



## **CHCP Health, Care and Support Services**

### **Procurement Procedures**

**Council Executive, 24 April 2012**

# **CHCP Health Care and Support Services Procurement Procedures**

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## **Procedures for the Procurement of Community Health and Care Partnership Health, Care and Support Services**

### **1. Background and Purpose**

1.1 The council makes a range of services available to specified service user groups either by providing services (on its own or in partnership) or by purchasing services from third party providers.

1.2 This document outlines the procedures which govern the procurement of Part B health, care and support services within the remit of the West Lothian Community Health and Care Partnership and within the control of the Depute Chief Executive (Community Health and Care Partnership) from third party providers to ensure that services are delivered in a non discriminatory and transparent manner, meeting the requirements of Best Value and obtaining the best possible balance between quality and price in meeting service users' requirements.

1.3 Services to be included within these procedures are all those within the West Lothian Community Health and Care Partnership and within the control of the Depute Chief Executive (Community Health and Care Partnership), and within the scope of 'Part B services' in terms of the Public Contracts (Scotland) Regulations 2012 provided by or procured in pursuit of the council's statutory social work functions to children, adults and older people.

1.4 The council's Standing Orders for Contracts (2012) designate the Depute Chief Executive (Community Health and Care Partnership) as the "Responsible Officer" for all contracts covered by this procedure. Under the council's Scheme of Delegations to officers, he or she may delegate those powers to appropriate officers in the CHCP service areas, but retains overall and ultimate responsibility for compliance.

1.4 These procedures will: -

- Provide clear guidance to council staff about how and from where services can be purchased
- Identify the type of contract that is most appropriate to the service being procured
- Identify the process for approving specialist services
- Identify the process for specifying services
- Identify the roles and responsibilities of identified council officers
- Specify a clear and identified process for monitoring and reviewing how services are procured and delivered
- Meet the requirements of Best Value by taking the cost and quality of services into consideration when commissioning and reviewing services.

1.5 These procedures link to all internal Social Policy policies and procedures and the following guidance on the procurement of care and support services:-

- Procurement of Care and Support Services, Scottish Government, Sept 2010
- Scottish Procurement Directorate: SPPN 10/2008, Social Care Procurement: Advertising and Competition.

1.6 For clarification these procedures apply to services where individual service users have chosen not to commission services themselves via self-directed support, direct payments or individual budgets.

## **2. Introduction**

2.1 The council and its partners seek to ensure that a range of services are available to meet the assessed care and support needs of people who are ordinarily resident in West Lothian. In order to do this, services are either provided directly by the council (on its own or with its partners) or purchased from Third Party providers. The Social Policy Service Statements for individual service user and carer groups outline the overall strategic direction as well as mapping the size and volume of care and support services in each service area. These will be superseded by CHCP Joint Commissioning Plans which will be subject to extensive stakeholder engagement prior to finalisation.

2.2 Services commissioned have an emphasis on devolving responsibility as close as possible to service users and carers. This dimension means that there is a difference from the commissioning of other types of service, as there is generally a need to continue to work with providers where service user choice indicates the continuation of such services.

2.3 The council's Corporate Plan recognises the need for a service response to meet the outcomes and needs of individuals and communities through working with agencies across the public, private, third and voluntary sectors to make best use of the mixed economy of care and support provision.

2.4 It is recognised that care and support service providers operate within a specialist market. It is proposed that the CHCP Joint Commissioning Strategy and CHCP Joint Commissioning Plans will outline the council's future overarching approach to the commissioning and contracting of CHCP health, care and support services in West Lothian which acknowledges the complex nature of service provision.

## **3. Procurement Principles**

3.1 The principles that underpin the procurement of these services in West Lothian are:-

- The process is non discriminatory and will provide information to service users and providers that improves service delivery
- The council will specify, in all circumstances, the services that the contracted provider is expected to provide
- When awarding a contract the provider will be evaluated against the principles of "best value" by securing effective and efficient services within the limits of available resources and will balance quality and cost considerations
- In purchasing, contracting or procuring services the council will take the cost and quality of services to be provided into consideration
- The process will assist the provider to deliver a service on behalf of the council that meets agreed service standards and addresses individual assessed needs and outcomes

- Contracted services will have clearly stated and measurable performance indicators including outcome based performance indicators to assist providers towards continuous improvement and maintain the quality of purchased services
- Fairness and understanding with regard to the price of care and support will be applied based on nationally agreed levels, where appropriate or in place
- All contracted services will take account of local and national trends assisting providers to meet current and future needs of people who live in West Lothian.

#### **4. Procurement Arrangements**

4.1 Section 4 and 5 of this document outline the strategic approach of the procurement of these services and how this approach aims to support the service planning processes through the implementation of the procurement framework.

4.2 The Procurement Strategy is aimed primarily at high volume generic services and although reference is made to the needs of individuals with complex needs these will generally be individually specified and commissioned.

4.3 The Procurement Strategy aims to:-

- Introduce different types of contracts as appropriate and produce a directory for specialist service provision
- Apply an accreditation process to all services to ensure that any service used meets basic requirements of law, health and safety and quality
- Collate and maintain information to enable the monitoring of standards of care and support provided that leads to an understanding of the quality of the service being provided
- Use this information to assist providers to improve the quality of services
- Use the tendering process where there is a legal obligation to do so or where identified within this strategy
- Encourage partnership arrangements with medium and large external providers
- Maintain flexibility to support the uptake of self directed support requested by service users where it is appropriate to do so.

4.4 To ensure compliance with Best Value it is required that in all situations:-

- The council's services should be considered in the first instance where these are available, to meet the assessed needs of the service user and where it is economic to do so
- Where services are purchased on a Block Contract basis or Framework Agreement that these services should be utilised, where appropriate, following assessment by the council. If these services do not meet the assessed needs of the service user then consideration may be given to purchasing any service(s) by means of an individual or spot contract. A record will be kept for audit purposes.

#### **5. Procurement Framework**

5.1 The Procurement Framework is part of the overarching West Lothian Council Policy on Commissioning and Provision of Social Policy Services. Sections 6 -10 of these procedures outline the main elements of the Procurement Framework.

5.2 The benefit of developing a Procurement Framework is to take account of the specific needs of the procurement of these services including: -

- Compliance with Best Value
- Identifying estimated actual cost for service at an early stage (in most cases)
- Transparency and protection for the council
- Clarity in accountability
- Outline a consistent approach to contract management
- Identification of future contracting issues and obligations
- Working in partnership with service users, carers and providers
- Service user choice.

5.3 The Procurement Framework is based primarily on the Social Policy Commissioning Plans and Service Statements for individual service user and carer groups which will identify:-

- the range of services to be made available
- which service provision the council will make available.
- which services will be purchased or procured from independent or private providers.

5.4 The principal aim of the Procurement Framework is to implement an identifiable auditable process in each service area that is non discriminatory, transparent, accountable and cost effective. These are further detailed below:-

**Non discriminatory** – all prospective third party providers have an equal chance of success and will be treated equally. Standards and monitoring are applied to services purchased from the third party sector.

**Transparent** – All services purchased have a detailed service specification setting out the requirements of the service, which are linked to the appropriate national care standards. The Social Policy Service Plan and Social Policy Commissioning Strategy will identify the councils purchasing intentions for most care and support services.

**Accountable** - Approval of service contracts and monitoring performance is regularly reported to the Head of Social Policy, Depute Chief Executive (Community Health and Care Partnership), Social Policy PDSP and the Council Executive.

**Cost Effective** – Wherever possible, services will be provided locally and in accordance with Best Value principles to obtain a balance between cost and quality considerations working in partnership with NHS services, as appropriate and with partners in the third party sector.

## 6. Council and Legal Requirements

6.1 The fundamental requirement of social work legislation is to meet the assessed needs of the council's service users. (see West Lothian Council Policy on the Commissioning and Provision of Social Policy Services). In approving these Procedures Council Executive authorisation will permit officers of the council to identify:-

- The services required to be procured
- Type of contracting to be utilised
- Appropriate procurement mechanism.

6.2 The Council Executive will receive annual notification of the award of contracts based on the process outlined within these procedures. The Social Policy PDSP will receive 6 monthly updates of awards of notification of contracts.

6.3 Council Standing Orders require that all contracts and extensions to contracts must be made in terms of the relevant legislative framework, the EU procurement rules, council policy and the council's duty to achieve Best Value.

6.4 Currently the European Union's Public Procurement rules have limited application to Health, care and support services therefore fewer requirements of the 2012 Procurement Regulations apply.

6.5 Health, care and support services are classed as "Residual (Part B) Services" and therefore such contracts are not subject to the normal EU tendering regimes. Council Standing Orders enable the delegation of responsibility for contracting of services to the Responsible Officers, through appropriate committees, and through Procurement Services.

6.6 The Council Executive has an overarching responsibility for the commissioning and contracting of care and support services and the authority to decide how these services will be contracted. All CHCP contract awards for care and support services will be notified to the Council Executive annually. Council Standing Orders also allows the delegation through the Responsible Officer and the Head of Social Policy to the appropriate procurement officer.

6.7 Where there is any doubt as to whether a particular contract is subject to the EU Procurement or other rules, the council's Procurement Team and Legal Services will be consulted accordingly. Although not currently a requirement of standing orders it is proposed that, in most circumstances, externally purchased Social Policy services shall be subject to a contractual arrangement.

6.8 The process for seeking providers and awarding contracts is outlined in Sections 8 to 10 below and aims to meet the legal and reporting requirements of the Council as well as identifying clear lines of accountability.

6.9 Council Standing Orders in relation to contracting of services generally apply in cases where the legislative framework requires competition or where a decision has been taken by the council, a committee or sub-committee of the council or an officer, as the case may be, to contract for services externally. For CHCP services this means:-

- Social Policy will, in most circumstances, commission contracts for the provision of these services under delegation from Procurement Services
- Standing Orders allows the Council or a Committee to decide that the Standing Orders, or parts of them, shall not apply to a specific contract. The approval by the Council Executive of these procurement procedures will allow contracts to be

let by without following a formal tender process, providing Best Value principles, as outlined in this procedure, are followed.

6.10 The Responsible Officer will:-

- Report annually to the Council Executive on the contracts awarded, extended or renewed
- Report biannually to Social Policy PDSP
- Ensure that the award of any contract which exceeds the EU threshold applying to Part A services is dispatched to the OJEU for publication within 48 days of the contract award
- Include the details of these contract awards in the annual statistical returns to the Scottish Government
- Add details of the contract awards into the council's corporate contract register
- Comply with provisions of Standing Orders in relation to delegation and training of officers, procurement strategies, use of standard terms of contract, use of the Contracts Register, use of framework agreements and collaborative arrangements, contract monitoring, and reporting to committee and PDSP.

## 7. Rules and Governance

7.1 A number of factors are taken into account when considering the process for procurement in each service area. This section outlines the procedure for the decision making and reporting process.

7.2 The commissioning process will generally identify in each service area:-

- The range and type of service required
- The volume and level of resources available
- The key performance indicators to be met.

7.3 Services that are to be purchased or procured from external providers will be contracted for based on the following:-

- Type of Service (clearly defined within the service specification)
- Timescale in which the service is required
- Cost of services
- Promotion of Service user choice where feasible.

7.4 It is not possible to have a specific overarching process, which will apply to all contracts due to the diversity of service requirements. For the purpose of this framework services will be defined as: -

- **General Services** - services that meet the needs of a range of individuals and have a high volume of regular turnover of both services and service users
- **Individualised Services** - services for 1 or more individuals whose needs cannot be met by general services including small groups of individuals with similar needs



## **Rules and Governance for the Commissioning of General Services**

7.5 This procedure covers general services such as care homes for older people, care at home services, day care services, most transport services and other services that are not of a specific or individualised nature. There are a number of factors, which influence and direct the contracting process in these services including:-

- The council currently operates within the National Care Home Contract Framework with national fee rates negotiated by COSLA and approved by the council
- Services can be provided by a range of providers from national private companies to local voluntary or independent (specific purpose) providers
- Geographic location of services
- Changing needs and aspirations of service users.

7.6 In order to take account of this range of factors the framework for contracting general services will:-

- Require providers to be on the service provider directory
- Utilise different types of contract dependent on the service need
- Utilise different commissioning approaches dependant on the service need/ type.
- Require approval of the Responsible Officer or other officers to whom authority has been further delegated, as to the approach to be followed.

7.7 The decision on which approach to follow will be recorded in a centralised register and in the council's Contracts Register, in order to monitor contracting performance and practice, and inform future decision making.

7.8 The Responsible Officer may certify a purchase as being unsuitable for tendering due to either the nature of the services required or the timescales involved. In such circumstances there will be no requirement for a tendering exercise. Such certification will be the exception rather than the rule and will be recorded as in the paragraph above.

7.9 In identifying suitable providers to invite to tender or from whom services will be contracted the following approaches will be considered:-

Open Procedure: This is a one-stage procedure whereby service providers are required to complete a Pre-Qualification Questionnaire (PQQ) and must satisfy certain selection criteria (the first stage). The local authority cannot limit the number of bids it receives.

Restricted procedure: This a two-stage procedure whereby service providers are required to complete a Pre-Qualification Questionnaire (PQQ) and must satisfy certain selection criteria (the first stage). This process enables the local authority to limit the number of service providers which are invited to tender (the second stage).

Negotiated Procedure: This is a two-stage procedure whereby service providers are required to complete a PQQ and must satisfy the first stage selection criteria. The

second stage involves negotiation with the short-listed service providers with a view to agreeing the terms of the contract.

Competitive Dialogue: This procedure is only suitable for the award of a 'particularly complex' contract or framework agreement where the public body is unable to define the technical specification for the service or is unable to specify either the financial and/or legal make-up of a project.

Framework Agreement: A framework agreement sets out the terms and conditions under which specific contracts (call-off contracts) can be entered into throughout the term of the agreement. Framework agreements are a recognised method of securing services where there is a repeat need but exact quantities or timings are unknown. An evaluation of the quality and cost of the services is made when the framework agreement is established to determine which suppliers should be invited to join the framework.

Strategic Partnerships: A public body may seek a long term strategic partner or partners to re-design and achieve major changes in the delivery of a service and/or the use of resources.

Public Social Partnerships (PSPs): Involve third sector service providers and other interests/stakeholders in the design and piloting of a service alongside a public body. There are typically three stages, design, piloting and tendering for longer term delivery.

### **Commissioning for Specialist /Individualised Service**

7.10 This section covers services for individuals with high or complex needs and identification of the provider will be dependent on the needs of, and the outcomes being sought by, an individual or small group of individuals.

7.11 The selection of providers will be dependent upon providers having the knowledge and or experience of working with the identified assessed needs. Generally the process applied is likely to be either **partnership** or **open** tendering (as defined above) but with pre-qualification, which includes evidence of the providers' experience in providing for the identified service user or service user group.

7.12 Tendering is unlikely to be used where it is evidenced that best value can be achieved by another process e.g. partnering arrangement.

7.13 The type of contract used will be dependent upon the type of service to be purchased and the volume required.

## **8. Contracting Framework**

**The contracts awards procedure is summarised in Appendix 2.**

### **Factors to be considered in developing a contract**

8.1 A number of factors are relevant in the development of the contracting framework for these services including:-

1. Type of service to be purchased

2. The range of appropriate and available service providers
3. Cost
4. Quality of services
5. The volume of services to be purchased
6. The length of the contract.

### **Type of service purchased**

8.2 Decisions on the type and length of contract will be made by the Responsible Officer (normally delegated to relevant Senior Manager).

8.3 As a general rule the method of contracting will be defined by the service user group:-

- Older people
- Learning disability
- Physical disability (including sensory loss)
- Mental health
- Substance misuse
- Homelessness
- Children and Families
- Criminal Justice,

and the type of service:-

- Care home
- Day support
- Housing support
- Care at home
- Short breaks from caring
- Advocacy
- Other service of an advice / support nature.

8.4 In order to support the council in complying with its obligations in terms of the Social Work (Scotland) Act 1968 (Choice of Accommodation) Directions 1993 or other such Directions as may from time to time be in force, the Head of Social Policy, in consultation with the Chief Solicitor, shall produce a range of model contracts for the provision of services.

### **Service Providers**

8.5 The range of appropriate and available service providers will be recorded as follows:-

- The Head of Social Policy will keep a service directory of service providers
- This will be known as the Social Policy Service Directory and providers will be accepted on to this directory who meet the council's requirements in relation to financial viability, staff and service user policies and procedures. This directory will be updated every six months by the Social Policy Contracts and Commissioning Manager and reviewed every 3 years.

## **Cost**

8.6 The Responsible Officer will ensure that no contract is entered into unless the estimated expenditure involved is either included within the approved budget and purchasing plan or can otherwise be provided through financial resources available to the council. Decisions on the cost of services will be based on:-

- Comparative data where available e.g. older peoples care home fees
- Experience of providing similar services
- Any other specifications set as required for a particular service
- Level of care needs and individual service requirements
- Meeting the principles of Best Value.

## **Quality of services**

8.7 Decisions on the quality of services will be based on:-

- Comparative data where available e.g. experience of providing similar services, Care Inspectorate Inspection Reports
- Ability to meet the quality requirements specified within the contract
- Any other specifications set as required for a particular service
- Level of care needs and individual service requirements.

## **The volume of service to be purchased**

8.8: The number of places and the level of turnover of service users will determine both the cost and the type of contract agreed. There is no single identifiable rule for service usage to enable a standardisation of costs due to:-

- Some services providing for a high volume of people and also have a high turnover
- Some services having high overhead costs due to location or service user grouping.
- Some services having a low number moving through the service where the service users have lifelong conditions that require support.

8.9 All of the above interplay in the development of the CHCP Joint Commissioning Plans, Service Statements and in every contract. The Joint Commissioning Plans will create and sustain a better understanding and awareness of the different requirements of different service provision areas. In applying the factors identified in 8.1, a range of contracts will be utilised dependant on the nature, type and volume of service to be contracted

## **Specification of services**

8.10 Service specifications for each contracted area of service and specific needs to be met, will be developed by Service Development Officers and Contracts and Commissioning Officers, in consultation with staff, service users and providers and approved by the relevant Senior Manager. A model outline specification will be

developed to enable minimum standards of format across social policy services which will include: -

- Relevant performance indicators, a benchmarking process, standards for services and other council requirements not included in the core terms and conditions
- Contracts and Commissioning Manager, Service Development Officer (Contracts) and Service Development Officer (Contracts and Financial management) will monitor contract development and provide advice on service specification, contract conditions and monitoring requirements.

### **Duration of contract**

8.11 Contracts will normally be agreed for an initial period of 3 years unless otherwise specified. Contracts may be extended for further periods following a review of the service. Setting shorter or longer contract periods will always be subject to Responsible Officer approval and will be dependent upon:-

- Contract type in place
- Whether a new or established service
- Other partnership investment factors.

8.12 All contracts awarded, extended or renewed will be reported to committee on an annual basis.

### **Contracts Advisory Group**

8.13 The CHCP **Contracts Advisory Group** will have representatives from the council's Procurement Team, Legal Services, Corporate Finance and relevant Social Policy and Health staff and will meet on a 6 weekly basis. Contracts will be notified to the **Contracts Advisory Group** and a record kept of the contracts including contract award in both the centralised and corporate register. The remit of the Contracts Advisory Group will be to advise and assist the Responsible Officer in:-

- Exercising delegated powers in relation to the procurement, commissioning and monitoring of Care and Support Services
- Achieving best value for the council in the provision and procurement of Care and Support Services
- Taking action to promote and enforce compliance by the providers of Care and Support Services with qualitative and quantitative contractual standards
- Complying with the council's Standing Orders for Contracts and its Corporate Procurement Procedures, where applicable
- Adhering to the statutory regime, domestic and European, and including government guidance, governing the procurement of these services.

8.14 All Social Policy Senior Managers and Social Policy staff responsible for commissioning and contracting will consult with the Contracts Advisory Group and Responsible Officer on service contracts. This will allow:-

- Decision making about future service usage sufficiently in advance of the termination or renewal of a contract
- A fully considered position to be taken regarding continuing or terminating contracted services
- List of contracted services and service costs to be maintained
- Group manager /team manager to ensure that generic services are purchased from contracted providers.

## **Monitoring and Review**

8.15 Responsibility for reporting to the Responsible Officer on contract awards and Performance lies with

- The Head of Social Policy
- The Senior Manager (Communities and Information)
- The Contracts and Commissioning Manager
- The Service Development Officer (Contracts)
- The Service Development Officer (Contracts and Financial Management).

8.16 Information on contract performance will be gathered on a biannual basis and reported to Social Policy PDSP. An annual report of contract performance outcomes and recommendations for future procurement will also be reported to the Council Executive. This process will allow Social Policy to achieve a baseline of service delivery and quality and may in the future offer scope to consider variation of contract (where the contract allows such variation) where services have a capacity to improve quality within a defined cost.

8.17 In addition it will meet the requirements of clear governance by the Senior Manager (Communities and Information), reporting on the performance of contracted services to the Responsible Officer, the Head of Social Policy, Social Policy PDSP and the Council Executive.

8.18 A full review of contracts of more than 2 years duration will be led by the relevant Service Development Officer or Contracts and Commissioning Officer for the specific client group and begin at least 6 months before the termination date in order to give full consideration to all aspects of the service. The aim of the review will be to assess whether the contracted service: -

- Continues to have a strategic fit
- Has operated within prescribed financial parameters and provides Best Value
- Has met the service objectives and service specification
- Has performed satisfactorily.

8.19 The contract reviews will consider the following:-

- Reports on performance and budgets from the provider
- Monitoring information gathered in the above processes
- Service users' views
- Care manager/care co-ordinators' views from individual service user reviews
- Link officers' views (where in place).

8.20 A summary of the review findings will be submitted to the relevant Senior Manager at least 3 months in advance of the contract termination date), to set out recommendations and timescales for future actions to include: -

- Renewal of the contract for a further agreed period and at what cost
- Amendment to the contract terms as a result of monitoring and reviewing the contract and service provision
- Termination of the contract specifying the ground(s) of termination and an identified exit strategy
- Recommendation that the contract be tendered on Best Value market testing ground. Consideration of a benchmarking exercise to develop comparative costs with other similar services.

## **9. Summary**

9.1 The Procurement Strategy for Social Policy Services and Joint Commissioning Strategies will form part of the overall proposed Commissioning Strategy for CHCP services. The aims of the strategy are to:-

- Find out the needs, preferences and desired outcomes of people (needs analysis and unmet need)
- Develop a vision and broad plans for how services should be delivered (strategic/corporate plan)
- Turn plans into detailed action on how these will be achieved and ensure that the right services are available of appropriate quality and quantity now and in the future (service plan)
- Contract with service providers for the provision of specified services
- Check regularly to make sure that what has been agreed is happening and whether or not services are still needed or need to stop or be changed (contract monitoring, review and evaluation).

9.2 By addressing both the implementation of the contracting framework and issues of quality and performance the council in general and Social Policy in particular will be in a better position to monitor and improve quality of service across the care and support sector.

## Procedures for the Procurement of Social Policy Services

### Appendix 1

#### CONTRACTING TERMINOLOGY

**Advertisement:** The method by which potential services are alerted to contract opportunities. A standard format is used for advertisements (otherwise known as 'contract notices') published in the Official Journal of the European Union and/or on Public Contracts Scotland; in other circumstances public bodies can decide on the form of the advertisement.

**Award Criteria:** Criteria against which a service provider's proposals for delivering the service are assessed.

**Authorised Service Providers:** External providers who provide services within the West Lothian boundary and which meet the standards set down by the council for the provision of social care services. Services will be commissioned, contracted or purchased from accredited providers.

**Block Contract:** Contract, which guarantees service payment, regardless of occupancy/use level as opposed to price for place/unit cost. This contract would normally be used for services where it is difficult to quantify cost on a per person basis. It will also be used for identified services. An inflationary element will be included in the contract terms. Block contracts are used for:-

- High cost services where it is difficult to specify individual costs
- Low volume services where there is a wish to secure the availability of the provision.

This will include:-

- Care home services for people with learning disability
- Specialist housing support services
- Respite care services across all service user groups.

**Health, Care and Support Services, or CHCP Services:** All health, social care and support services for children and families, younger people and adults (including older people) and housing support services which are within the remit of the West Lothian Community Health and Care Partnership.

**Commissioning:** All of the activities involved in assessing and forecasting needs, agreeing desired outcomes, considering options, planning the nature, range and quality of future services and working in partnership to put these in place.

**Contracting:** Reaching formal legally binding agreement between the council and external provider on the nature of a service and the terms and conditions on which it will be supplied and paid for.



**Contract Award Notice:** Notification of the award of a contract of framework agreement which is published in the Official Journal of the European Union and on the Public Contracts Scotland website.

**Contracting Framework:** Provides a single framework for the rules and governance for awarding care and support contracts.

**Direct payment:** means a payment of money made to individuals who are eligible for services to meet their assessed needs, in terms of sections 12B and 12C of the Social Work (Scotland) Act 1968

**Procurement:** The process by which public bodies purchase goods, services and works from third parties – one element of the wider commissioning process.

**Procurement Framework:** The procurement of Social Policy care and support services links together a number of key elements including national legislation and policy direction, EU and national procurement legislation and guidance, local strategic planning and service development. The procurement framework provides a direction for the development of procurement of support and care services through a single framework.

**Procurement Strategy:** Supports Social Policy Services overall strategic and commissioning aims and objectives and provides an outline of the main aims and objectives of Social Policy procurement function.

**Public Contracts Scotland:** The national advertising portal for use by Scottish public bodies to publish contract opportunities and contract award notices.

**Purchasing :** Authorised staff in Social Policy buying a care service for an individual client, using a service, which has already been commissioned and/or contracted for. Involves selecting a provider to meet client's assessed needs and formally making the placement in accordance with the terms and conditions of the contract.

**Pre-placement Agreement/Framework Agreement:** The type of contract which sets the terms and conditions for a service but is only activated by the formal purchasing process. The two different types in use are described as 'call-off' and 'cost and volume'. 'CALL-OFF' - currently used for care homes, some home care and day services where there is no guaranteed use or level of use. Prices paid as used, on a unit price basis. 'COST AND VOLUME' - currently used for Domiciliary Care. A rate/unit cost is agreed between the council and provider. This includes estimated occupancy level/service usage. A detailed service specification is agreed between the council and the provider and this forms part of the contract. Framework Agreements are used for:-

- For high volume high turnover service
- Where price is fixed
- Where services provided fit a standard model for the service user group as defined by the council.

This will include:-

- Most care homes for older people
- Domiciliary care services
- Day support services.

**Responsible Officer:** The Depute Chief Executive (Community Health and Care Partnership), who may delegate his or her powers to other appropriate officers in the CHCP services.

**Self-directed support:** used to describe the ways in which individuals can exercise choice about the way their support needs are met from available resources, including direct payments, having a direct payment managed by a third party or directing an 'individual budget'.

**CHCP Joint Commissioning Plans:** set out the commissioning direction for the purchase of care and support services for individual service user groups. Commissioning plans should be read in conjunction with service area Service Statements.

**CHCP Joint Commissioning Strategy:** Provides an overarching strategic approach to the commissioning of care and support services in West Lothian. (see definition for Strategic Commissioning below).

**Social Policy Management Plan:** Sets out the activities and initiatives Social Policy will undertake over the period of a financial year as part of the longer term strategic aims of the council. These reflect the council's value, and are also in accordance with the Service Statements which map out longer term priorities for the service.

**Social Policy Service Statements:** Service area statements for individual service user and carer groups which outline the overall strategic direction as well as the size and volume of care and support service in each service area.

**Spot Contract:** Contract to purchase a service for an individual where there is not already a pre-placement agreement in place. Could be used for placements in establishments out with West Lothian. Current system is a placement letter, spot purchase agreement which relies on the provider being registered as a care provider with the host authority/SCSWIS.

**Spot purchase agreements** will be used where individual placements are purchased – generally out with West Lothian

**Standing Orders:** The rules by which a public body conducts its business, including arrangements for entering into a contract.

**Strategic Commissioning:** The process of specifying, securing and monitoring service to meet people's needs at a strategic level. This applies to all services whether they are provided by the local authority, NHS or together public agency, or by the private and voluntary sectors.

## **Procedures for the Procurement of Social Policy Services**

### **Appendix 2**

#### **Contract Awards**

Awarding of contracts will follow 7 stages identified below after the identification of service need

**Stage 1:** The Officers (generally Service Development Officers (SDOs)/ Contracts and Commissioning Officers and /or Group Managers) will identify and report proposals to the relevant Senior Manager/Group Manager Planning and Development/ Contracts and Commissioning Manager on:-

- The volume of service required
- Method of awarding contract i.e. restricted or open tender, preferred provider, partnering
- Budget availability and estimated cost of service
- Type of contract to be utilised (block, framework, spot or combination).

#### **Stage 2**

- SDO (Contracts) will record decision in a centralised register and report to the Responsible Officer annually.

#### **Stage 3**

- Specify the terms of the services to be contracted (Service Specification) including the monitoring and review requirements (SDOs/ Contracts and Commissioning Officer, Group Manager/Contracts and Commissioning Manager)
- The Contract Conditions will be set by the Council and contained within the model contract for that service area or type as identified in 8.1 SDO (contracts)

#### **Stage 4**

Contracts Advisory Group will be asked to consider draft contract and commissioning process below.

**Stage 5:** Commissioning process - The method of approach to providers is dependant on service requirements as identified in and at Stage 1 above. Officers will (following approval of the relevant Senior Manager) put the approved commissioning process in place.

#### **Stage 6:** Award of contract

- Identification of preferred provider(s)
- Agreement on cost ,quality, volume and length of contract
- Agreement on monitoring and review
- Arrange signing of contract
- Inform SDO(Contracts) SDO (Contracts and Finance) of contract award
- Register contract details on corporate register.

#### **Stage 7:** Monitoring and review

The monitoring and review information requirements will be set out in the contract. SDO (Contracts) and/or SDO (Contracts and Finance) will:-

- Note contract award date
- Set review timetable
- Receive review reports.