

<b>Wards Affected:</b> All Wards
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Report Considered by Cabinet Procurement Committee – 2 April 2013

## **AWARD OF CONTRACT FOR PROVISION OF AN OLDER PEOPLE'S DAY CARE SERVICE**

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### **Executive Summary:**

This contract is for the provision of an older people's day care service to enable the delivery of a buildings based day care service with a combined day opportunity service for older people across the Borough of Milton Keynes.

The intention was to utilise the two day centre buildings owned by Milton Keynes Council in Olney and Bletchley, as well as other community settings, in order to provide a personalised day opportunity service for older people who are eligible for support from the Council.

The service specification sought to deliver the following service outcomes:

1. Contribute to the reduction of social isolation
2. Help older adults to stay healthy, active and independent, contributing to service user wellbeing

The intended contract term was for 3 years, from 2013 to 2016. The annual value of the contract was set at £312,000 per year. In the absence of a suitable tender this report sets out the recommendation to internalise the provision of an older people's day care service.

### **1 Recommendation(s)**

1.1 That the contract for the older people's day care service is not awarded and that the single bid received is rejected. This is due to the submitted tender being in excess of the available budget.

1.2 That the following alternative options are considered:

- a) Discontinue the older people's day care service

Not recommended: The day care service, although not a statutory service, is integral to helping vulnerable older people to remain independent and live at home for as long as possible.

- b) Invest the funding into a different form of day support service such as day opportunities

Not recommended: Day opportunities are valued by some older people but a buildings based service offers those who need it a service for a whole day, including the opportunity to shower and have a hot mid-day meal. A whole day at the centre also offers valuable respite care to help families. Hence a varied approach to day care is required.

- c) Invest more money in the service and accept the bid tendered

Not recommended: The budget advertised is the current amount that the service costs Milton Keynes Council. Combining the two day centres should have offered an opportunity for efficiency savings, not cost significantly more.

- d) Re-tender

Not recommended at this stage: The tender was advertised in line with the criteria agreed at Cabinet Procurement Committee on 3/7/12. Although there were 10 expressions of interest, these were not from organisations experienced in providing a day care service. Following on from the pre-qualification questionnaire stage there was only one tender submitted. The very limited response has led to the conclusion that the market in this area is not a vibrant one. In neighbouring areas, day centres have been developed as social enterprises or returned to council management.

- e) Review the pricing assumptions and specification

Not recommended: A clarification interview with the organisation that tendered indicated that their bid was accurate, apart for some possible efficiency savings regarding the transport element of their bid that the Integrated Passenger Transport Unit (IPTU) had identified.

- f) Provide a Council run day service

Recommended: This would ensure the continuation of an older people's day care service. The service will be structured to provide both buildings based day care and day opportunities. Work has been undertaken to evidence that the service can be provided internally and within the current budget. Additionally, Milton Keynes Council currently owns and maintains both the day centre buildings and pays the transport costs. Existing day centre staff would be subject to TUPE regulations. This option would allow for a period of service consolidation followed by a review of the provision.

## 2 Background

- 2.1 The Council's Contract Procedure Rules (CPR's) were revised in January 2012. This procurement has applied those requirements.

### 2.2 Context

Older people's day care services are highly valued by service users, their families and health and social care professionals and they successfully provide a pivotal role in meeting current policy requirements.

The procurement process undertaken was intended to provide a building based service combined with a day opportunity service. The latter would allow for service users to undertake personalised activities that are not traditionally provided for in a day centre e.g. support to take part in hobbies.

A more flexible, personalised service will continue to provide high level services for those with complex needs, while providing more emphasis on well being, greater choice and control for individuals and improved outcomes through self-directed support.

The proposed value of the contract was £312,000 per year. The contract was intended to commence in 2013 and run until 2016.

### 2.3 Decision to Proceed to Tender

This procurement was approved to proceed to tender by Cabinet Procurement Committee on 3/7/12 and is consistent with Council policy.

### 2.4 Consultation

2.4.1 The specification and evaluation criteria for this contract were developed following evaluation of a pilot day opportunity service and consultation with the following key stakeholders:

- Current service providers and their clients
- The Adult Social Care Teams
- The Cabinet Member

2.4.2 The consultation and pilot day opportunity service highlighted that the development of a more flexible preventative service was welcomed. This new service will incorporate community based day opportunities alongside traditional day centre support and will help meet the personalisation agenda, providing people with more choice and control over the day, time, level of support and type of social opportunities they receive.

### 2.5 Market engagement and lessons learnt

2.5.1 Before this tender commenced there was a period of market engagement with the service providers to give advance warning of our requirements to meet the personalisation agenda. A year long pilot day opportunity service was set up to measure the likely demand and cost of our requirement.

2.5.2 The previous contract for the provision of Day services at the Manor Road Day Centre, Bletchley is due to expire on 31/3/13 but through negotiation was extended to 30/06/13.

The previous contract for the provision of Day services at the Kitchener Day Centre, Olney expires 30/06/13.

2.5.3 Transport for the two day centres is currently provided. The IPTU are expected to review transport requirements.

2.5.4 Running the two centres and day opportunity service together was intended provide a more equitable, flexible, personalised, Milton Keynes wide service, which would be better placed to offer service users more choice and control of the support offered.

## 2.6 Tender Evaluation

2.6.1 The contract was advertised on the Council's E-Tendering system on 21/09/12 and on the Community Care Website directing to In-Tend on 18/09/12. In line with the decision made at Cabinet Procurement Committee on 3/7/12 the service was advertised with two options: to run an integrated service encompassing both day centres; or provide a variant bid to run either day centre as a separate service if there was sufficient interest to cover both centres.

2.6.2 The Tender was evaluated by a suitably qualified and experienced panel of officers including the Adult Social Care Community Team Lead, and two members of the Joint Commissioning Team OP/PD.

2.6.3 The Evaluation criteria and scores for all tenders are attached at the Annex.

2.6.4 The MEAT evaluation of tenders resulted in the following results (note the actual name of the supplier, their pricing and a break down of the Quality will be in the red paper)

Organisation	Quality Score	Price Score	Total Score	Ranking
Organisation AA	26.48	40.00	66.48	1

2.6.5 The evaluation criteria were weighted to ensure that essential quality aspects of the tender were scored accordingly, and minimum scores set.

## **3 Implications**

### **3.1 Policy**

This tender sought to contribute to the delivery of the following vision from the Council's Corporate Plan 2012-2016, that vulnerable and hard to reach citizens of Milton Keynes will have access to all the services they need and have the support to access opportunities and enjoy a healthy and good quality of life. In terms of outcomes, eligible older people in Milton Keynes will be able to:

- achieve their full potential
- experience choice and control
- enjoy personal dignity and respect
- Be safe from harm and neglect
- Enjoy personal dignity and respect

The procurement process has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

3.2 The key OPPORTUNITY secured by the council managing the service as specified for the contract is the continuous provision of a modernised day service for older people that meets the need of the population of Milton Keynes now and in the future. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

In addition, proposed transport arrangements for the re-tendered service will be evaluated by the Integrated Passenger Transport Unit (IPTU) and changes to lease/hire arrangements could deliver further efficiencies.

3.3 The key RISK is that current day centre staff will need to undergo transition to become council employees, which may have some TUPE implications to the council such as pension provision for employees.

3.3

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

3.4 Carbon and Energy Management

As set out in the specification, evaluation criteria and risk assessment.

3.5 Legal

There are no council statutory obligations to provide a day service for older people although the National Health Services Act 1977 Section 21, Schedule 8, identifies the power for local authorities to provide and maintain day centres or similar facilities.

This recommendation complies with MKC rules, UK and European legislation.

3.6 Other Implications

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: Putting People First Concordat (2007): A shared vision and commitment to the transformation of Adult Social Care

Decision to Proceed to Tender 3 July 2012