

ITEM No ...11.....

REPORT TO: CITY GOVERNANCE COMMITTEE – 22 APRIL 2024
REPORT ON: SUPPLY OF EQUIPMENT (INDEPENDENT LIVING AIDS)
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 120-2024

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide an update on the development of a sourcing strategy for the competitive tender process for the supply of Equipment (Independent Living Aids) and to seek approval to commence a compliant tender process, leading to award of a multi-supplier framework.

2.0 RECOMMENDATIONS

2.1.1 It is recommended that the Committee:

- (a) approves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy set out in this report; and
- (b) notes that the outcome of the procurement will be reported back to the Committee for approval.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications associated with this report.

The estimated purchase cost of the framework call offs for Dundee City Council over the period of the new contract will be approximately £1,981k, the sum of which has already been approved in the relevant budget.

4.0 DETAILS OF THE PROJECT BEING COMMISSIONED

4.1 Dundee City Council provides equipment (independent living aids) to service users in the city to enable them to remain at home and maintain a quality lifestyle. This equipment is issued on an assessed basis with no cost to the service user. The service is operationally managed by Dundee Health and Social Care Partnership (HSCP).

The equipment supply is also available to residents of Angus by way of a long standing joint agreement with Angus Council through joint equipment store arrangements including a joint budget.

In financial year 2022/23 equipment spend for Dundee City Council amounted to £359,626. Equipment spend for 23/24 is estimated at approximately £495,300 showing an ever increasing demand for the service. Based on this historical spend, the total cost of the contracts to be awarded is anticipated to be £5m in respect of Dundee City Council and Angus Council. Any material deviation from this estimated sum, resulting from the tender process that is above the amount allowed for contingencies, will require further approval from this Committee, prior to the framework contract being awarded. As this is to be joint collaborative exercise with neighbouring Perth & Kinross Council the overall estimated Contract Framework Agreement value is £8m (total cost over 4 years).

Perth and Kinross Council will also be able to call-off from the Framework by Direct Award or through Mini-competition carried out under the terms of the Framework Agreement.

Equipment and adaptations are an essential component of an integrated health & social care service. Timely provision of these often simple solutions, enable some of our most vulnerable citizens to achieve their individual outcomes, living in their own home, or a homely setting, for as long as possible. This enables them to achieve the quality of life they wish, can improve mental health and well-being, as well as being a cost-effective model of intervention.

- 4.2 The supply of occupational therapy equipment has most recently been by way of a Framework (PROC/SW/18/03) with a number of suppliers. This Framework commenced June 2018 for a duration of 4 years (2+1+1 years). To ensure continuity of supplies, the Framework shall be extended as required to allow the tender process to conclude. Existing suppliers will have the opportunity to bid once again.
- 4.3 The Framework Agreement will specify community benefits which are to be delivered by the Framework Suppliers once specified spend via the Framework has reached pre-defined thresholds.

5 SOURCING STRATEGY SUMMARY

- 5.1 Due to the maximum duration of the previous Framework now being reached, it is necessary to review future requirements for the supply of equipment considering the current marketplace, revised costs and reviewed the needs of service users in line with the Dundee and Angus HSCP Policy on provision of community equipment.

The tender opportunity will be an open tender process where all interested suppliers can bid for a particular Lot(s) of which there will be 8 (covering the various types of equipment community equipment required to ensure that people can remain living at home). This will be a one-stage procedure and there will be no limitations set on the number of suppliers of items of equipment that make it on to the Framework to ensure maximum choice for prescribing Occupational Therapists (OT)/HSCP Professionals. The tender will be published on Public Contracts Scotland (PCS) portal.

The proposed length of Framework Agreement is 3 years with the option of extending by a further 1 year. The estimated budget for the provision of equipment encompassing all 3 local authority areas is £8m.

- 5.2 This Framework will enable the efficient provision of equipment which enables service users to remain at home, rather than, in some cases, admission to a hospital/ a residential care setting, which would result in further extensive social care costs for local authorities/HSCPs.

Further, this Framework will provide Dundee, Angus and Perth & Kinross Council's with a ready-made sourcing solution who can provide the necessary equipment. The suppliers will require to evidence they can provide specific items of equipment to a detailed specification and within set delivery timescales. The Framework will minimise the time and effort OT services could potentially spend procuring items on an individual basis and provide a compliant route to market with approved suppliers.

6. RISK ANALYSIS

- 6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge

Description of Risk	Actions to be taken to manage Risk
Commercial Risk – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Inventory of required equipment and specifications to be as accurate as possible. Any transition from current suppliers will be handled to prevent additional costs during the tender period. Requests for price amendments will be accepted at yearly intervals, commencing 12 months from the commencement of the contract.
Technical Risk – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification	The technical specification of all required equipment has been developed in line with the Dundee HSCP policy on OT Prescribing and Equipment Loan. Bidders will be asked to confirm how their products tendered meets the tender specification and the tender evaluation panel will review these to ensure

	compliance with published specification of requirements.
Performance Risk – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits	The contract will contain a number of KPIs including expectations around delivery and service response times.
Contractual Risk – Being able to remedy the 's shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	The multi-supplier Framework will mitigate the risk of supply failure. Regular contract monitoring and management will continue throughout the term of the call off contract(s).
Procurement Risk – where a procurement is found unsound in law, through the public procurement rules	This will be closely managed at each stage by the Corporate Procurement Team to ensure tender processes are followed.

7.0 POLICY IMPLICATIONS

7.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

8.0 CONSULTATIONS

8.1 The Council Leadership Team were consulted in the preparation of this report.

9.0 BACKGROUND PAPERS

9.1 None

ROBERT EMMOTT, EXECUTIVE DIRECTOR OF CORPORATE SERVICES

DATE: 28 MARCH 2024

DAVE BERRY, ACTING CHIEF OFFICER, DUNDEE HEALTH AND SOCIAL CARE PARTNERSHIP

This page is intentionally left blank