

# Finance and Resources Committee

10.00am, Thursday 3 November 2016

## Contract Awards under Urgency Procedure – Aids for Daily Living

Item number	7.17
Report number	
Executive/routine	
Wards	All

### Executive summary

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The Council advertised and sought bids for a Prime Contract approach for the Council's Community Equipment Store and Statutory Compliance Team. This was a collaborative project involving West Lothian, Midlothian, East Lothian and NHS; with Edinburgh as lead Authority. A Prime Contract approach would provide the supply, servicing and repairs for all daily living aids such as handrails, hoists and bathing equipment (Aids for Daily Living Equipment) installed as a statutory duty by the Council throughout the City and historically covered by a series of contracts.

Following the evaluation of tenders for a Prime Contract the decision was taken not to award the contract to the first placed tenderer on the basis of affordability. While an alternative procurement is developed the continuity of the existing arrangements was required to be put in place urgently to safeguard support to vulnerable custodians of Aids for Daily Living equipment.

This report is to advise Committee of the action taken to extend existing contracts to existing suppliers for the provision of supply, servicing and repairs of Aids for Daily Living Equipment under urgency powers.

### Links

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Coalition pledges	<a href="#">P1</a>
Council Priorities	<a href="#">CP1, CP2, CP3</a>
Single Outcome Agreement	<a href="#">SO2, SO3</a>

## Contract Awards under Urgency Procedure – Aids for Daily Living

### Recommendations

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- 1.1 It is recommended that Committee notes the action taken to award temporary contracts until 3 November 2016 for the provision of supply, servicing and repairs to Aids for Daily Living equipment across the City of Edinburgh Council's estate under the Urgency Procedure paragraph 4.1 of the Committee Terms of Reference and Delegated Functions.
- 1.2 That Committee waive Contract Standing Orders and approves extending the award of contracts to the providers noted in paragraph 3.6 for the period of 3 November 2016 until 31 August 2017 to allow for an alternative procurement strategy to be developed and tender process to be undertaken.

### Background

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- 2.1 Prior to the Prime Contract opportunity both Community Equipment Store and Statutory Compliant Team were using a series of individual contracts for different aspects of the scope; often leading to more than one contract with the same supplier for supply, servicing and repairs. There was also overlap in the areas being managed by both departments. In order to streamline services and remove duplication of contract cover, it was assessed that a Prime Contract approach would yield efficiencies, economies of scale and single-point contact for the entire service provision and exploitation of the Prime Contractor's buying power and position within the market. The Prime Contract approach is already in place in at least 17 Local Authorities across England and Wales where the service in entirety has been outsourced.
- 2.2 Accordingly, a fully Open OJEU procurement competition was undertaken which resulted in two bids being received for the Prime Contract (not a fully outsourced model) in June 2016. Following evaluation these bids were deemed unaffordable under the Prime Contract opportunity as they were estimated to exceed budgetary affordability by values in excess of £1,300,000 to £1,800,000 over the life of the contract. Consequently, the Chief Officer of the Edinburgh Health & Social Care Partnership approved the decision to decline to award either offer received on 6 September 2016.

- 3.1 As a result of the bids received for the proposed Prime Contract opportunity being deemed unaffordable, it was necessary to waive Contract Standing Orders and extend the existing contractual arrangements in order to ensure continuity of support to users of Aids for Daily Living equipment, often our most vulnerable and infirm citizens. These arrangements support and sustain approximately 13,000 pieces of equipment across the Council's estate.
- 3.2 An Options Study is required to be undertaken by the Council. The options will be reported to the Edinburgh Integrated Joint Board (EIJB) to analyse and make a direction on alternative arrangements and recommended delivery support solutions.
- 3.3 Arrangements with current suppliers will require to be continued in order to sustainably support the vulnerable and infirm users of the Council's extensive Aids for Daily Living equipment inventory. The table in paragraph 3.6 below sets out the supplier details.
- 3.4 Council Director's may approve spend on the provision of services up to a value of £1million. Committee approval is required for spend in excess of £1million. In estimation of Aids for Daily Living costs clearly exceeding £1million cumulatively, the invocation of Urgency Procedure to authorise this expenditure was sought and granted by the Convenor and Vice Convenor of this Committee on 3 October 2016. The urgency procedure under 4.1 of the Committee Terms of Reference and Delegated Functions states that: 'If a decision which would normally be made by a Committee requires to be made urgently between meetings of the Committee, the Chief Executive or appropriate Director, in consultation with the Convener or Vice-Convener, may take action, subject to the matter being reported to the next Committee.
- 3.5 The scope of supplier support on Aids for Daily Living supply, servicing and repairs covers:
- Adult Seating including rise/recline and postural management seating.
  - Chemical Toilets.
  - Daily Living Aids including mobility, bathing, toileting and grab rails including medical devices.
  - Moving and handling including beds, pressure care, hoists, slings and glide sheets.
  - Specialist Supportive Shower/commode seating - Freeway shower chairs
  - Beds, hoists and Dynamic mattresses
  - Shower trolleys/changing benches, stand frames and K walkers.
  - Powered seating for adults and children including reclining shower chairs
  - Solo toilet seats and parts for repair of Neptune bath seats
  - Bidet Toilets
  - Ceiling Track hoists
  - Stair climbers and powered baths

- Stairlifts and through-floor lifts and step lifts
- Children's seating, bathing, standing frames and walkers
- Upholstery services
- Deaf Action equipment
- All hoisting and lifting equipment within a property including beds and baths.

3.6 Details of the estimated Aids for Daily Living support costs as a result of the requirement to continue on a temporary basis with existing arrangements are as follows:

Start Date	End Date	Actual Contract Value (ex VAT)	Suppliers
01/09/2016	31/08/2017	£570,000	Evolution Health Care
01/09/2016	31/08/2017	£20,000	Bartrams
01/09/2016	31/08/2017	£833,000	Nottingham Rehab
01/09/2016	31/08/2017	£831,000	Fast Aid
01/09/2016	31/08/2017	£740,000	Munro Rehab
01/09/2016	31/08/2017	£260,000	Park house
01/09/2016	31/08/2017	£40,000	Total Hygiene
01/09/2016	31/08/2017	£90,000	Advanced Stairlifts
01/09/2016	31/08/2017	£106,000	JCM Ltd
01/09/2016	31/08/2017	£84,000	James Leckey Ltd
01/09/2016	31/08/2017	£95,000	G&S Smirthwaite
01/09/2016	31/08/2017	£25,000	Quest 88
01/09/2016	31/08/2017	£50,000	Matrix Fife
01/09/2016	31/08/2017	£65,086	Arjo Huntleigh
01/09/2016	31/08/2017	£15,369	Hill-Rom

01/09/2016	31/08/2017	£15,642	Spearhead
		<b>Total</b>	<b>£3,840,097</b>

- 3.7 The above table provides the anticipated spend for the provision of supply, servicing and repairs for the required period.

## Measures of success

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- 4.1 The Council successfully sustains uninterrupted equipment support to users and custodians of the 13,000 Aids for Daily Living inventory equipment items across Edinburgh supported by the suppliers cited under paragraph 3.6 above.
- 4.2 By doing so the Council continues to fulfil its statutory duty to compliance-check all Aids for Daily Living equipment in accordance with the Lifting Operations and Lifting Equipment Regulations (LOLER) 1998 and the Provision and Use of Work Regulations (PUWER) 1998.

## Financial impact

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- 5.1 The estimated expenditure forecast arising from the temporary continuation of current supplier arrangements is £3,840,097 ex VAT.
- 5.2 There was a £10,000 procurement cost associated with running the Prime Contract opportunity and procuring the necessary contract extensions.

## Risk, policy, compliance and governance impact

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- 6.1 The risks of disruption to use, access and functionality of Aids for Daily Living equipments by vulnerable and infirm users will be mitigated through the temporary continuance of current supplier arrangements.

## Equalities impact

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- 7.1 There are no direct equalities impacts arising from this report.

## Sustainability impact

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- 8.1 There are no direct sustainability impacts arising from this report.

## Consultation and engagement

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- 9.1 Commercial & Procurement Services, Community Equipment Store & Statutory Compliance Team personnel fully consulted one another throughout the establishment of continuation of existing supplier arrangements. Suppliers have also been kept informed by Community Equipment Store, Statutory Compliance Team and CPS.

## Background reading/external references

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None.

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## Links

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<b>Coalition pledges</b>	P1- Increase support for vulnerable children, including help for families so that fewer go into care
<b>Council Priorities</b>	CP1 - Children and young people fulfil their potential CP2 - Improved health and wellbeing: reduced inequalities. CP3 - Right care, right place, right time
<b>Single Outcome Agreement</b>	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy childhood and fulfil their potential
<b>Appendices</b>	None

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