equalise the zones, tenderers have been made aware that spot purchase levels vary across each zone and that within the life of the contract the volume of business to fluctuate.

3.3 Contracts will be awarded to deliver the service across a complete zone and providers were invited to submit preferred interest in one or more zones and informed that a maximum of two contracts are to be awarded per zone. The indicative hours shown below are an estimate as at the point of tender. They do not constitute or represent any rate of guaranteed business.

3.4 Details of the estimated level of business in each zone as at 1st October 2013:

Zone	Ward	Approximate Hours / week
1	Hough Green	2,300
	Broadheath	
	Riverside	
	Ditton	

2	Birchfield	1,900
	Farnworth	
	Kingsway	
	Appleton	
	Halton View	
3	Heath	1,400
	Mersey	
	Grange	
	Halton Brook	
	Beechwood	
4	Castlefields	1,900
	Halton Lea	
	Norton South	
	Norton North	
	Windmill Hill	
	Daresbury	

3.5 Tenders were invited through an open tender process through 'The Chest' facilitated by the Procurement Team. 31 tenders were received, but 3 did not meet the criteria of the Mandatory Service Questionnaire.

3.6 The tenders were evaluated using the following criteria:

Tender Evaluation Criteria:	Weighting:	Criteria Assessed by:
Mandatory Service Questionnaire	Pass / Fail	
Stage 1		
Price	50%	Assessed by Pricing Schedule
Quality – Tenderer's Proposals and references	40%	Method Statements (10%) Outcomes (10%) Continuous Improvement (10%) References (10%)
Stage 2		
Presentation / Panel Interview	10%	Presentations and panel questions
Total Tender Evaluation Weighting	100%	

4.0 POLICY IMPLICATIONS

4.1 None identified

5.0 OTHER/FINANCIAL IMPLICATIONS

5.1 The tender of the Domiciliary and Personal Care Services has seen an increase in the average hourly rate of block contracted providers from £11.24 per hour to £11.36 per hour. However, a considerable volume of hours are currently spot purchased through contracted providers on the existing framework agreement at higher hourly rates. Following the award of the new contracts packages will transfer to the new block contract providers at the lower rates set out in section 2.0. Therefore whilst the average hourly rate across the block contracted providers will increase slightly, this will be offset by the transfer of packages of care to be provided at lower rates and it is estimated that the new contract arrangements will offer an approximate reduction in spend of £1,200 per week (based on current volumes).

5.2 The current Direct Payment rate is linked to the average domiciliary care rate and it is therefore anticipated that this will increase from £11.24 to £11.36. The estimated impact of this increase, based on the average volume of new packages purchased in a 12 month period is £8,850. This increase would need to be offset against savings estimated in 5.1

5.3 The overall estimated savings per week are £1,029.

5.4 Based on the tendered hourly rate and the estimated volume of hours of care to be provided, the cost of the contract from April 1st will be approximately £88,244 per week.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

None identified

6.2 Employment, Learning & Skills in Halton

None identified

6.3 A Healthy Halton

The provision of domiciliary and personal care services helps people to remain independent in their own homes for as long as possible.

6.4 A Safer Halton

None identified

6.5 Halton's Urban Renewal

None identified

7.0 RISK ANALYSIS

7.1 The following risks have been identified:

1. There is likely to be a challenge by unsuccessful organisations, however this risk has been mitigated by the robust procurement process described in sections 3.5 and 3.6.
2. Three existing providers have not been successful in securing a block contract, these being Homecare Support, Carewatch and Just Care. However, risk has been mitigated by the robust procurement process and two of the providers reached the quality threshold to enable them to qualify for inclusion on the spot purchase framework as detailed in Appendix 2.
3. In the case of JustCare they are a local business who has been heavily reliant on business from Halton. However, their overall submission was not ranked high enough to allow an award of a block contract. They are however included on the spot purchase framework.
4. Castlerock have been awarded a zone, however they are an existing provider and are currently on suspension. Legal and procurement advice is being sought to clarify the terms and suitability of awarding a new contract to an organisation on suspension. If it is deemed too great of a risk to award, then they will be discounted and the next highest scoring provider, Comfort Call, will be awarded the relevant business. This will have a financial impact as Comfort Call were priced at £12.00 per hour compared to £11.50 per hour from Castlerock.
5. In view of the decision making process it will not be possible to announce award of contract until January 23rd, which limits the time available to facilitate the transfer of a large volume of business to new providers. In addition, the scale of change within each of the zones means that there will be significant TUPE transfers. New providers have submitted robust implementation plans to commence business on 1st April 2014. However this report is seeking approval to waive standing orders to extend the existing contract until May 25th 2014. Approval is sought as a contingency measure in order to ensure that we would have sufficient capacity across the market to provide continuity of care to vulnerable people.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 All successful providers will be required to demonstrate that they embrace and comply with the Equality Act, and services will be monitored to ensure this is the case.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Executive Board Report 28/03/13	Municipal Building Widnes	Strategic Director Communities

Appendix 1

Tenderer	Hourly Rate	Stage 1 score	Total	Rank
Provider A	£11.50	76.21	84.10	5
Provider B	£12.00	76.53	83.31	6
Provider C	£11.25	77.22	82.06	7
Provider D	£11.44	80.34	87.34	4
Provider E	£11.69	82.13	90.13	3
Provider F	£11.89	72.49	80.71	8
Provider G	£11.66	83.36	92.80	2
Provider H	£10.50	85.56	93.56	1
Provider I	£11.92	74.04	78.04	10
Provider J	£11.86	72.60	80.27	9

Appendix 2 – Providers who met the required level for the domiciliary care framework

Provider	Hourly rate
Ark	£11.95
Carewatch	£11.96
Caring Hands	£11.63
Castlerock	£11.50
Comfort Call	£12.00
Heron Care	£10.60
Homecare For You	£11.25
Homecarers	£11.44
I Care	£11.69
Just Care	£11.70
Knowsley Homecare	£11.50
Local Solutions	£11.66
Premier Care	£10.50
Prestige	£11.60
SOS Homecare	£11.00
Safehands Care	£11.27
The Human Care Group	£11.92
U5	£11.86
Universal Care	£11.96
Victoria Care	£11.55
CIC	£11.60
Just One Health Care	£11.75

The four highlighted in red have been excluded as they failed the financial checks.