

## Executive Decision

**From:** Andrew Ireland, Corporate Director, Social Care Health and Wellbeing

**To:** Graham Gibbens. Cabinet Member for Adult Social Care and Public Health

**Decision No:** 14/00066

**Subject:** Contract Award for Older Persons residential and Older Persons nursing care homes

**Classification:** Unrestricted

Electoral Division: All

**Summary:** To provide the Cabinet Member with the background and process of the older persons residential and nursing care tender and recommend the successful tenderers to progress to contract award.

**Recommendation:** The Cabinet Member for Adult Social Care and Public Health is asked to agree to award the contracts for the Older Persons Residential and Older Persons Nursing as detailed in as detailed in the attached appendices.

The Cabinet Member is further asked to delegate responsibility to the Corporate Director for Social Care Health and Wellbeing to award contracts to providers joining the Dynamic Purchasing System following satisfactory completion of the tender process.

### 1. Introduction

Residential and nursing 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.

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 residential and nursing care service shall deliver a 24 hour, 365 days care provision within a 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 in a safe environment 24 hours a day.

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 a result of the Care Bill 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 Guide Prices were presented to Cabinet Committee on 11 July 2014 and the decision taken by the Cabinet Member on 16 July 2014.

The new contracts 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 new contracts 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.

## **2. Background**

The Procurement Route selected in January 2014 was to introduce a Dynamic Purchasing System (DPS) which 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 is the qualitative criteria and agreement to the Council's guide price.

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 Council held a number of presentation workshops for providers 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 which 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 subsequently disqualified due to noncompliance as they did not complete the cost model or were not suitably registered with CQC.

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 item to this report. The reason for the Exemption is that providers will be notified whether they were successful and their associated ranking based on quality and price following the decision.

### **3. Evaluation Process:**

The evaluation was split into Price with a value of 50%, Quality & Capability with a value of 30% and Performance with a value of 20% (which is part of the ongoing contract management).

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.

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.

#### **4. Financial Implications**

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).

#### **5. Legal Implications**

Following decision from the Cabinet Member, the contracts will be issued to providers and, when returned, sealed by Legal Services.

#### **6. Equality Impact Assessments**

An Equality Impact Assessment was completed and shared with Cabinet Committee in July 2014.

#### **7. Property Implications**

None

#### **8. Cabinet Committee Input - 26 September 2014**

The 26 September Adult Social Care & Health Cabinet Committee considered the proposed decision and the recommendation report. Officers introduced the report and in response to a question about the breakdown of scores, explained that 50% of the score was for the price tendered, 30% was for quality and capability and the remaining 20% for providers performance against the agreed key performance indicators introduced as part of the contract.

The committee resolved that the decision proposed to be taken by the Cabinet Member for Adult Social Care and Public Health, to agree that the Kent County Council enter into contracts with the suitable residential care and nursing care homes identified through the tender exercise, be endorsed.

#### **9. Conclusion**

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.

## 10. Recommendation

**Recommendation:** The Cabinet Member for Adult Social Care and Public Health is asked to agree to award the contracts for the Older Persons Residential and Older Persons Nursing as detailed in the attached appendices.

The Cabinet Member is further asked to delegate responsibility to the Corporate Director for Social Care Health and Wellbeing to award contracts to providers joining the Dynamic Purchasing System following satisfactory completion of the tender process.

## 11. Background Documents

App 1 - Providers to be awarded contracts for Residential Care

App 2 - Providers to be awarded contracts for Residential Care with Nursing Needs

### Report Author

Christy Holden – Head of Commissioning (Accommodation) – [Christy.holden@kent.gov.uk](mailto:Christy.holden@kent.gov.uk) – 07920 780623

Clare Maynard – Procurement Category Manager (Care) – [clare.maynard@kent.gov.uk](mailto:clare.maynard@kent.gov.uk) – 07540 668747