

**Report to:** Cabinet

**Date of Meeting:** 12<sup>th</sup> September 2013

**Subject:** Service and Maintenance of Community Equipment -  
Approval for Tender Process.

**Report of:** Director of Older People

**Wards Affected:** All

**Is this a Key Decision?** Yes

**Is it included in the Forward Plan?** Yes

**Exempt/Confidential** No

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### **Purpose/Summary**

The purpose of this report is to seek approval for an EU-compliant tender exercise to be conducted, in collaboration with Liverpool Community Health NHS Trust, for the service and maintenance of community equipment. Approval is also sought to delegate the final awarding of the contract to the Director of Older People.

### **Recommendation(s)**

#### **That Cabinet:-**

[1] Authorises the Director of Older People to conduct an OJEU Open Procedure tender exercise in collaboration with Liverpool Community Health NHS Trust for a new contract to run for a period of three years from 1st April 2014 ,with the option of two further one-year extensions;

[2] Approves the basis of evaluation of tenders as set out in paragraph 2.2 of the report;

[3] Authorises the Director of Older People to approve the Tender in accordance with the approved basis of evaluation and to report on the outcome to the Cabinet Member for Older People and Health.

### **How does the decision contribute to the Council's Corporate Objectives?**

	<b><u>Corporate Objective</u></b>	<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		√	
2	Jobs and Prosperity	√		
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People		√	
6	Creating Safe Communities		√	

7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

**Reasons for the Recommendation(s):**

The contract is currently held by Creedon Healthcare, and will expire on 31<sup>st</sup> March 2014.

Approval for the Council to carry out a Collaborative Tender exercise with Liverpool Community Health NHS Trust for the new contract will realise the benefits and economies of scale by combining the different requirements under the one contract.

The tender exercise will be required to follow an OJEU Open Procedure in collaboration with Liverpool Community Health NHS Trust.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

Continued service and maintenance under contract will be funded from existing revenue budgets

**(B) Capital Costs**      None

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b>		
<b>Finance</b>		
<b>Equality</b>		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact on Service Delivery:**

In terms of current service delivery there will be no impact, as servicing and maintenance of such equipment is a statutory responsibility and must therefore continue.

**What consultations have taken place on the proposals and when?**

Consultations have taken place with Central Procurement (commenced in March 2013) and also with Liverpool Community Health NHS Trust Procurement.

The Head of Corporate Finance and ICT has been consulted and her comments have been incorporated in the report (FD 2463/2013)

Head of Corporate Legal Services (LD 1768/2013) have been consulted and has no comments on the report

**Are there any other options available for consideration?**

If approval is not given for the tendering process, the statutory responsibilities relating to the servicing of community equipment will be jeopardised, resulting in client risk and reputational damage for the organisation.

**Implementation Date for the Decision**

Following the expiry of the "call-in" period after the publication of the Cabinet decision.

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**Background Papers:**

None.

## **1. Introduction/Background**

1.1 The contract for servicing and maintenance of community equipment in Sefton, currently held by Creedon Healthcare, will expire on 31<sup>st</sup> March 2014. (The original contract commenced on 1<sup>st</sup> November 2008 until 31<sup>st</sup> October 2011, with options to extend for a further 2 x 1 year. Approval for a further contract extension has been given through a Chief Officers Report). The Council has statutory responsibilities relating to service and maintenance of such equipment, and the provisions must therefore continue.

1.2 The contract covers a range of equipment purchased both by Sefton Council and by Liverpool Community Health NHS Trust, and relates to Portable Appliance Testing (P.A.T.), Lifting Operations and Lifting Equipment Regulations (LOLER) and general servicing requirements. The current cost for the contract is £140k per annum and is funded jointly by the Council and the NHS.

1.3 In order to realise efficiencies in the final contract, a collaborative tender exercise with Liverpool Community Health NHS Trust is being proposed as there is currently no formal contract in place for Liverpool Community Health equipment.

## **2. Tender Method**

2.1 The tender exercise will follow an OJEU Open Procedure in collaboration with Liverpool Community Health NHS Trust.

2.2 The tender exercise is to be conducted electronically via The Chest hosted by Due North. Tenders submitted in any other way will be disregarded.

2.3 Bidders will be deemed to understand the processes which the Council is required to follow under European and domestic legislation (particularly in relation to public procurement rules) where such legislation might apply. However, the Council believes that the current procurement is subject to such legislation on the basis that the services being procured are "Part A" services.

2.4 For this reason, the Council is bound to follow any of the procedures laid down in Directive 2004/18/EEC or the Public Contracts Regulations 2006. It is the intention of the Council to invite full tenders to be submitted in accordance with these instructions, and then to invite the highest-scoring Bidders (between 1 and 3 Bidders in total, subject to the number of Bids received and outcome of the initial evaluation) to the interview stage of the process.

The submitted tenders will initially be evaluated using the most economically advantageous offer to the Council. The process to be used is described below:-

2.5 Stage 1 Selection Criteria: All Bidders will initially be evaluated on their responses to a number of the questions contained within Part A – Selection Criteria Questionnaire.

This is divided into 7 sections, as listed below:-

- Organisation Information
- References

- Financial information
- Insurance
- Equal Opportunities
- Health & Safety
- Professional Conduct

The Council is seeking to identify appropriate organisations with sufficient capacity and capability to deliver the contract. This is a pass/fail stage and a fail in any section will result in the failure of the whole bid.

2.6. Stage 2 Award Criteria: Price 50% and Quality 50%, with 10% of the latter being reserved for the interview process. All bids which have passed Stage 1 will be evaluated. Quality measures will include:

- Experience, quality and expertise.
- Administration, including service turnaround times.
- Planning & performance management
- Risk management
- Service activity and outputs
- Engagement of service users, and complaint-handling.
- Information governance and data protection.
- Implementation plan

2.7. The evaluation will be conducted by officers from: Sefton MBC Commissioning and Contracts, Sefton Community Equipment Services, and Liverpool Community Health (Equipment Service Strategic Manager, Medical Devices Manager and Procurement Manager). The officers involved will score each section against agreed criteria, with scores then being added into the overall bid scoring.

2.8. Prices will be fixed for the period of three years from the contract start date. After this time, when the contract goes to the two extension periods, costs can be negotiated. For the sake of clarity, the first available, evidenced and justified price increase application cannot be made until 3 months from the end of this period, and will be limited to 2% or the prevailing CPI rate, whichever is the lowest. Any proposed price increase must be justified, as the contract must be sustainable. If a contractor is prepared to offer a fixed price for the duration of the contract, then this should be stated.

2.9. The new contract will run for a period of three years from 1<sup>st</sup> April 2014, with the option of two further one-year extensions.