



Mayor and Cabinet

Permission to procure the Integrated Community Equipment Service

Date: 20 September 2023

Key decision: Yes.

Class: Part 1

Ward(s) affected: All Wards

Contributors: Executive Director, Community Services, Director of Law, Director of Finance

Outline and recommendations

1.0 Purpose of the report

The purpose of this report is to seek agreement from Mayor and Cabinet to procure the Integrated Community Equipment Service through a further competition tender via the Kent framework agreement.

2.0 Recommendation

Mayor & Cabinet are recommended to:

Authorise officers to run a procurement for the Integrated Community Equipment Service that is due to expire on 31 March 2024 through a further competition tender via the Kent framework agreement. The new service will be for a period of three years, with an option to extend for a further two years at a total estimated cost of £10.5m over the full 5 year period of which £3.5m is LBL commissioned and £7m is ICB commissioned.

Approve the use of the KCS Professional Services – Integrated Community Care Equipment Framework Y21006 to undertake a mini competition.

Approve the award of contract to the preferred provider, provided the contract value is within authorised limits.

Delegate authority to Executive Director for Community Services, (in consultation with the Director of Law and Corporate Governance and Associate Director, Community Support and Care) to select the preferred provider in accordance with the selection criteria published in the tender documentation and agree final form of contract.

3.0 Summary

- 3.1 The Integrated Community Equipment Service (ICES) is currently provided by Medequip through the Kent framework agreement which was approved by Mayor and Cabinet on 21 June 2023 for a one-year period to enable officers to undertake a comprehensive review of the options available in reprocurring this contract.

- 3.2 This paper summarises the findings from the comprehensive review of the procurement options available in reprocurring this contract.

4.0 Recommendation

- 4.1 Mayor & Cabinet are recommended to:
- 4.1.1 Authorise officers to run a procurement for the Integrated Community Equipment Service that is due to expire on 31 March 2024 through a further competition tender via the Kent framework agreement. The new service will be for a period of three years, with an option to extend for a further two years at a total estimated cost of £10.5m over the full 5-year period of which £3.5m is LBL commissioned and £7m is ICB commissioned.
- 4.1.2 Approve the use the KCS Professional Services – Integrated Community Care Equipment Framework Y21006 to undertake a mini competition.
- 4.1.3 Approve the award of contract to the preferred provider, provided the contract value is within authorised limits.

Delegate authority to Executive Director for Community Services (in consultation with the Director of Law and Corporate Governance and Associate Director, Community Support and Care to select the preferred provider in accordance with the selection and award criteria published in the tender documentation and agree final form of contract.

5.0 Policy Context

- 5.1 Local authorities in England have a statutory duty to plan for the provision of certain home-based services, including the provision of disability aids and ‘community equipment’, to meet the assessed eligible needs of service users who are ordinarily resident in their area. The supply of Community Equipment is a statutory duty under:
- Care Act 2014 (Adult Social Care only)
 - Chronically Sick and Disabled Persons Act 1970
 - Children and Families Act 2014
 - National Health Service Act 2006
 - Health and Safety at Work act 1974 and Regulations
- 5.2 The provision of community equipment to eligible children and adults is vital in helping to achieve efficiency and cost-effectiveness across a range of other local authority and health authority services, and to help achieve local and health authority strategic objectives.
- 5.3 The report supports the following Corporate priorities:
- Cleaner and greener
 - A strong local economy
 - Open Lewisham
 - Health and wellbeing

6.0 Background

- 6.1 Local authorities in England have a statutory duty to plan for the provision of certain home-based services, including disability aids and community equipment, to meet the assessed eligible needs of those individuals who are ordinarily resident in their area. It is an important element in supporting independence, one of the key objectives of both Lewisham Council and South East London ICB (Lewisham).
- 6.2 The Integrated Community Equipment Service enables the provision of equipment to individuals living in the community either to improve their quality of life while in the community or, and more typically, to enable them to live independently in the community when otherwise their needs would cause them to be in hospital or in another care setting.

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The equipment in question can take many forms and includes items such as mobility aids, bathing and toileting aids, pressure care mattresses, sensory aids, community nursing beds, moving and handling equipment. Prompt provision of the equipment can be important in order to prevent further deterioration of health thus avoiding hospital admission and to facilitate hospital discharge including enabling a person at end of life to move from hospital to die at home.

- 6.3 In February 2012, Mayor and Cabinet agreed that the Council should join the London Community Equipment Consortium (the Consortium), hosted by the London Borough of Hammersmith and Fulham. Since 2018, Westminster City Council has taken over the hosting of the Consortium.
- 6.4 Until the 31 March 2023, the Consortium operated a single framework agreement with Medequip Assistive Technology Limited, with whom each Consortium member local authority had a call-off contract. This framework agreement had been in place since 2017 with Medequip Assistive Technology Limited and was due to end on 31 March 2021. On 24 March 2021 Mayor and Cabinet approved a two-year extension up until 31 March 2023. Medequip Assistive Technology Limited was also the provider of services under predecessor agreements which had been in place since 2009. The earlier agreements were smaller in scale with the first involving seven boroughs and they expanded in extent as more boroughs joined the Consortium.
- 6.5 In January 2022 the consortium carried out a new procurement for the Integrated Community Equipment Service (ICES.) The contract was awarded to Nottingham Rehab Centre Ltd for a period of 5 years with the option to extend for a further 2 years. Once informed of the award Medequip Assistive Technology Limited challenged the decision to award by the consortium and commenced legal proceedings on 23rd September 2022. This resulted in a suspension of contract mobilisation which was lifted on the 22nd December 2022 following a High Court decision.
- 6.7 As a result of the challenge there was a delay and this impacted on Lewisham Council officers undertaking a comprehensive review of the options available in relation to the re-procurement of Integrated Community Equipment Service. Consequently, they were unable to present these findings to Mayor and Cabinet, via a permission to procure report, before the Council's contract expired on the 31 March 2023.
- 6.8 Officers were able to present two options to Mayor and Cabinet on 21st June 2023 for provision of the Integrated Community Equipment Service for the current year to enable a comprehensive review of the procurement options available. These included:
- One year extension with the London Community Equipment Consortium
 - Awarding a contract direct to Medequip Assistive Technology Limited for one year via the Integrated Community Care Equipment framework agreement (Y21006).
- 6.9 Mayor and Cabinet agreed to award a contract direct to Medequip Assistive Technology Limited for one year via the Kent Integrated Community Care Equipment framework agreement (Y21006).

7.0 Procurement Options Considered – Route to Market

- 7.1 As the Council's current contract with Medequip is due to end on 31st March 2024, officers have carried out an options appraisal on the options available to the Council going forward. This is set out below.

	Pros	Cons
Insource	<ul style="list-style-type: none"> • It would be a locally run service for Lewisham residents with potential to offer jobs in the new service to Lewisham residents • Decision-making would be quicker and speed of delivery better managed if stock 	<ul style="list-style-type: none"> • Moving the service in-house is a financial risk as catalogue prices would need to be negotiated • There would be a lengthy mobilisation period which could be disruptive to the current service

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	Pros	Cons
	<p>is located within the borough. This would lead to better responsive service.</p> <ul style="list-style-type: none"> • Would enable autonomy to design and specify the service model 	<p>provision which is currently well regarded by prescribers.</p> <ul style="list-style-type: none"> • Would require significant investment in the service start-up costs such as IT installation and maintenance, recruitment of technicians / drivers / warehouse staff, fleet of vehicles, rent attributed to warehouse/venue and associated heating/lighting costs, shipping and import costs if equipment is purchased from outside UK • Impact on reputation of the Council should the service not be reshaped in time to support this option
Rejoin the London Community Equipment Consortium	<ul style="list-style-type: none"> • Will benefit from the collective bargaining and purchasing economies of scale. • Access to shared 'Specials' across London and lower activity fees in the new contract • Sharing of good practice with consortium members • Benchmarking of performance • Four boroughs in the South East London ICB are members of the London Consortium 	<ul style="list-style-type: none"> • There have been issues with supply of equipment in the new contract which has delayed delivery of equipment • There would be a lengthy mobilisation period which could be disruptive to the current service provision which is currently well regarded by prescribers. • The Council would need to renegotiate a return to the London Consortium, and this could mean accepting a specification which may not offer the same flexibility as the current KPF arrangement. • Potential disruption by moving to a new ordering system and catalogue. Lewisham staff would need training on the new system and wait times for equipment could be long. • Governance and decision making can be slow as a consensus is required from all Consortium members to make contractual decisions, bring about change and standardise procedures • The current Framework does not require a management fee or contribution towards running costs there would be cost pressure of returning to the Consortium. There would be a fixed management annual fee of £9,450 towards running costs for a) placing orders with the supplier via an IT system and b) consortium administration (maintaining a central team at RBKC) • Purchasing of shared specials has not been completely successful as not enough information about items is catalogued such as insufficient detail images and product knowledge of specialist and bespoke details. Often items require bringing up to current

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	Pros	Cons
		specification at a cost to the purchasing borough
Further competition via the Kent Framework tender Y21006	<ul style="list-style-type: none"> The three main suppliers are already on the framework Prices on the Kent Framework are competitive compared to other frameworks Bidders will not need to re-submit a full tender submission. Procurement evaluation panel will not need to evaluate a full tender submission The suppliers have already passed the minimum eligibility criteria (e.g. such as financial standing and health and safety requirements). Therefore there is no need for the buyer to assess suppliers' capability or capacity. Will enable officers to further refine service requirements. Will enable LBL to determine items included within the equipment catalogue Commissioners have a strong working relationship with the team managing the Integrated Community Care Equipment framework agreement (Y21006). 	<ul style="list-style-type: none"> Only suppliers on the framework can bid for the contract. This could exclude new more innovative companies from bidding
Open tender	<ul style="list-style-type: none"> Could enable a locally based service to win the contract with potential to offer jobs in the new service to Lewisham residents Would enable commissioners to deal directly with the market Would enable commissioners to fully determine the conditions that the new provider would operate in 	<ul style="list-style-type: none"> There would be a lengthy mobilisation period which could be disruptive to the current service provision which is currently well regarded by prescribers. LBL would lack the bargaining power that frameworks enable

7.2 Using the Kent Framework Y21006 offers access to pre-approved providers who have been selected for their ability to provide clients with the provision of Community Care Equipment. The framework agreement covers the provision of a full range of daily living health and social care equipment.

The benefits of using the Kent Framework Agreement are as follows:

- The five main suppliers are already on the framework
- [Prices on the Kent Framework are competitive compared to other frameworks reviewed](#)
- Bidders will not need to re-submit a full tender submission.
- Procurement evaluation panel will not need to evaluate a full tender submission
- The suppliers have already passed the minimum eligibility criteria (e.g. such as financial standing and health and safety requirements). Therefore there is no need for the buyer to assess suppliers' capability or capacity.
- Will enable officers to further refine service requirements.
- This framework is compliant with UK procurement legislation.

8.0 Procurement Project Plan

8.1 The proposed route to market is a call-off from the Kent Framework Y21006 inviting all five suppliers under the framework agreement to submit a bid.

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- 8.2 The procurement opportunity will be advertised via the Council’s online tendering system (ProContract Procurement Portal) to suppliers listed in the framework.
- 8.3 Suppliers listed in 8.4 will be invited to tender via the ProContract portal and will be assessed on a criterion of Price, Quality with a percentage of 45:45 split.10% will be allocated to Social Value, in line with the Council’s procurement policies.
- 8.4 Y21006 framework contains 5 suppliers, Millbrook Healthcare Group, AJM Healthcare, Mediquip UK, NRS Healthcare and Ross Care.
- 8.5 Proposed procurement timetable is below:

Activity	Proposed Date
<u>Mayor & Cabinet approval</u>	September 2023
Tender Issued	October 2023
Tender Return Deadline	November 2023
Tender Evaluation Period	December 2023
Contract Preparation	January 2024
Contract Commencement	1 April 2024

9.0. Financial implications

- 9.1 The annual gross budget available for this service in 23/24 is £2.2m. It is funded from ICB, CYP and ASC budgets. This proposal recommended in paragraph 2 does not present any significant additional risk to current estimated spend forecasts. The contract allows for continued provision of a service which is key to the preventative and transformation agenda in Lewisham council. The service is demand led and so there remains some risk should there be a sudden surge in demand. This however is not expected based on present demand and market analysis. Also any such risks burden will be shared across the various partners and the impact to Lewisham if any will be limited

10.0 Legal implications

Approval to Procure

- 10.1 The report seeks approval to procure an external provider to provide integrated community equipment. Given the potential spend on the contract (at a length of 3 years with the option to extend for up to a further 2 years) the contract would be categorised by Contract Procedure Rules as a “Category A” contract. The report sets out the other options considered and explains why this is the recommended option.
- 10.2 Assuming that Mayor and Cabinet accepts the recommendation to procure a provider, the Contract Procedure Rules (“CPR”) place requirements on how that should happen. The CPR require that when letting contracts steps must be taken to secure value for money through a combination of cost, quality and competition, and that competitive tenders or quotations must be sought depending on the size and nature of the contract (Rule 5). Given the potential spend on this contract the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc) (EU Exit) Regulations (“the Regulations”) will apply. The requirements of both the CPR and the Regulations would be satisfied by use of a framework agreement. As a Category A contract, it would be for Mayor and Cabinet to take a decision on the award of any contract.
- 10.3 Under the Council’s Contract Procedure Rules the Council may use a framework agreement set up by a public sector body where that framework agreement has been procured in accordance with the Regulations and allows for the Council to use the Framework Agreement. It appears that the Kent framework agreement is compliant with the Regulations and that the Council is entitled to use the framework.

Approval to Award

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- 10.4 This report proposes that Mayor and Cabinet approve the award of contract for integrated community equipment. This report further proposes that Mayor and Cabinet instruct the Executive Director for Community Services (in consultation with the Director of Law and Corporate Governance and Associate Director, Community Support and Care to give effect to this decision by applying the selection and award criteria to determine and enter into the contract with the preferred provider.
- 10.5 The decision to award the contract contained in this report means that it is a Key Decision. It is therefore required to be contained in the current Key Decision Plan and the Council's Key Decision procedure must be followed.
- 10.6 Provided that the final contract value is within authorised limits set out in the recommendation and the preferred provider is selected in accordance with the selection and award criteria published in the tender documentation, then the selection by Executive Director for Community Services of the preferred provider in accordance with Mayor and Cabinet's direction will not be a Key Decision. For audit purposes a written record should be kept setting out how the selection process has been applied and the preferred provider selected, and officers from Legal Services should be consulted as necessary throughout the selection and award process.

11.0 Equalities implications

- 11.1 The recommendation made in this report relates to children and adults who have been identified and assessed as being in need of equipment services in order for them to maintain their independence and remain in their own home. Implementing this recommendation will not have an impact on individual client choice or control.
- 11.2 The COVID-19 pandemic has shone a spotlight on the health inequalities experienced by those from Black, Asian and Minority Ethnic communities. Embedding community voice and lived experience, particularly for those from Black, Asian and Minority Ethnic minority communities, into the procurement process of the Integrated Community Equipment Service will be a critical part of ensuring that any existing equalities are taken into account in developing the new service. The findings of the Birmingham and Lewisham African Caribbean Health Inequalities Review (BLACHIR) will also be considered within the procurement process for the service.

12.0 Climate change and environmental implications

- 12.1 The Council's environmental objectives will be addressed in the contract documentation and form part of criteria used at evaluation.

13.0 Crime and Disorder implications

- 13.1 There are no specific crime and disorder implications arising from this piece of procurement.

14.0 Health and wellbeing implications

- 14.1 It is expected that the new contract will focus on increasing Service User's independence by giving them more choice and control in ordering equipment.

15.0 Social Value implications

- 15.1 The procurement will require bidders to detail how they would ensure social value across the contract and provide the Council with clear and ambitious targets
- 15.2 Specific social value metrics will be set for the contract being tendered through this procurement exercise. Progress against these will be monitored in line with the Council's Social Value Policy (2019) and will be built into the formal contract management and monitoring processes.

16.0 Background Papers

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Title of Document	Date	File Location	Contact Officer
Permission to direct award to Medequip Assistive Technology Limited until 31 March 2024	21 June 2023	Integrated Joint Commissioning Team, 3 rd Floor Laurene House	Emma Campbell Smith
Covid-10 Contract Related Extensions	24 March 2021	Integrated Joint Commissioning Team, 3 rd Floor Laurene House	Emma Campbell Smith
Community Equipment Services (award call off contract)	8 February 2017	Integrated Joint Commissioning Team, 3 rd Floor Laurene House	Emma Campbell Smith
Commissioning arrangements for community equipment – Pan London Consortium	15 February 2012	Governance Team	Emma Campbell Smith

17. Report author and contact

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