

ANGUS COUNCIL

SOCIAL WORK AND HEALTH COMMITTEE – 12 AUGUST 2014

TENDERING PROGRAMME 2014 - 2018

REPORT BY STRATEGIC MARGO WILLIAMSON, DIRECTOR

ABSTRACT

This report requests approval to extend the duration of a number of contracts to facilitate a rationalisation of tender requirements to accommodate new legislation and regulations which will have significant implications for future tendering for services and supplies by People Directorate.

1. RECOMMENDATIONS

It is recommended that the Social Work and Health Committee:

- (i) approves the proposal to extend a number of contracts currently in place allowing the rationalisation of tendering requirements; and
- (ii) notes new legislation and regulations that will have significant implications for future tendering for services and supplies by People Directorate.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN / SINGLE OUTCOME AGREEMENT / CORPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- 8 We have improved the health and wellbeing of our people and inequalities are reduced.
- 9 Individuals are supported in their own communities with good quality services.

3. CURRENT POSITION

3.1 Tenders Required

There are currently fourteen contracts in place for Adult Services which expire between September 2014 and March 2017. These contracts need to be re-tendered, however, the end dates of these contracts are not evenly spread throughout that period. If tender periods were aligned to current contract end dates there would be seven tenders commencing in 2014 (in addition to three already underway) and four commencing in 2015. At any given point in time during 2014 up to ten tenders would be in progress and in 2015 this figure would rise to thirteen.

3.2 Relevant Legislation and Regulations

The following legislation and regulations will have significant implications for future tendering for services and supplies by People Directorate.

3.2.1 Revised European Union Directive on Procurement and Revised Scottish Procurement Regulations.

The revised Directive came into force in April 2014 and the Scottish Government expects new regulations to be in place towards the end of 2015 in line with the commencement of the Procurement Reform (Scotland) Act 2014 (see below). The Directive creates a new, simplified regime for the procurement of social care and health services. The former distinction between "Part A and "Part B" services is abolished so the "normal" EU rules apply to former "Part B"

services which included social care and healthy services .However contracts for social care and health services with a value of up to approximately £600,000 will not require to be advertised in Europe (in the Official Journal of the European Union or OJEU). Contracts above that value will be subject only to requirements to publish simplified notices advertising the upcoming contract and the award of contract. There will be no EU procedural rules for these contracts and contracting authorities will only be required to comply with EU principles of transparency and equal treatment. However member states will be required to make “domestic” rules for the award of social care and health services contracts.

3.2.2 **The Procurement Reform (Scotland) Act 2014**

The Act was approved by the Scottish Parliament in April 2014 and provides for contracts for health and social care services to be awarded by contracting authorities without “*seeking offers*”.i.e tendering.

3.2.3 **Implications of the Legislation and Regulations**

The Scottish Government has confirmed that there will be a co-ordinated approach to the implementation of the new Scottish Procurement Regulations and the Procurement Reform (Scotland) Act 2014. They are planning for public consultation later this year and are developing tools, systems, guidance and training to support implementation. The implications of the new regime are therefore not yet certain for social care and health services contracting.

4. **PROPOSALS**

4.1 It is proposed to spread out tendering requirements so that a maximum of four tenders are commenced in any one year and overlap of tender processes between years is minimised. To facilitate this it is further proposed that thirteen of the contracts currently requiring to be tendered are extended for periods of between six and twenty three months. The detail of these proposals is set out in Appendix 1 to this report.

4.2 In addition, it may be possible to award or renew some contracts without tendering. The decision on the need for tendering will be addressed within the option appraisal forming part of the individual procurement strategy drawn up for each contract. Similarly the exemptions etc. implications for each contract will be addressed individually. The Council’s Exemptions Co-ordinator is supportive of the principle of managing the impact of the social care contracts tendering programme by, amongst other measures, adjusting the contract renewal profile where possible.

5. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

6. **OTHER IMPLICATIONS**

The risk identified in relation to this report is that if the report is not approved it will not be possible to rationalise the tendering programme, meaning contracts will end on their current expiry dates and services provided via these contracts will no longer be available. The alternative would be to enhance the capacity of the Contracts Team, but this is not an affordable option. This risk can be mitigated by approval of the report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

CONTACT: Les Hutchinson, Head of Quality and Performance
EMAIL DETAILS: PEOPLE@angus.gov.uk

List of Appendices:

Appendix1 - Tendering Programme 2014-2018

Tendering Programme 2014-2018 (as at July 2014)

1. Contracts not requiring extension

Contract	Current Contract End Date	Extension of Existing Contract required (Length)	Notes
Personal Care, Housing Support and Home Based Respite	No contract currently in place	N/A	
Mental Health Service User Involvement	No contract currently in place	N/A	
High Dependency Respite	30 September 2014	10 Months	
Independent Intermediate Care	30 September 2014	14 Months	Service to be reviewed. Timescale assumes review between April and October 2014 and service to continue.

2. Contracts requiring extension

N.B Extension lengths are based on a period of 14 months being required from initial scoping of the procurement requirement to the commencement of a new contract

Contract	Current Contract End Date	Extension of Existing Contract required (Length)	Notes
Supported Accommodation: Lilywynd Forfar, Lentlands Rd Forfar and Broomfield Montrose	30 April 2015	14 Months	
Adult Mental Health Services	22 September 2015	9 Months	
Supported Accommodation Doocot Park Arbroath and River St Brechin	31 January 2016	6 Months	
Supported Accommodation Burnside Drive Arbroath	8 May 2016	13 Months	
Deaf Services/Visual Impairment Services	31 March 2015	12 Months	Tayside Procurement Consortium Contract
Supply of Occupational Therapy Equipment	2 June 2016	12 Months	
Servicing of Occupational Therapy Equipment	2 June 2016	12 Months	
Intensive Support and Monitoring Service	31 July 2016	23 Months	
Learning Disabilities Unit Cairnie Lodge	12 September 2016	21 Months	
Supported Accommodation Windmill Brae Forfar	31 October 2016	20 Months	
Suicide Support Network	31 March 2017	15 Months	