

SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES****LEAD OFFICER: MRS JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES****MS LAURA LANGSTAFF, HEAD OF PROCUREMENT****SUBJECT: ESTABLISHING A DYNAMIC PURCHASING SYSTEM AND ACCEPTANCE OF INDICATIVE TENDERS FOR THE PROVISION OF SOCIAL CARE AND ACCREDITED LEARNING TRAINING****SUMMARY OF ISSUE:**

The Council continues to face challenges in the way in which its services are delivered. Training that equips the Council's staff with the skills and competencies needed also remains a priority.

This report seeks approval to establish a Dynamic Purchasing System (DPS), and accept indicative tenders for the provision of Social Care and Accredited learning Training Services that are specifically targeted for staff in Adult Social Care and Children, Schools and Families. This training is currently delivered through contracts which expire on 7 June 2015.

A DPS is similar to a framework agreement, in which providers confirm at the time of application that they will comply with the terms of the DPS and any call-off contract terms published at this time, in order to be accepted onto the supplier list. The DPS provides additional benefit over a Framework arrangement by allowing Suppliers to join at any point during the duration of the DPS.

The report provides details of the procurement process, including the results of the evaluation process and demonstrates why the recommended approach will ensure that the council achieves the best value for money.

N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 17.

RECOMMENDATIONS:

It is recommended that:

1. Following receipt of indicative tenders, the suppliers named in the report are accepted onto the Dynamic Purchasing System (DPS) for Social Care and Accredited Learning Training Services.

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2. Authority is given to establish the DPS for an initial period of two years, with a possible extension of up to a further two years if the procurement approach continues to demonstrate value for money.
 3. Authority is delegated to the Head of Procurement, together with the Cabinet Member for Business Services to further admit new suppliers, in accordance with the criteria laid out in the terms of the DPS, during the life of the agreement, which will not exceed four years in total.
 4. Individual contracts will be awarded through the DPS following a further competition, at which stage suppliers will have the opportunity to refine their offer and costs within the terms and conditions already agreed.

REASON FOR RECOMMENDATIONS:

The implementation of the Care Act is having a significant impact in the way Social Care staff work, and on their training needs to ensure compliance with the Act. In order to support its staff, the Council must provide innovative and flexible training ensuring they have the skills and knowledge to meet these challenges.

The existing contracts under which Social Care and Accredited Learning Training are delivered will expire on 7 June 2015. A full tender process, in compliance with the requirements of Public Contracts Regulations 2006 and the Council's Procurement Standing Orders has been completed, and the recommendations provide best value for money and will ensure that contracts are awarded that meet the need.

DETAILS:

1. A DPS is similar to a framework agreement, in which providers confirm at the time of application that they will comply with the terms of the DPS and any call-off contract terms published at this time, in order to be accepted onto the list of suppliers. Individual contracts are then awarded through a further 'mini-competition', at which point suppliers can revise their prices within the agreed limit, and strengthen and improve their offer. The DPS provides additional benefit over a Framework arrangement by allowing Suppliers to join at any point during the duration of the DPS. Suppliers who perform poorly can also be removed from the DPS.
2. It is recommended that the suppliers accepted onto the DPS at the commencement of the four year term are as follows:

Lot 1 Adult Social Care	Lot 2 Children School & Family Training	Lot 3 Accredited Learning
Bond Solon	Bond Solon	The Open University
Ray Braithwaite	Ray Braithwaite	Unique Training Solutions
Cherith Simmons Learning & Development	Cherith Simmons Learning & Development	VH Doctors Ltd
Edify Consultancy Ltd	Edify Consultancy Ltd	Waverley Training Services
Unique Training Solutions	Opus Pharmacy Services	Honour Safe Food
VH Doctors Ltd	Prescription Training Ltd	Learning Curve JAA Ltd
Learning for Change	Maclver Maher Ltd	Cherith Simmons Learning & Development
Inspire Transformation	Solicitude Training	Solicitude Training
Opus Pharmacy Services	The Smart Enterprise South East Ltd	
Prescription Training Ltd	In-Trac Training & Consultancy Ltd	
Maclver Maher Ltd	Children & Family Training (UK)Ltd	
Solicitude Training		
Alium Care Training Ltd		
Making Connections Ltd		
The Smart Enterprise South East Ltd		
In-Trac Training & Consultancy Ltd		
RB Healthcare & Safety Solutions Ltd		
Michael Mandelstam Ltd		

3. All of the proposed agreements will be for a period of two years with the option to extend for two further years if deemed necessary. The DPS will be open for new suppliers to submit their indicative tenders and be accepted onto the list of suppliers that can be included in future mini-competitions during the entire period.
4. This approach will allow new suppliers to be encouraged to meet the needs of the Council, maintain and improve the quality of training delivered, and ensure value for money through regular reviews of performance and costs.

Background

5. The current contracts under which these categories of training are delivered have been successful and have no provision for further extension after 7 June 2015.
6. The need for ongoing training for Social Care supports the Council's ability to continue to provide appropriate and high quality development for all levels of staff working across the Council. The previous contracts demonstrated the success of providing training across a range of categories held with different suppliers. The previous approach was restricted because new providers in the market could not be utilised. The proposal to establish a DPS as the route to awarding new contracts allows the Council to continue to identify and work with the best possible suppliers in the market.

7. The Care Act requires the Council to work towards a care and support system that is clearer, fairer and fit for the future focusing on people's wellbeing and independence. Care and support will be centred on people's needs, giving them better care and more control over the care they receive. It will also provide better support for carers. For the Council this means that the training programmes must be flexible and innovative and allow for the capability to revisit the market.
8. In order to provide flexibility to the Council's ever changing needs the Council decided to procure a Dynamic Purchasing System (DPS) which allows new providers to be added to the list of selected provider through the life of the contracts and will allow the Council to achieve organisational aims and best value.
9. As partnership working increases, the training services to be provided must meet the needs of the widening health and social care workforce. As the Council moves towards integrated care services, providers need to demonstrate a clear understanding of the key priorities for health and social care provision across both Adults' and Children's services. These have been clearly evident in the submissions by the recommended suppliers.
10. All agreements, and the DPS itself, will be available for use by the Surrey District and Boroughs, Clinical Commissioning Groups, East Sussex County Council (and all its districts, boroughs, health authorities) and colleagues from across the police, ambulance and Fire Services.

Procurement Strategy and Options

11. A full tender process, compliant with the Public Contracts Regulations 2006 and the Council's Procurement Standing Orders, was carried out using the Council e-Procurement system. This included advertising the opportunity and our intention to create a DPS in the Official Journal of the European Union on 9 January 2015.
12. A project team was set up and included representatives from HR, Procurement, Adult Social Care and Children, Schools and Families Directorates.
13. Several procurement options were considered when completing the Strategic Procurement Plan (SPP) prior to commencing the procurement activity. These included the following options:
 - (a) tender for new contracts on a like for like basis as the existing contracts;
 - (b) source an existing framework to access;
 - (c) tender for a DPS that will allow further competition, growth and flexibility to meet the future needs of the Council and our partners.
14. After a full and detailed options analysis it was decided to use a DPS. This option was selected because it will provide a better rate of return from further competition by aggregating groups of training that will give suppliers the opportunity to reduce pricing for committed programmes. The DPS also allows for the addition of new suppliers throughout the duration of the agreement provided that they meet the minimum standards set out within the DPS. This will provide the opportunity for new suppliers to bid for work and increasing the

size of the market, encouraging local and SME to participate. Through regular reviews, contract management and market evaluation, current and new suppliers will be developed in order to provide the flexibility to the Council's ever changing training requirements.

Use of e-Tendering and market management activities

15. Use of the electronic platform represents a major change from previous paper based processes and introduced a competitive process that was open and transparent to all involved.

Key Implications

16. By awarding a place on the DPS to the suppliers as recommended in paragraph 1 for each lot for the provision of Training Services to commence on 8 June 2015, the Council will be meeting its obligations to provide Social Care Training for the Council and ensuring best value for money for this service.
17. Performance will be monitored through a series of Key Performance Indicators (KPI) as detailed in the contract and reviewed at monthly operational meetings.

The management responsibility for the contract lies with HR Service and will be managed in line with the Contract Management Strategy as laid out in the contract documentation which also provides for review of performance and costs, efficiency savings / gain share savings from identified continuous improvements in performance.

CONSULTATION:

18. Key internal stakeholders have been consulted at all stages of the commissioning and procurement process.

RISK MANAGEMENT AND IMPLICATIONS:

19. All short listed tenderers successfully completed satisfactory financial checks as well as checks on competency in delivery of similar contracts at the pre-qualification stage.
20. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Exposure to increase costs	<p>Future mini competitions will achieve best value pricing by allowing suppliers to improve on their current offer.</p> <p>Fixed cost maximum prices have been agreed at the start of the DPS. Any new suppliers will also be subject to the agreement of fixed maximum prices.</p>

Delivery	Suppliers unable to deliver training	KPI's are in place to monitor performance issues. A Dynamic Purchasing System has the flexibility to add and remove suppliers to ensure that the capacity of suppliers is reflected.
Experience	A number of the training packages that are required by the Council are very niche which means the market is limited.	A number of SMEs and sole providers applied for the DPS, in order to ensure that the providers are developed through the term of the DPS the Council have and will undertake further training to improve their capability i.e. demystifying the Procurement process events.

Section 151 Officer Commentary

21. The Section 151 Officer confirms that the reported levels of spend are provided for in the council's Medium Term Financial Plan. The proposed procurement approach is flexible, ensuring that the council can purchase in accordance with changing requirements whilst delivering value for money in training provision. The Section 151 Officer supports the recommendations outlined in this report.

Legal Implications – Monitoring Officer

22. It is important that Council staff have appropriate training and experience to deal with their work. The Council has undertaken a procurement exercise as outlined above to ensure that appropriate training is available for staff especially at a time of changing legislation. The Care Act 2014 has dramatically changed adult social care provision, and it is clearly necessary that staff are aware of these changes and undertake the training to ensure they can undertake their work efficiently and with appropriate knowledge.

Equalities and Diversity

23. The need for an Equality Impact Assessment (EIA) was considered, however, a conclusion was reached that as the contracts will be managed and monitored in line with Surrey's obligations under the equalities monitoring framework there were no implications for any public sector equalities duties in relation to this procurement activity.
24. The preferred suppliers will be required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Humans Rights Commission. Where appropriate services will continue to complete EIA for the delivery of their functions.

Other Implications:

25. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below:

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	The training course will help the directorate to deliver the service to the appropriate standard.
Safeguarding responsibilities for vulnerable children and adults	The training course will help the directorate to deliver the service to the appropriate standard.
Public Health	No significant implications arising from this report
Climate change	No significant implications arising from this report
Carbon emissions	By the introduction of blended learning the need to travel to multiple sites will be diminished.

Intellectual Property rights clauses have been addressed within the contract documents.

WHAT HAPPENS NEXT:

The timetable for implementation is as follows:

Action	Date
Cabinet decision to award	28 April 2015
Cabinet call in period	29 April to 6 May 2015
'Alcatel' Standstill Period	6 May to 16 May 2015
Contract Signature	May 2015

The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the 'Alcatel' standstill period.

Contact Officer:

Robert Dean, Category Specialist Tel: 020 8541 9487.

Consulted:

Key stakeholders: Legal Services, Business Services, Finance, HR Services and HR Partners for Adult Social Care, Children, Schools and Families.

Sources/background papers:

- None

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