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# Berkshire Community Equipment Service Contract Award

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**Committee considering report:** Executive on 16 February 2017

**Portfolio Member:** Councillor Rick Jones

**Date Portfolio Member agreed report:** 26 January 2017

**Report Author:** Trish Guest

**Forward Plan Ref:** EX3229

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## 1. Purpose of the Report

- 1.1 To inform the Executive of the tender process and to obtain delegated authority to award and enter into a contract with the successful tenderer. West Berkshire Council acts as Lead Authority under an existing S75 (NHS Act 2006) agreement on behalf of the 6 Berkshire Unitary Authorities and the 7 Berkshire Clinical Commissioning Groups for this contract.

## 2. Recommendation

The Executive delegates authority to the Head of Contracts Commissioning and Housing in conjunction with the Head of Legal Services and Head of Finance to enter into the contract with the successful tenderer, NRS Healthcare Ltd, for a period of 5 years from 1<sup>st</sup> April 2017 with an option to extend for a further 2 years as set out in the Report.

## 3. Implications

- 3.1 **Financial:** The funding for this contract is via a pooled fund arrangement with all of the 13 S75 partners.

This contract is paid on actual usage, ie partners are only charged for the service they actually use and there is no block funding or retainer paid to the service provider. The result is that the spend is completely in the control of each of the respective partners and how much of the service they use throughout the year.

Throughout the life of the existing 5 year contract no inflationary uplifts have been awarded to the provider in respect of service activity and it is likely this will have a small impact on the activity cost which will rise. However it is expected that the cost of items of equipment will be more competitive reflecting volume purchasing and therefore the anticipated financial impact will be balanced.

In addition drivers to increase recycling have been built into

the new contract which will help to control overall spend.

- 3.2 **Policy:** No policy changes are required as a result of this contract award. The contract provides a low cost option helping to deliver the overarching strategy to support people to live independently in their own homes.
- 3.3 **Personnel:** There are no West Berkshire personnel issues arising from the award of this contract.
- 3.4 **Legal:** The Contract has been competitively procured in accordance with the Open Procedure as defined within the Public Contracts Regulations (PCR) (2015) and a written contract would need to be in place before the commencement of the service on 1<sup>st</sup> April 2017.
- 3.5 **Risk Management:** As all the 6 Berkshire Unitaries and the 7 Clinical Commissioning Groups use this contract and provide equipment to circa 16,000 individuals each year failure to provide continuity would have a significant impact on the population of Berkshire, both for service users and their carers. It would also impact on the statutory duties for both Health & Social Care to provide equipment for those with assessed needs.
- The existing 5 year contract expires in March 2017 and preparation for the tender began in September 2015 with all the S75 partners. The award of this contract is the outcome of that tender. The intention is to ensure there is continuity of service.
- 3.6 **Property:** None
- 3.7 **Other:** The Berkshire Community Equipment Service is an established and successful partnership of the 6 Berkshire unitary authorities and the 7 Berkshire Clinical Commissioning Groups. It has been running in its current format under the S75 agreement for 5 years and the award of this contract will take it into its next 5 years of partnership.

#### 4. Other options considered

- 4.1 The previous 5 year contract expires on 31<sup>st</sup> March 2017 and procurement regulations and the value of the contract meant that a full competitive procurement process using the Open Procedure as defined within the Public Contracts Regulations (2015) was the most appropriate option for ensuring continuity of service.
- 4.2 Economies of scale, and government guidance in terms of providing an integrated community equipment service, mean that this service is most cost effectively delivered as a single shared service and therefore it is not feasible to bring it in-house. The service is shared between the 13 S75 partners in Berkshire and is centrally located at a depot in Theale, serving all areas of Berkshire.

## **5. Executive Summary**

- 5.1 The current contract for Berkshire Community Equipment Service expires on 31<sup>st</sup> March 2017 concluding a 5 year term.
- 5.2 West Berkshire Council is the Lead Authority under the S75 Partnership Agreement between the 6 Berkshire Unitary Authorities and the 7 Berkshire Clinical Commissioning Groups.
- 5.3 West Berkshire Council receives a management fee from the other 12 S75 partners to carry out the Lead Authority function, which includes this tender.
- 5.4 The S75 partners agreed that they wished to continue to commit to a new 5 year contract and that the service is vital to their infrastructure, strategic objectives and meeting their statutory duties.
- 5.5 The contract covers the whole population of Berkshire and provides a wide range of community equipment for health and social care clients, preventing hospital admission, facilitating discharge and maintaining people in their own homes.
- 5.6 The S75 partners, both strategic and operational, have worked collaboratively to create the new service specification and this has included client consultation.
- 5.7 The contract operates in such a way that each partner organisation can order equipment to be installed by the service provider and is only charged for the elements of the service they use. There is no provider retaining fee or block contract payment. All costs are based on actuals. This means that expenditure is completely in the control of each of the respective S75 partner organisations and how they wish to operate their budgets.
- 5.8 West Berkshire Council monitors the contract on behalf of the partners, as well as budget forecasting and actual spend for each, reporting monthly.
- 5.9 A full competitive procurement in accordance with the Open Procedure of PCR (2015) has been carried out which has involved all the partner organisations as evaluators and has followed a rigorous evaluation process of both price and quality/technical capability.

## **6. Conclusion**

- 6.1 The Executive is asked to approve the Recommendation.

## **7. Appendices**

- 7.1 Appendix A - Supporting Information
- 7.2 Appendix B – Equalities Impact Assessment