

RB
Richard Burbidge

020 8489 2923

020 8881 2660

richard.burbidge@haringey.gov.uk

15 November 2006

To: All Members of the Executive
c.c. All Other Persons Receiving Executive Agenda

Dear Councillor,

Executive Procurement Committee – 14 November 2006

The following papers were tabled at the meeting:

9. APPOINTMENT OF DESIGN TEAM PARTNERS TO FRAMEWORK AGREEMENT

Revised Head of Legal Services comments.

11. NEW ITEM OF URGENT BUSINESS – OLDER PEOPLES SERVICES RESIDENTIAL PROVISION – WAIVER AND AWARD OF CONTRACTS
(Report of the Director of Social Services – Agenda Item 11)

Yours sincerely

Richard Burbidge
Member Services

This page is intentionally left blank

Report Title: Appointment of Design Team Partners to Framework Agreement**20 Comments of the Head of Legal Services**

- 20.1 The EU Directive on public procurement (the Consolidated Directive), as implemented in the UK by the Public Contracts Regulations 2006, allows local authorities to enter into framework agreements with contractors, and to select contractors for specific projects from the contractors with which framework agreements have been concluded.
- 20.2 The BSF Design Team Partners framework agreement has been advertised in the Official Journal of the EU in accordance with the Public Contracts Regulations 2006 under the restricted procedure, which is procedure whereby expressions of interest are invited by way of advertisement in the Official Journal of the EU, with a selection of the contractors who have expressed an interest being invited to submit tenders.
- 20.3 The Head of Legal Services has been light-touch monitoring the work of the Council's external legal advisers (Eversheds) in relation to the procurement of the BSF Design Team Partners framework agreement, and notes the progress to date on the procurement.

This page is intentionally left blank



Agenda Item

Executive Procurement Committee On 14th November 2006

Report title: **Older Peoples Services Residential Provision - Waiver and Award of Contracts**

Report of: **The Director of Social Services**

Ward(s) affected: All

Report for: Non Key Decision

1. Purpose

- 1.1 To seek Procurement Committee agreement to waive Contract Standing Order 6.04 which requires that competitive tendering processes be carried out for the letting of contracts for the provision of residential and nursing care for Older People.
- 1.2 It is the intention to bring to the Procurement Committee all awards of contracts for residential and nursing care for older people for approval.

2. Recommendations

- 2.1 That Procurement Committee agree to waive Contract Standing Order 6.04 which requires that competitive tendering processes be carried out for the letting of contracts for the provision of residential and nursing care for Older People as allowable under Contract Standing Order 7.03 (d) until 31st December 2007 with an option to extend this period by up to six months should the need arise.

Report authorised by: Anne Bristow,
Director of Social Services

Contact officer: Mary Hennigan, Assistant Director, Community Care Services
Telephone: 020 8489 2326
E Mail: mary.hennigan@haringey.gov.uk

3. Executive Summary

- 3.1 Due to the nature of the market it is necessary to formalise contracts with providers immediately as soon as beds become available.

4. Reasons for any change in policy or for new policy development (if applicable)
n/a

5. Local Government (Access to Information) Act 1985

n/a

6. Background

- 6.1 In order to secure residential and nursing care beds for older people at the most advantageous price in the locality, it will be necessary to purchase beds as they become available in the market place. Any delays in the decision making process will lead to providers releasing beds to other local authorities.
- 6.2 In order to reduce the number of Service Users awaiting delayed hospital discharge and those living in the community who require residential or nursing care it is necessary to purchase residential and nursing care beds in the independent sector.
- 6.3 In order to reduce the possibility of the Council being fined due to delayed discharges it will be necessary to purchase beds on a block contract basis as they become available in the market place.

7. Description

- 7.1 This proposal will necessitate the urgent sourcing of provision.
- 7.2 There is strong competition between local authorities when residential and nursing care beds become available. Under the circumstances formal tendering exercises are not considered appropriate. It is therefore recommended that Procurement Committee agree to the waiver of Contract Standing Order 6.04 as allowable under Contract Standing Order 7.03(d) - ie that it is in the Council's overall interest.
- 7.3 Such waiver would allow the Council to start negotiations to set up block contracts with appropriate providers. It will be necessary to formalise arrangements with providers as soon as negotiations are complete in order to secure that provision for the Council. It is therefore also recommended that the Procurement Committee approve the award of block contracts to prevent any delay.
- 7.4 It is vital that appropriate provision is available to meet the needs of Service Users awaiting residential and nursing care. Any delays will add to the physical and mental stress experienced by Service Users and their families.
- 7.5 The cost per night for bed blocking is £120.00 per bed per night. For the financial year 2005/2006 the Council technical liability would have been £132,000.00, but some of the costs were offset via pooled budgets.
- 7.6 During 2005/2006 the Council purchased the following provision under block contracting arrangements with independent care providers:

Residential care	11 beds
Nursing care	4 beds
Nursing care – step down	8 beds

Report Template and Guidance for Member Body Reports

Nursing care – dementia 10 beds

Occupancy rates within the 4 homes used for block contracting ranged from 82% to 98%.

7.7 At the time of writing this report (mid September 2006) the occupancy rate at Cooperscroft Care Home was 82%. Referrals are made in line with the CSCI registration for the home which is limited to 14 dementia residential care and 34 long term residential care beds.

7.8 The number of people currently being delayed from discharge from hospital at the time of writing this report (mid- September 2006) stands at 3, however in contrast 10 people were waiting for beds 2 months ago.

7.9 An exercise is currently being undertaken by Commissioning Service to predict the capacity for beds needed both internally and externally. It is envisaged that the outcome will be increased demand for dementia care and nursing care beds. Once this work has been completed the Service will be seeking to establish block contracts with a number of providers to give stability in the market and ensure we have access to supply at a fair price to both the borough and providers.

7.10 The block contracts that are in place at the present time have proved to represent value for the Council both financial and the standard of care provided. The beds have been secured for a period of 3 years which has provided the Council with:

- a) Financial security
- b) Ability to ensure the quality of care is maintained through planned monitoring visits on a quarterly basis
- c) Secure and easy access to vacancies as they arise

7.11 Proposed contracts will be subject to protracted negotiations and will represent good value for money. All prices will be within the block contract benchmark figures.

8. Consultation

8.1 Comments of the Head of Corporate Procurement

The situation and options appraisal has been discussed with the Corporate Procurement Unit which has agreed that this is the most sensible approach in the circumstances. This approach will ensure that the council is best placed to take advantage of market conditions. CPU will work closely with colleagues to ensure that all block contracts are appropriate and represent best value for the authority.

9. Summary and Conclusions

9.1 Due to demand that cannot be met within the Council's own provision it is necessary for the Council to source alternative provision for Service Users requiring residential and nursing care within the locality.

9.2 The nature of the market does not allow for competitive tendering or extended award processes.

Report Template and Guidance for Member Body Reports

9.3 This report therefore sets out alternative procurement procedures to assist with the implementation of the Strategy.

10. Recommendations

10.1 That the Procurement Committee agree to waive Contract Standing Order 6.04 (requirement that competitive tendering processes be carried out for the letting of contracts) in accordance with the grounds stated in Contract Standing Order 7.3(d) in respect of the provision of residential care for Older People until 31st December 2007 with an option to extend this period by up to six months should the need arise.

11. Legal and Financial Comments

11.1 Comments of the Head of Legal Services

11.1.1 These contracts are not designated as priority services under the Public Contracts Regulations 2006 and therefore tendering is not required in Europe.

11.1.2 A waiver of Contract Standing Order 6.4 (requirement to tender) is sought under Contract Standing Order 7.3(d) ie that it is in the Council's overall interest.

11.1.3 Because of the value of the proposed contracts it is a requirement of Contract Standing Orders that a decision in respect of waiver is made by the Procurement Committee in accordance with Contract Standing Order 7.2(a).

11.1.4 The Head of Legal Services confirms that there is no legal reason preventing Procurement Committee from agreeing the recommendation at paragraph 10.

11.2 Comments of Director of Finance

11.2.1 The Director of Finance has been consulted in the preparation of this report. The service has identified a shortage of specialist beds in the market and this strategy attempts to secure the council's position in the market. The funding for the purchase of residential and nursing care will come from the Older People's budget.

12. Equality Implications

12.1 All providers will be CSCI Registered and such registration requires compliance with all equalities legislation. Contracts will be monitored post-award to ensure continued compliance with legislation during the life of the contracts.