

# Finance and Resources Committee

10.00am, Tuesday, 23 January 2018

## Extension of Contracts for Aids for Daily Living

<b>Item number</b>	8.7
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	
<b>Council Commitments:</b>	None

### Executive Summary

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This report advises Committee of the actions taken to extend contracts with existing suppliers of aids for daily living equipment (ADL) and services under the Urgency Procedure (section 4.1 of the Committee Terms of Reference and Delegated Functions).

The extension required for the goods contracts was to 31 January 2018 and for the servicing contracts to 30 June 2018.

The contract extension was undertaken under the Urgency Procedure (section 4.1 of the Committee Terms of Reference and Delegated Functions) to allow adequate time to complete the transition to the Yorkshire Purchasing Organisation (YPO) Framework Agreements. YPO is a local authority-owned national framework provider.

The total estimated value of the contract extension is £1,331,000.

## Extension of Contracts for Aids for Daily Living

### 1. Recommendation

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- 1.1 It is recommended that Finance and Resources Committee note the decision taken under urgency provisions, as described in section 4.1 of the Committee Terms of Reference and Delegated Functions by the Interim Chief Officer, Edinburgh Health and Social Care Partnership, in consultation with the Convener and Vice-Convener of the Finance and Resources Committee, to extend contracts with the existing suppliers of Aids for Daily Living Equipment (ADL) and services.

### 2. Background

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- 2.1 The Council has contracts in place with a range of suppliers for the delivery of its requirement for ADL and services. The total expenditure on equipment and services for ADL during the last financial year (2016/17) was £3.6 million.
- 2.2 In November 2016, following a tender exercise to appoint a prime contractor, the decision was taken not to award the contract on the grounds of affordability. The existing contracts were therefore, extended to 31 August 2017, to allow consideration of the options for delivery of the requirements.
- 2.3 Thereafter, recommencement of the project was delayed as the Health and Social Care Partnership focused on integration and transformation.
- 2.4 A team of senior officers has now been appointed to deliver this project, with the following objectives:
- to put in place a short- to medium-term solution offering contractual compliance to allow a more strategic review of the service area; and
  - to undertake a review, examining models for delivery of the requirements in the longer term
- 2.5 This report relates to the short- to medium-term delivery model/procurement process, which is in progress.
- 2.6 The project team will report to Finance and Resources Committee with an update, and to seek approval for the recommended long-term delivery model in the final quarter of 2018.

### 3. Main report

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- 3.1 ADL (stair lifts, grab rails, bath seats, hoists, seating, dynamic mattresses, etc.) are provided to support people to remain at home independently, preventing admission to hospital and facilitating discharge. ADL are also installed in schools, care homes and Council-managed public buildings, for example leisure and community centres.
- 3.2 ADL are distributed to people by the Council's Community Equipment Service (CES) on behalf of the Health and Social Care Partnership and the Council's collaborative partners (East, West and Midlothian Councils and NHS Lothian). West Lothian Council and Edinburgh care homes do not use the CES, but do use the contractual arrangements.
- 3.3 Some of the equipment requires to be serviced regularly. The Council's contracted suppliers undertake servicing and maintenance as instructed by CES, and in the case of equipment in Council-managed public buildings and care homes, by the Council's Facilities Management team.
- 3.4 The project team reviewed the procurement options available to meet the Council's requirements in the short- to medium-term, which included:
- utilising existing framework agreements
  - undertaking a full tender exercise; and
  - extending existing arrangements for up to a further 18 to 24 months
- 3.5 To establish compliant contractual coverage in as short a timeframe as possible, the decision was taken to adopt the following National Frameworks:
- YPO 361– Aids for Daily Living Framework Agreement
  - YPO 766 – Provision of Social Care Equipment Solutions and Associated Services:
    - Lot 1 – single Managed Service Provider/Prime Contractor of Social Care Equipment Solutions. This lot will be used to deliver the Council's equipment and associated services requirements – supplier appointed NRS; and
    - Lot 2 – framework of multiple providers of the Servicing and Maintenance for Social Care Equipment, broken down into geographical sub-lots, including Scotland. This lot will be used to deliver the Council's equipment servicing and maintenance requirements – suppliers appointed to service Scotland are Nottingham Rehab Ltd t/a NRS Healthcare Sherwood and CareTech Holdings PLC
- 3.6 Due to the significant volume and complexity of the work, transition to these frameworks is being phased, as follows:
- Phase 1 (approximately 26% of overall requirement – complete) – three of the Council's current suppliers will continue to be used through the YPO framework agreement (YPO 361 – Aids for Daily Living Framework Agreement) for one year from 01/09/2017 to 31/08/2018.

- Phase 2 (approximately 56% of overall requirement – equipment and associated services – in process) – six of the current supplier’s contracts were extended to 15/12/2017 (as permitted by sections 9.7.4 of the Contract Standing Orders, which allows a short extension where a tender process is in hand). It was envisaged that these contracts would then end, and that the Council would use the YPO 766 – Lot 1. It has now been established that an extension to 31/01/2018 is required for the reasons detailed in section 3.7 of this report
- Phase 3 (approximately 18% of overall requirement – servicing and maintenance – to begin November 2017) – seven of the Council’s current supplier’s contracts were extended to 15/12/2017 (as permitted by sections 9.7.4 of the Contract Standing Orders). It was envisaged that these contracts would then end, and the Council would use the YPO 766 – Lot 2. It has now been established that an extension to 01/07/2018 is required for the reasons detailed in section 3.7 of this report.

3.7 Extensions beyond the period originally envisaged are required to allow time for:

- **Lot 1 – Equipment and Associated Services**

- prime contractor to undertake mini competitions with tier 2 suppliers to ensure value for money
- prime contractor’s proposal to be evaluated (including consideration of the suitability of alternative equipment offered); and
- contract award process

- **Lot 2 – Servicing and Maintenance**

- service area to undertake an options appraisal regarding additional servicing and maintenance requirements
- specification and inventory to be drafted, including additional requirements (input from Facilities Management colleagues and Collaborative Partners required)
- Council to undertake mini competition process with both suppliers (including evaluation, contract award recommendation, standstill, etc.); and
- potential TUPE implications

3.8 All contract awards following the above will be subject of further reporting where required and in line with Council Standing Orders.

## 4. Measures of success

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4.1 The Council sustains uninterrupted equipment support to service users and custodians of the 13,000 aids for daily living inventory equipment items across Edinburgh.

- 4.2 The Council continues to fulfil its statutory duty to 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.

## **5. Financial impact**

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- 5.1 The estimated expenditure with the suppliers for the extension periods required totals £1,331,000.
- 5.2 The actual expenditure during the extension periods will depend on:
- contract usage (which will vary); and
  - suppliers' responses to the offer of formal contract extension.
- 5.3 The transition to and the introduction of the new framework should not have a detrimental impact on cost.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 The risks of disruption to use, access and functionality of ADL by vulnerable people will be mitigated through the actions detailed in section 3 of this report.
- 6.2 The risk of unsuccessful delivery of the short- to medium-term solution will be mitigated through:
- the application of adequate time and service area/procurement resources to undertake the action required to facilitate the transition to YPO; and
  - project team oversight
- 6.3 The risk of successful procurement challenge is low as the Council has continued to seek solutions to fulfil this need, however, it cannot be ruled out, which is why compliant solutions are being sought.
- 6.4 The Council has a statutory duty to report 'non-compliance' of procurement regulation in line with the changes brought in by the Procurement Reform Act 2014.

## **7. Equalities impact**

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

## **8. Sustainability impact**

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

## **9. Consultation and engagement**

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- 9.1 Commercial and Procurement Services, the Community Equipment Store and the Facilities Management team have been consulted, as were the Council's Collaborative Partners.

## 10. Background reading/external references

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- 10.1 Report to Finance and Resources Committee, 3 November 2016, item 7.19 - Contract Awards Aids for Daily Living Report.

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## 11. Appendices

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