

**Decision Maker:** CARE SERVICES PORTFOLIO HOLDER

**Date:** Tuesday 11 March 2014

**Decision Type:** Non urgent                      Non-Executive                      Non – Key

**Title:** **GATEWAY REVIEW AND PROPOSALS FOR AWARD OF CONTRACTS FOR LEARNING DISABILITY SERVICES**

**Contact Officer:** Colin Lusted, Business & Planning Manager, ECHS  
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**Chief Officer:** Executive Director of Education, Care & Health Services

**Ward:** (All Wards);

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1. Reason for report

- 1.1 Education, Care & Health Services Commissioning are seeking opportunities to co terminate existing contracts in order to tender groups of similar services; this approach has significant advantages for the Council including:
- Lower bids resulting from economies of scale
  - More efficient use of Council resources
  - Tenders that are more attractive for providers
- 1.2 An opportunity to group 5 existing schemes, covering 31 service users with learning disabilities, has been identified. The current value of the 5 schemes is £1,795,182 per annum. With a proposed 5 year contract, the cumulative value of a tender would be £8,975,910.
- 1.3 In order to achieve a suitable group of contracts for tendering, agreement is sought for an exemption from tendering for a limited period to enable 2 existing contracts to co-terminate with 3 other scheme contracts.
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## 2. RECOMMENDATION(S)

- 2.1 Care Services PDS is asked to note and comment on the proposals outlined in sections 3.1 – 3.6 of this report.
- 2.2 The Portfolio Holder is requested to agree:
- a) to co-terminating existing contracts and grouping them together for tendering in order to drive the best possible pricing and;
  - b) exemption from tendering the following contracts:
    - i Swingfield Court to the Avenues Trust for the period 22/6/2014 to 10/1/2015 at a cost of £355,945
    - ii Widmore Road to the Avenues trust for the period 19/7/2014 to 10/1/2015 at a cost of £125,370in order for them to co-terminate with 3 other schemes and provide a suitable volume for the proposed tender.
  - c) to extend (under existing delegated authority) the Amplio House contract with the Avenues Trust for the period 1/9/2014 to 10/1/2015 at a cost of £177,929

### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Supporting Independence
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### Financial

1. Cost of proposal: Total amount of 2 exemptions (£355,945 & £125,370) is £481,315 in 2014/15
  2. Ongoing costs: Recurring Cost Subject to tender that will be undertaken to enable award on 10/1/2015
  3. Budget head/performance centre: 819 201 (LD PCT Re provision – Former LD Health & reform Grant) 819 200 (Learning Disabilities Services – Supported Living)
  4. Total current budget for this head: 819 201 £8,689,000 and 819 200 £10,830,300.
  5. Source of funding: Contained within existing budget, no additional funding required
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### Staff

1. Number of staff (current and additional): None – service provided by external provider.
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 31
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

3.1 Education, Care & Health Services Commissioning are seeking opportunities to co terminate existing contracts in order to group similar services together for the purpose of tendering; this approach has the following advantages for the Council:

- The volume of services in a single tender make them more attractive for providers
- Increased volumes lead to keener bids as the provider is able to reflect increased economies of scale in their pricing
- More efficient use of Council resources for tendering

3.2 The following contracts are due to expire:

<b>Scheme Name</b>	<b>Provider</b>	<b>Expiry</b>	<b>£'000pa</b>	<b>Tenants</b>
Swingfield Court.	Avenues Trust	21/6/14	640	11
Widmore Rd	Avenues Trust	18/7/14	260	5
Amplio House	Avenues Trust	31/8/14*	492	6
Lancaster House	Mcch	10/1/15	300	6
Goldsmiths Close	Mcch	10/1/15	103	3

\* with option to extend

3.3 In order to generate the benefits detailed in 3.1 above, it is proposed to:

- a) Request authority for exemption from tendering to enable the existing provider for Swingfield Court to continue providing care and support until 10/1/2015. (Contract value during exemption £355,945)
- b) Request authority for exemption from tendering to enable the existing provider for Widmore Road to continue providing care and support until 10/1/2015 (Contract value during exemption £125,370)
- c) Extend (under existing delegated authority) Amplio House to expire on 10/1/2015 (Contract value during extension £177,929).

3.4 It is proposed that the 5 schemes set out in 3.2 would be tendered for a 5 year period from 10/1/2015. The contract would be based upon 3 years with an option to extend up to a maximum of 2 years.

3.5 The current provider's performance for Swingfield Court, Widmore Road and Amplio House is satisfactory and they reduced the cost of provision during the current contract term to a level that is competitive when compared with the tendering of learning disability schemes during 2013 using framework providers.

3.6 The Portfolio Holder is requested to agree the exemption from tendering for Swingfield Court and Widmore Road as detailed above in order for the schemes to co-terminate and provide a suitable volume for the proposed tender benefits with a contract value of approx. £9.0M.

### 4. POLICY IMPLICATIONS

4.1 In accordance with the Council's commitment to Building a Better Bromley to supporting people to live as independently as possible within the community, the proposals reflect the Council's strategic objectives for people with disabilities.

## 5. FINANCIAL IMPLICATIONS

- 5.1 The contracts detailed in this report are currently funded from the existing budgets 819 201 (LD PCT Reprovision – Former LD Health & reform Grant) and 819 200 (Learning Disabilities Services – Supported Living). The annual expenditure for these 5 schemes is £1,795,182 per annum.
- 5.2 EC&HS are seeking ways of reducing expenditure through effective and efficient commissioning. The grouping of schemes for tendering is viewed as a key enabler in making tenders attractive to bidders and generating efficiencies via improved economies of scale that will be reflected in pricing.
- 5.3 No additional costs are expected to result from this proposal as contract exemptions / extensions would be at current prices and are detailed as follows:

Scheme	Provider	Total Cost During Exemption / Extension £
Swingfield Court	Avenues Trust	355,945
Widmore Road	Avenues Trust	125,370
Amplio House	Avenues Trust	177,929

## 6. LEGAL IMPLICATIONS

- 6.1 The services are Part B services for the purposes of the Public Contract Regulations 2006 (as amended). This means they are not subject to the full national and European Procurement regime. There are sound operational and business reasons for the extension after which services will be offered to the market. There is always a slight residual risk of challenge where contracts are extended without competition but the limited nature of the extension, the relatively low value of the contracts and the stated intention to seek competition in future make this unlikely. The Council's Contract Procedure Rules (CPR) enable the exemption from tendering for Swingfield Court and Widmore Road in accordance with these proposals. The arrangements can be made under 1.4) Negotiated Tender(s) / Single tender Action in accordance with CPR 13.1.
- 6.2 All procurement relating to the proposed tendering of the grouped services will be undertaken in accordance with Bromley's procurement rules.

<b>Non-Applicable Sections:</b>	Personnel implications
Background Documents: (Access via Contact Officer)	