

To: City Executive Board

Date: 13th January 2010

Item

No:

Report of: Head of Service, Community Housing & Community Development

Title of Report: Elderly Services Tendering Exercise

Summary and Recommendations

Purpose of report: To inform members of the Board of the process undertaken with respect to submitting a bid in relation to this Exercise.

Key decision: No

Executive lead member: Councillor Turner

Report approved by:

Finance: Sarah Fogden

Legal: Lindsay Cane

Policy Framework: N/A

Recommendation(s): The City Executive Board is asked to:

- i) Note the report;**
- ii) Authorise the Chief Executive to write to the Chief Executive of Oxfordshire County Council raising our concerns about both the proposed reduction in service levels for city residents and the material deficiencies that have occurred in the tender process; such letter to include, if the Chief Executive deems it appropriate, a request that the County Council cancel the current tender process, and;**
- iii) Endorse the bids, and to delegate to the Executive Director for City Regeneration the power to enter into relevant contracts should those bids be successful.**

Background

1. The Elderly Services (ES) team are a part of the Community Housing & Community Development Service, providing alarm monitoring and mobile warden services in the city and beyond, amongst other related activities. The Team is largely reliant on funding from the Supporting People Programme (SP) and the Telecare Programme, both administered by Oxfordshire County Council; approximately two thirds of all income to the team originates from these sources, either directly (where Oxford City Council holds contracts with SP) or indirectly (where SP funded services are sub-contracted to the ES team by other organisations or individuals).
2. The Supporting People Partnership determined that all SP funded services should be the subject of tendering exercises. In the case of services for the elderly, it was decided that the relevant SP funding should be combined with the Telecare Programme funding, so as to enable a county-wide alarm and support service to be developed. The service is intended to be available to anyone eligible for SP or Telecare funding, regardless of where they live in the county, and of the nature/tenure of their accommodation, subject only to the capacity of available budgets.
3. Because the proposed service was to be county wide, and was to cover areas of the county where no warden service outside of sheltered blocks was currently available (West & South Oxfordshire and Vale of White Horse Districts), and because no additional funding was to be added to the current budgets, the establishment of the new service would inevitably detract from the level of service currently available in Oxford and in Cherwell District.
4. The proposed service was split into four elements for the purposes of tendering:
 - i) Equipment Provision
 - ii) Emergency Response
 - iii) Day to Day Planned Support
 - iv) Alarm Monitoring

The contract was also capable of sub-division geographically, with the county split by district boundaries.

5. The tendering exercise was carried out in two stages. On 27th July 2009 the County Council issued a Pre Qualification Questionnaire, with a return date of 21st August. Officers completed the PQQ, expressing interest in elements i) to iii) of the contract within the city and its environs, and for element iv) county-wide. Following this submission, Oxford City Council were sent an Invitation to Tender (ITT) for these elements and locations.

6. The ITT was issued on 22nd September 2009, with a submission date of 2nd November 2009. This latter date was later extended to the 30th of November, following challenge to the selection criteria used in the PQQ, mounted by some current providers of the services in question, and further extended to the 1st of December following failure on the part of the County Council's Procurement Team to provide answers to bidders questions within an agreed time-frame, a failure which has been a repeated feature of this process.
7. During the production of the council's response to the ITT, two issues arose which led to substantial revision. Firstly, it became apparent to officers that the information as to the quantity and type of equipment to be provided, and the proposals for installation of that equipment, were insufficiently detailed to allow a bid to be formulated that did not expose the council to substantial risk of additional expenditure beyond that which could be foreseen at the time of bidding. Secondly, the level of service being proposed in the tender specification was such that residents of Oxford City Council owned sheltered accommodation would suffer from a drastic cut to their services. Such residents currently receive, in the vast majority of cases, a visit from a mobile warden 365 days a year. The proposed service would reduce this, in most cases, to one visit per week, and in some cases to no visits whatever. It was felt by all concerned that this was a quality of service which is unacceptable for the residents of Oxford, and that the process as a whole favoured lower quality, cheaper providers.
8. As a result of these concerns, officers were unable to formulate a bid for equipment provision, and informed the relevant officers at the county council that no such bid would be submitted. In relation to the remaining elements of the contract, and following consultation with the Senior Management Team and Lead Member, officers developed two bids, the first of which allowed for a one-third reduction in service to council sheltered residents, and the second of which allowed for a 50% reduction in that service. Each bid, in light of the nature of the new service, would also guarantee the same levels of service to those elderly clients not residing in council owned sheltered accommodation. The first of these bids is seen by officers as a reasonable compromise in that it does not reduce services too drastically for council tenants, whilst giving a much improved service to residents in other types of accommodation. The second bid is seen as being the greatest level of reduction in service to our tenants that is acceptable to the council.
9. There are TUPE implications inherent to this process. Should Oxford City Council be successful in securing the contracts for day-to-day and emergency response services, it is possible that staff from at least one existing provider would transfer to the council. Officers believe that this could potentially lead to a situation in which redeployment or redundancy would need to be offered to some staff, following an assessment process in line with the council's relevant policies. Should

the council be unsuccessful in securing any element of the new service, it is likely that council staff would transfer under TUPE to the new provider. It is not possible to be precise about numbers at this point in the process in either case, but members may be assured that the council's bid is formulated in such a way as to include an allowance for the worst case incidental expenditure in this respect.

10. A risk register is attached at Appendix 1.
11. Officers recommend that the Board authorise the Chief Executive to send a letter of complaint in relation to the tendering exercise to the Chief Executive of Oxfordshire County Council, highlighting both the flaws in the process, and our general disquiet at the reduction of service levels to elderly residents of the city. The main areas of concern the Council has with the tender process are:
 - a. Delays in receiving responses to questions submitted as part of the tender process;
 - b. Late receipt of TUPE information delaying calculation of potential costs to the service and staffing implications for the Council;
 - c. A breach of the Council's confidentiality in the circulation of a document intended only for our attention to all bidders, and;
 - d. Insufficiently detailed information to be able to make bids for all parts of the tendered service (as detailed in paragraph 7 above).
12. Both bids were submitted to the County Council's Procurement Team by the deadline of 5pm on the 1st December 2009. On 15th December a letter from the procurement team inviting officers to attend interview and presentation on the 8th January 2010 was received. The invitation was subject to three points of clarification in relation to the basis on which the bid had been constructed. At the time of writing this report, officers were preparing a suitable response to the clarification request. Further updates on the situation will be given verbally when this report is considered at City Executive Board.

**Name and contact details of author: Graham Stratford, Head of Service,
Community Housing & Community Development
Tel; (01865) 252447
Email: gstratford@oxford.gov.uk**

**List of background papers: Briefing Paper prepared for Weekly
Business Meeting, 30th November 2009**

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