



## Approval to Award Report

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| <b>Contract Name:</b> SS1331 Older Persons Residential |   | <b>Date:</b> 12 <sup>th</sup> September 2014 |
| <b>To:</b> Graham Gibbens/Andrew Ireland               | <b>Position:</b> Cabinet Member               |  |
| <b>From:</b> Clare Maynard                             | <b>Position:</b> Procurement Category Manager |  |

### **Authority To Award**

The Older Person Residential Care Tender process has been scrutinised by DMT and was approved by the Procurement Board in January 2014.

### **Report Summary:**

This report details the stages of the OP Residential Tender in order to provide a comprehensive understanding of the processes used, the decisions made and the impact of these decisions.

### **Background:**

Residential Care is the provision of 24 hour care and support provided by professional carers to individuals living in regulated care homes and receiving continued support to maximise their independence in continuing to manage activities of daily living.

A good Residential care service supports individuals to maintain a good quality of life and helping them to maintain independent, fulfilling lives for as long as possible.

Great Residential care involves putting the Individual (and their primary carer/family) at the centre of decisions about how they are supported and cared for within the care home. Services should be provided in such a way that the Individual feels involved, safe and secure and confident in the care and support delivered to them.

The Council is embarking on a journey to transform adult social care in Kent focusing on: Prevention and targeted interventions ensuring that services respond rapidly and are more effective, supporting carers and empowering individuals to do more for themselves. The Service shall deliver a 24 hour, 365 days care provision within a residential care home environment for older people usually over the age of 65, which will be dependent on their individual needs. The fundamental outcome from the service will be to care for older persons.

The client is Social Care Health and Wellbeing (Commissioning) and in particular the Head of Commissioning for Accommodation, Christy Holden. The lead from Commissioning on this project is Ben Gladstone, Commissioning Manager.

Residential Care services last went out to competitive tender in 2002. The purpose of this tender is to ensure a relevant specification and to update current terms & conditions as well as to show a due regard to the fair cost of care as result of the Care Act being introduced in 2015. To understand the current cost of care for providers in Kent a cost model was developed by the Council based on and adapted to meet the

needs of the people in Kent from industry leaders such as Laing & Buisson, Adass and iESE.

The process will benefit the population of Kent by providing a more fair, genuine and transparent choice from a price and quality evaluated potential list of Care Homes.

The process will also benefit Care Home Providers as they will have greater access to compete for KCC Clients and also have the opportunity to improve through Contract Management.

### **Procurement Route:**

A Dynamic Purchasing System (DPS) is an electronic process for setting up and maintaining a list of providers. This will allow the Council to add new providers during the lifetime of the contract. To join the DPS providers will need to pass the relevant selection criteria and provide an indicative tender which meets the specification, this would be the qualitative criteria and agreement to the Council's guide price (affordability threshold).

This route ensures a fair, open and transparent process for all providers as they are given the same opportunity to meet client's needs.

### **The Process:**

The Council held a number of 'Re-let Presentations' on the 25<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> February 2014 across Kent before the process began to implement feedback from providers and to also start a relationship as part of the 'no surprises' strategy.

The Council invited expressions of interest from CQC registered providers who can provide this service to the residents of Kent. In addition to the Council, this contract will be made accessible to the Kent Clinical Commissioning Groups (CCG's) and the Kent and Medway Commissioning Support Unit (KMCS). The Council received 169 Expressions of Interest from Residential Providers between 14<sup>th</sup> and 31<sup>st</sup> March 2014.

All of the providers that expressed an interest in this tender opportunity were automatically issued with access to the Stage One documentation on 1<sup>st</sup> April 2014. The Council held Tender Workshops on the 3<sup>rd</sup>, 4<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> April demonstrating how to complete Stage One of the tender process including the cost model and qualification questionnaire and providers were invited to submit a response before the published deadline of midday on 1<sup>st</sup> May 2014.

The Council received responses to Stage One of the process from 107 providers; however, 4 were disqualified due to noncompliance.

103 Providers were invited to tender as part of Stage Two of this procurement process and were automatically issued with access to the Invitation To Tender ("ITT") documentation on 25<sup>th</sup> July 2014. Again further Tender Workshops were held to aid completion on the 31<sup>st</sup> July with the aim to get the most of the market to respond.

The Council received responses to Stage Two of the process from 84 Providers before the published deadline of midday on 15<sup>th</sup> August 2014.

The Council undertook a full evaluation and moderation process of the quality element of the submission and the outcome is attached as an Exempt Appendix to this report. The reason for the exemption is that it contains pre-contract information and is commercially sensitive. Providers will be notified whether they were successful and their associated ranking based on quality and price following the decision from the Cabinet Member.

### **Evaluation Process:**

The evaluation was split into **Price** with a value of 50 points, **Quality & Capability** with a value of 30 points and **Performance** with a value of 20 points (which is part of the ongoing contract management), with providers able to enhance their scores through their KPI submissions.

To evaluate **Price** providers were invited to submit an indicative price as part of the Stage Two tender process. This is compared to the Council's Guide Price which was published before Stage Two commenced. The indicative prices are individually ranked for Providers based on how much greater they are compared to the Council's Guide Price.

A **Quality & Capability** questionnaire was issued to each provider to evaluate quality. An evaluation team was established consisting of Commissioning Officers and Managers from Strategic Commissioning, case management staff from OPPD including senior practitioners and service managers.

The evaluation team scored the 12 quality questions based on Procurement's scoring methodology which was published in the ITT documentation from the 19<sup>th</sup> to the 26<sup>th</sup> August 2014. The scoring of 0 – 4 ranges from 'Unacceptable' through to 'Excellent'. Each evaluator had to record a clear justification for each and every score which were moderated from 8<sup>th</sup> to the 10<sup>th</sup> September by the Procurement and Commissioning teams. Commentary can be positive as well as constructive so that tenderers can easily identify with the scores that they are awarded.

### **Moderation Process**

To ensure the continuity of scores awarded for tenderer's responses to the quality and capability questionnaire, the lead Strategic Commissioning Manager and the lead Strategic Procurement Managers, along with the Head of Strategic Commissioning (Accommodation Solution) and the Procurement Category Manager for Care, met to moderate the scores awarded to tenderers. This moderation panel ensured that all scores reflected the associated commentary; in cases commentary did not clearly justify the score awarded, the moderation panel revaluated answers. Further clarification from evaluators was also provided where necessary. In some cases the decision was made to revise the scores. This was done by Moderation Panel consensus.

Providers have been ranked on the weightings calculated for competitive placement allocation based on price and highest quality.

During the process any conflicts of interest that prevented full and unprejudiced participation in this procurement process had to be declared.

### **Results:**

The Financial Implications have been previously reported to Cabinet Committee relating to the setting of the Guide Price. For future placements there will be far more clarity on the cost of homes and how much the family or individual will be expected to pay for their care should the contract price be higher.

Through stage two of the process, 29% of providers submitted their indicative price equal to the Guide Prices for their area and service category. When a placement is needed, the homes will price according to the needs of the individual and by making the process competitive the homes will determine the price they can look after the individual which is likely to be closer to the Guide Price in most cases, not their indicative price or contract price (if higher than the guide price). In all instance providers will not be able to exceed their indicative price.

The Process has been carried out in accordance with Spending the Council's Money and EU Procurement Regulations. The tender process has been open, fair and transparent and future purchasing of care home placements will be undertaken in the same fair, open and transparent way as previously communicated.

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**Contract Management:**

**Name of Contract Manager: Ben Gladstone**

**Name of Director responsible for Contract: Mark Lobban**

**Approval to Award**

I agree with the award recommendation specified above.

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| <b>Signed</b>   |  |
| <b>Name</b>     |  |
| <b>Position</b> |  |
| <b>Date</b>     |  |