

Agenda item:

[No.]

PROCUREMENT COMMITTEE On 18TH DECEMBER 2008

Report Title: Adult, Culture Community Services – Request for Waiver and award of contract in respect of Aspray House

Report of The Director of Adult, Culture & Community Services

Signed :

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Wards(s) affected: All

Report for: **[Key / Non-Key Decision]**

Key

1. Purpose of the report

- 1.1 To seek approval of Members to waive the requirement for a full tendering process for the provision of Older Peoples Residential Services in order to purchase six nursing dementia beds and 8 residential dementia beds with Provider A
- 1.2 To seek approval of Members to waive the Council's requirement for tendering contracts under CSO 6.05 on the basis of the ground in CSO 7.3(d) that it is in the Council's overall interest.
- 1.3 That should the Members agree the waiver, the contract be awarded to Provider A for a period of three (3) years, with the option to extend for two (2) further periods of one (1) year, in order to secure the provision on a long term basis and create some stability in the market.

2. Introduction by Cabinet Member

- 2.1 The current contract with Provider A is due to end on 31st December 2008. The home provides a high standard of care and provides services for people who require dementia nursing and dementia residential care.
- 2.2 Haringey's in-house provision does not have the capacity to provide the specialist services required.

3 State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1 The home delivers a high standard of care which is customer focused and is cost effective.
- 3.2 The service is reviewed on a quarterly basis and it is evidenced that the needs of the residents are met and are customer focused.
- 3.3 The home has achieved ISO 9001:2000 for providing committed care and nursing support to older people in 2007.
- 3.4 The home achieved Investors in People in 2007.
- 3.5 The cost of the current block contract is comparable with the cost that the 'host' borough (Waltham Forest) is paying for beds within the home.
- 3.6 To move from 'block' to 'spot' would increase the annual cost by approx £65,000.00

4 Recommendations

- 4.1 That Members waive the Council's requirement for tendering contracts under CSO 6.05 on the basis of the ground in CSO 7.3(d) that it is in the Council's overall interest.
- 4.2 That should the Members agree the waiver, the contract be awarded to Provider A for a period of three (3) years, with the option to extend for (2) two further periods of (1) one year, in order to secure the provision on a long term basis and create some stability in the market.

5 Reason for recommendation(s)

- 5.1 The reason for the Council contracting with Provider A in 2005 was to

accommodate residents who had to be moved from in-house provision that was closing.

- 5.2 A contract for a 3 year period was awarded to Provider A by the Director of Social Services in consultation with Executive Member for Social Services and Health in November 2004 under delegated authority. A twelve month extension of that contract until 31st December 2008 was approved by the Director of Adult, Culture and Community Services on 16th October 2007.
- 5.3 The home has consistently provided a high quality of care to residents placed in the home.
- 5.4 The home provides a specialist service to residents requiring dementia nursing and dementia residential care.
- 5.5 C.S.C.I reports have consistently given the home a good rating and this has been confirmed at the quarterly meetings undertaken by the Contracts Section.
- 5.6 There is not sufficient provision available within Haringey to meet the needs of the residents placed with Provider A.
- 5.7 The cost of the service has been compared with other provision available locally and is approximately £20 -£25 per bed per week lower, approximately £18,000 per annum lower.

6 Other options considered

- 6.1 *To contract with other providers within and outside of Haringey.* Following a market mapping exercise it was found that the standard of care was not as good and the cost of provision was higher.
- 6.2 *To use in house provision.* In-house provision does not have the capacity to accommodate residents who require this specialist service.

7 Summary

- 7.1 Provider A was identified as having beds available following the closure of in-house provision in 2005.
- 7.2 The remaining in-house provision at the time did not have the capacity to accommodate the number of residents requiring specialist services.
- 7.3 The current contract with Provider A expires at the end of December 2008. It is not considered to be in the best interests of the residents placed in the home to move them to alternative accommodation.

- 7.4 During the life time of the current contract Provider A has provided a consistently high standard of care to the residents placed there by Haringey.
- 7.5 The provision is cost effective in comparison to other homes providing similar care.
- 7.6 Under CSO 7.3(d) it is in the Council's overall interest to avoid disruption to the residents if there were to be a change in Service Provider.

8 Chief Financial Officer Comments

- 8.1 Contract Standing Order 13.02 allows an Executive Member to re-let a contract providing that to do so is consistent with the provisions of Financial Regulations.
- 8.2 This report requests agreement to extend an existing block contract with Provider A for 14 specialist dementia care placements (6 residential and 8 nursing). There is currently a shortage of this type of specialist provision within the Borough. Haringey's in house services do not provide this type of care/ accommodation.
- 8.3 The current cost of the provision is shown in Appendix A. There will be no variation to the cost as a result of extending this contract. However, this contract, as with most contracts for care placements, is subject to inflation at the Council's discretion.
- 8.4 The annual contract value at 2008/09 prices is shown in Appendix A. This will continue to be funded from the Older People's care purchasing budget.
- 8.5 Consideration has been given to a spot purchase alternative. Details of these costs are outlined in Appendix A.
- 8.6 The contract with Provider A represents good value for money and, due to the specialist nature of provision, will not be affected by the Personalisation Agenda.

9 Head of Legal Services Comments

- 9.1 Older people's residential services are categorised as residual services under Part B of the Public Contracts Regulations 2006 and as such there is no legal requirement to publish the tender in the OJEU, although the Council will need to send to the OJEU notice that the contract has been awarded within 48 hours.
- 9.2 This report is seeking a waiver of the requirements under CSO 6.05 to tender contracts above 25k in value, on the basis of the ground set out in CSO 7.3(d), i.e. on the basis that the waiver is in the Council's overall interest.

- 9.3 The waiver is sought to facilitate the award of a new three (3) year contract to the current service provider on the basis that it is in the Council's overall interest to avoid the disruption that would be involved in moving older people to alternative accommodation.
- 9.4 CSO 7.2(c) and CSO 7.3(d) empowers Procurement Committee to grant a waiver of CSOs in respect of contracts valued over £250k if satisfied, after considering a report by the appropriate officer, that the waiver is justified on the basis that it is in the Council's overall interest.
- 9.5 As the contract value exceeds £250,000 the proposed award must be approved by Members according to CSO 11.03. This provides that the Cabinet must award all contracts over this value.
- 9.6 It is noted that the contract has not been tendered since 2004. Subject to confirmation from the Corporate Procurement Unit that the decision to award the contract will achieve best value for the Council, the recommended award appears to meet the Council's duty to secure best value under section 3 of the Local Government Act 1999.
- 9.7 As the value of the contract will exceed £500,000 CSO 4.03 is applicable and details of the contract have been included in the Forward Plan (V79 15 December 2008 to 14 April 2009).
- 9.8 The Head of Legal Services confirms that provided the Procurement Committee is satisfied that it is in the Council's overall interests to grant the waiver in the circumstances as outlined in this report and that the award of the contract achieves best value, there are no legal reasons preventing Members from approving the recommendation in Paragraph 3 of this report.

2 Head of Procurement Comments

- 2.1 Corporate Procurement Unit have been consulted in the preparation of this report and support this waiver request
- 2.2 This waiver should be followed by a negotiation before the award of the new block contract.

11 Equalities & Community Cohesion Comments

- 11.1 All equalities requirements are included within the contract.

12 Consultation

12.1 Consultation has been carried out between the Head of Commissioning for Adult Services and the Contracts Section.

13 Service Financial Comments

13.1 The cost of this contract can be met through the Older Peoples budget

14 Use of appendices /Tables and photographs

Appendix A – exempt information

15 Local Government (Access to Information) Act 1985

15.1 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A of this report and **NOT FOR PUBLICATION**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information)