INVITATION TO TENDER FOR THE PROVISION OF:

Developing a collaborative approach to social care fee negotiations and a shared understanding of cost drivers and context

Deadline: 14th January 2016

ITT Reference: 60133

**PART B –** Tender Schedules

(To be returned by Tenderers)

1. Specification
2. Executive Summary
   1. This project is part of the [Care and Support Reform Programme](http://www.local.gov.uk/care-support-reform;jsessionid=6ED22151547D82947D84785CF2414273.tomcat2) (CSRP)[[1]](#footnote-1), a joint programme with the Association of Directors of Adult Social Care (ADASS) and the Local Government Association (LGA) which is working to support the Department of Health’s core strategic objective to implement social care reforms set out in the Care Act 2014[[2]](#footnote-2).
   2. More than 90% of adult social care services are delivered by independent sector care providers. Sustainability of this market is an area of concern for both the Government and for local authorities. Supporting local authorities and providers to take a collaborative approach to price negotiations is a key element of the Authority’s strategy to ensure the market for care affordable to local authorities remains sustainable and offers sufficient provision.
   3. The Care Act and supporting statutory guidance[[3]](#footnote-3) introduced a new duty on local authorities in England to promote and facilitate a diverse, sustainable, high quality market of care and support providers for people in their local area. In particular, local authorities must act to ensure people who need care and support have meaningful choice of appropriate services that will meet their needs and deliver the outcomes they want to achieve – to achieve this, an understanding of the commercial context in which the majority of providers operate and how providers ensure business viability.
   4. As part of this, the statutory guidance[[4]](#footnote-4) introduces a requirement for local authorities to have regard to the actual costs of care in setting their fee rates when they contract with service providers and local authorities have indicated that they would value practical support and further guidance on this.
   5. The Authority is aware from consultation with both care providers and local authorities that there is a need for some staff involved in commissioning and market shaping to develop their knowledge and skills to enable an understanding of providers operations and investment models.
   6. This procurement is for a project to provide tangible support to local authorities both to meet their statutory obligations and to have more confidence in their understanding and knowledge of care costs, business, risk and provider viability. The project should also support local authorities to achieve value for money when commissioning adult social care. The authority’s aim is to guard against risks to the supply of affordable care and the overall sustainability of the market sustainability and to enable mutually informed, collaborative engagement between local authorities and care providers when commissioning care and shaping the market.
3. The Requirement
   1. The overarching requirement is to design and implement a project which has the outcome that local authorities are able to have confidence that they are following good practice, and are supported to consider the cost elements, and what efficiencies are reasonable when agreeing fees with providers. The aim is to support more sustainable approaches to commissioning which underpin the provider market, whilst also protecting local authorities from legal challenge.
   2. The solution must be appropriate for use by all types of local authority adult social care commissioners.
   3. A required deliverable is a short, best practice guide aimed at local authority audiences. The guidance must increase understanding of provider costs that should be included in fees to allow an efficient and effective provider to supply quality services and remain sustainable covering areas such as: commercial understanding, the role of capital in business, cost benchmarking, care providers’ costs – including wage costs, open-book accounting, reasonable expectations for provider efficiencies and rates of return, reasonable discounts for ‘bulk buy’ purchasers, and a methodology to provide illustrative public sector comparators. However, this is not an exhaustive list and we expect tenders to propose and prioritise other factors.
   4. The guide needs to take account of the current social care landscape such as challenges relating to sufficiency and sustainability.
   5. The guide must take variable contexts for localities and type of provision into account including local and regional variations in costs, for example, staff availability and land values.
   6. The guide must also consider the quality and safeguarding elements of negotiations and how these affect cost and efficiency considerations.
   7. A central requirement is that the guide is produced and clearly branded by an organisation with widespread credibility with both local authorities and care providers. The organisation must have recognised expertise in local authority commissioning, finance and accountancy and be seen as a fair broker between commissioners and suppliers.
   8. The guide should be informed by, and may include examples of, existing and emerging good practice. A further required outcome for the project is that where good practice and effective approaches exist they should be widely shared and their take up encouraged. Any approach must recognise that local authorities have already developed different local approaches and will learn from and build upon these, testing different approaches for their efficacy in other contexts. I.e. The guidance should identify if good practice works well in a particular area, and why. It will recognise the role of benchmarking and local authorities sharing information.
   9. It is expected that to achieve this, the contractor will be able to identify relevant stakeholders – including local authority and care provider, along with trade associations - and to facilitate a series of regional events for with them and other interested parties, which will enable them the contractor to gather intelligence for the guide and to make progress towards spreading good practice.
   10. While it is expected that the tenderer will research and analyse different processes for understanding costs and calculating fees, the requirement is not for the development of a new fee rate “calculator”; the Authority considers that a such a calculator would meet neither the outcome of supporting collaborative discussions regarding fee setting, nor would it meet the requirement to take appropriate account of local, regional and operational variations.
   11. To meet the requirement the contractor will need to deploy staff with the requisite project management, stakeholder management and communication skills to deliver at pace, while also respecting and supporting the tripartite nature of the programme of which this project forms a part (see 1.1 above). Any deliverables will require sign-off from ADASS and the LGA in addition to the Authority who will consult with the Care Providers Alliance (CPA) as part of the sign-off process.
   12. It is required that the project is overseen by a steering group which involves the three commissioning organisations and other appropriate stakeholders (including individual local authorities, provider representatives and people with care and support needs). The organisation and secretariat of the steering group will need to be undertaken by the tenderer though the Authority and other commissioning organisations will be able to provide material support (venues etc.).
   13. The initial contract is until 31 March however the Authority reserves the right to extend the contract subject to agreement by both parties.

1. Authority Responsibilities
   1. The authority will appoint a DH representative to act as the contract manager who will liaise with a named representative from the other two commissioning organisations (LGA and ADASS).
2. Contractor Responsibilities

4.1 The contractor will

1. Appoint a contract manager to oversee the work and liaise with and report to the DH contract manager, and to the LGA and ADASS representatives when requested to do so;
2. Provide brief written fortnightly project update reports to the Department;
3. Perform quality assurance on all aspects of the project;
4. Provide on a monthly basis updates on costs.
5. Contract Management and Monitoring

5.1

1. Monitor the quality of the service provision to ensure customer satisfaction in accordance with the key performance indicators outlined in the Contract, unless otherwise approved by the Project Manager;
2. Provide a report on progress in delivering the requirement to the Project Manager on a regular basis, at least monthly;
3. Attend meetings on site to review progress and discuss the service, as required by the Project Manager; and
4. Attend a post contract review with the Department to review whether the objectives of the contract were met, to review the benefits achieved and to identify any lessons learnt for future projects.
5. Timetable

6.1 The requirement must be delivered by 31 March 2016.

6.2 the payment will be made upon project completion.

1. Skills and Knowledge Transfer

7.1 The successful Contractor will be required to provide deliver a seminar and short report detailing lessons learned to the Authority, and partners (LGA, ADASS and the Care Providers Alliance).

1. Tenderer Response
2. Organisation details
3. Tenderer name

Please confirm the name of the Tenderer\*:

|  |  |
| --- | --- |
| Tenderer Name: |  |

* Full name of organisation tendering (or of organisation acting as the lead contact where a consortium bid is being submitted)

1. Contact details\*

Tenderers must provide contact details for this tender.

|  |  |
| --- | --- |
| Contact Name\* |  |
| Telephone number |  |
| Email address: |  |
| Address: |  |

* Contact is the person responsible for any queries relating to this proposal

1. Organisational status

Please confirm whether (or not) the Tenderer is a Small & Medium Enterprise[[5]](#footnote-5) (**SME**).

|  |  |
| --- | --- |
| The Tenderer is an SME (Yes / No) |  |

1. Solution Proposal (refer to Table 2 Technical Evaluation Criteria Matrix. Page 11 of Part A)

Table 2: Technical Evaluation Criteria Matrix

1. Overview

Tenderers must provide a concise summary highlighting the key aspects of the proposal.

(This response is not evaluated and should be used to contextualise the Tenderer’s response.)

| Response (maximum 250 words) |
| --- |
|  |

1. Leadership

Provide details of the qualifications and experience of the individual whose responsibility will be to ensure that the requirement is delivered.

| Response |
| --- |
|  |

1. Method statement

Describe (with specific reference to the elements of the requirements and the outcomes expected) how it is intended to deliver the requirements of the specification.

| Response |
| --- |
|  |

1. Resource Plan

Provide a complete resource plan for the delivery of the Specification including details of the team involved, what these individuals will be doing and why these individuals are suitable for this requirement.

| Response |
| --- |
|  |

1. Exit Strategy & Skills Transfer

Describe the processes and deliverables of the exit phase of the service and how skills will be retained within the Authority.

| Response |
| --- |
|  |

1. Pricing Schedule
2. General Instructions
   1. The rates contained within the Pricing Schedule are, unless otherwise expressly agreed between the parties, firm.
   2. The rates entered shall be deemed to include complete provision for full compliance with the requirements of the Contract.
   3. The rates exclude VAT.
   4. Expenses should be broken down as far as possible.
   5. The rates entered in the Pricing Schedule shall include all travel and subsistence costs. Expenses will only be approved if supported by original receipts. The Authority will only pay for expenses claimed that are in line with the Department’s guidelines for expenses. Original receipts will need to be provided.
   6. The Authority will only make payment for overnight stays that have been authorised beforehand in writing by the Authority's Representative.
   7. Any extra expenses other than travel and subsistence must be priced separately in the Pricing Schedule. The Department will only pay for expenses claimed that are included in this pricing schedule and are deemed to be reasonable for delivery of the requirement.
   8. Tenderers must include in the pricing schedules any discounts or any reduced pricing they are proposing to offer to the Authority in delivery of this requirement.

|  |  |  |  |
| --- | --- | --- | --- |
| **DESCRIPTION OF SERVICE** | | | **FIRM PRICE** |
| Management & staff and respective staff-days: | | | |
| Name & Position | Cost per day | No of days |  |
| (a) | £ |  | £ |
| (b) | £ |  | £ |
| (c) | £ |  | £ |
| (d) | £ |  | £ |
| (e) | £ |  | £ |
| Sub-total/total cost | | | £ |
|  | | |  |
| Other costs including event facilitation, project governance, production of guidance, other (please specify) | | | £ |
|  | | | £ |
| **Total Contract Price (Evaluation Price)** | | | £ |

N.B. The budget range for this procurement is between *circa* £60,000 and £85,000.

1. Contract Monitoring
2. General Instructions –
   1. Tenderers must provide all the information requested in the following section as part of their tender proposal. Supporting documents may be submitted but must be clearly referenced back to the appropriate section.
3. Representatives
   1. Name of Authority's Representative(s): Stephen Airey
   2. Name of Contractor's Representative(s): (Tenderer to complete)
4. Deliverables
   1. List of deliverables, outputs and reports Contractor is to supply: (Authority/Tenderer to complete)
   2. Period(s) over which each deliverable, output and report is to be supplied: (Authority/Tenderer to complete)
   3. Information requirements: (Authority to complete)
   4. Milestones: (Authority/Tenderer to complete)
5. Meetings
   1. Frequency of contract management meetings: (Authority/Tenderer to complete)
   2. Location of contract management meetings: (Authority/Tenderer to complete)
   3. Checking performance against anticipated plan: (Authority to complete)
6. Remedies
   1. Remedies for below par performance: (Authority to complete)
7. Confidential & Commercially Sensitive Information
8. General
   1. All the information that the Authority supplies as part of this Contract may be regarded as Confidential Information as defined in Condition 1 (Definitions) of Section Three – Conditions of Contract.
   2. The Contractor considers that the type of information listed in paragraph 2.1 below is Confidential Information.
   3. The Contractor considers that the type of information listed in paragraph 2.2 below is Commercially Sensitive Information.
9. Types of Information that the Contractor Considers to be Confidential
   1. Type 1: Confidential information:

|  |  |  |
| --- | --- | --- |
| Information considered confidential | Reason for FoIA exemption  (Include paragraph reference) | Period exemption is sought (Months) |
|  |  |  |
|  |  |  |

* 1. Type 2: Commercially sensitive information:

|  |  |  |
| --- | --- | --- |
| Information considered commercially sensitive | Reason for FoIA exemption  (Include paragraph reference) | Period exemption is sought (Months) |
|  |  |  |
|  |  |  |

1. Administrative Instructions
2. Authorisation
   1. The person shown below person shall act as the Authority's Representative on all matters relating to the Contract:

|  |  |
| --- | --- |
| Name | **To be confirmed at Contract Award** |
| Contact Details | **To be confirmed at Contract Award** |

* 1. The Department's Representative may authorise other officers to act on their behalf.

1. Notices
   1. Any notice the Contractor wishes to send the Authority shall be sent in writing to the Authority's Representative at the address shown in paragraph 1.1 above.
   2. Any notice the Authority wishes to send the Contractor shall be sent in writing to the Contractor's Representative at the address shown in paragraph 4.2 below.
2. Address for Invoices
   1. It is preferred that invoices are sent electronically to:

[MB-PaymentQueries@dh.gsi.gov.uk](mailto:MB-PaymentQueries@dh.gsi.gov.uk)

* 1. Alternatively invoices can be sent to the Department addressed to:

Department of Health

Accounts Payable

Room 530

Richmond House

79 Whitehall

London

SW1A 2NS

* 1. Invoices must not be sent to the Authority's Representative.

1. Correspondence
   1. All correspondence to the Authority except that for or relating to invoices will be submitted via the message facility on BMS.
   2. All correspondence to the Contractor shall be sent to the following address:

**Tenderer to provide Address**

[**INSERT ADDRESS**]

**Schedule Five: Appendix A: Variation to Contract**

**(FOR INFORMATION ONLY – NOT FOR COMPLETION AT TENDER STAGE)**

|  |  |
| --- | --- |
| Contract Title: |  |

|  |  |
| --- | --- |
| For the Provision of: |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Contract Ref: |  | Variation No: |  | Date: |  |

BETWEEN:

The Secretary of State for Health (hereinafter called the Department) and [INSERT NAME OF CONTRACTOR] (hereinafter called the Contractor) having his main or registered office at [DN:INSERT ADDRESS]:

The Contract is varied as follows:

(DN:INSERT DETAILS OF VARIATION)

Words and expressions in this Variation shall have the meanings given to them in the Contract.

The Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

SIGNED:

|  |  |  |  |
| --- | --- | --- | --- |
| For: The AUTHORITY |  | For the Contractor |  |
| By |  | By |  |
| Full name |  | Full name |  |
| Grade / Pay Band |  | Title |  |
| Date |  | Date |  |

**Schedule Five: Appendix B: Novation Agreement**

**(FOR INFORMATION ONLY – NOT FOR COMPLETION AT TENDER STAGE)**

THIS DEED (THIS AGREEMENT is made on the [dd] day of [month & year] BETWEEN

(1) THE SECRETARY OF STATE FOR HEALTH (the **Secretary of State**) whose principal place of business is at Richmond House, 79 Whitehall, London, SW1A 2NS,

(2) THE [CONTRACTOR] of [address]

(3) THE [NEW PARTY] of [address]

WHEREAS

(A) This Agreement is supplemental to an agreement dated [dd Month Year] between the Secretary of State and the Contractor (the **Contract**) under which the Contractor agreed to provide services to the Secretary of State.

(B) The Secretary of State has authorised the New Party to replace the Secretary of State as the contracting Department under the Contract on the terms of this Agreement and the Contractor is willing to accept the New Party in place of the Secretary of State on those terms.

IT IS HEREBY AGREED AS FOLLOWS:

1. Subject to the following Clauses of this Agreement –

a) The Contract shall continue in full force and effect as if the New Party were named as a party to the Contract in place of the Secretary of State for Health.

b) All rights, obligations and liabilities arising under the Contract from the date of this Agreement shall be rights, obligations and liabilities between the New Party and the Contractor.

c) Any existing rights, obligations or liabilities of the Secretary of State relating to the performance of the Contract up to the date of this Agreement shall pass to the New Party and shall be enforceable between the Contractor and the New Party in place of the Secretary of State.

2. The rights, obligations and liabilities of the Contract shall be exercisable and enforceable as the rights of the New Party under this Agreement.

3. This Agreement shall be governed by and interpreted in accordance with English law and shall be subject to the jurisdiction of the courts of England.

Signed by ....................................for and on behalf of the

Secretary of State for Health in the presence of:

Signed by ....................................for and on behalf of the

Contractor in the presence of:

Signed by ....................................for and on behalf of the

New Party in the presence of:

**Schedule Five: Appendix C: Sub-Contractors**

All suppliers to the Department of Health are asked to provide details of all sub-contractors that will be used to perform the contract.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name & Address of Sub-Contractor | | Service performed for Contractor | Provide details of staff numbers[[6]](#footnote-6) | Provide latest year’s turnover |
| Name: |  |  |  |  |
| Address: |  |
| Name: |  |  |  |  |
| Address: |  |
| Name: |  |  |  |  |
| Address: |  |

1. Form of Tender

Declaration

PROPOSAL FOR THE PROVISION OF DEVELOPING A COLLABORATIVE APPROACH TO SOCIAL CARE FEE NEGOTIATIONS AND A SHARED UNDERSTANDING OF COST DRIVERS AND CONTEXT

Having examined the proposed Contract comprising of:

1. Part A – Section Two, (Conditions of Contract);
2. Part B – Schedules One, One (a), Two and Six (mandatory); and
3. Part B – Schedules Three to Five inclusive (as amended).

As enclosed in the ITT response dated (**INSERT DATE**). We do hereby tender against the requirements, and terms and conditions of the proposed Contract.

We undertake to keep the tender open for acceptance by the Authority for a period of ninety (90) days from the deadline for receipt of tenders.

We declare that this is a bona fide tender, intended to be genuinely competitive, and that we have not fixed or adjusted the amount of the tender by, or under, or in accordance with, any agreement or arrangement with any other person. We further declare that we have not done, and we undertake that we will not do, any of the following acts prior to award of this Contract:

1. Collude with any third party to fix the price of any number of tenders for this Contract;
2. Offer, pay, or agree to pay any sum of money or consideration directly or indirectly to any person for doing, having done, or promising to be done, any act or thing of the sort described herein and above.

Unless and until the Tenderer and the Authority have executed a formal agreement, the Authority's acceptance of this tender with all its enclosures shall not constitute a binding contract between us. We understand that you are not bound to accept the lowest price, or any, tender.

Name of person duly authorised to sign tenders:

Date: ..........................................

Name: ..........................................

in the capacity of: ................................................................

duly authorised to sign tenders for and on behalf of:

............................................................................

By completing this Declaration and submitting your tender you have agreed that the statements in this Form of Tender are correct.

1. <http://www.local.gov.uk/care-support-reform;jsessionid=6ED22151547D82947D84785CF2414273.tomcat2> [↑](#footnote-ref-1)
2. <http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted/data.htm> [↑](#footnote-ref-2)
3. <https://www.gov.uk/government/publications/care-act-2014-statutory-guidance-for-implementation> [↑](#footnote-ref-3)
4. <https://www.gov.uk/government/publications/care-act-2014-statutory-guidance-for-implementation> [↑](#footnote-ref-4)
5. To be considered an SME, an organisation must have a headcount less than 250 Annual Work Units (anyone that has worked full-time within the enterprise, or on its behalf, during the reference year counts as one unit. Part-time staff, seasonal workers and those who did not work the full year are treated as fractions of one unit) **AND** a turnover less than €50 million **OR** annual balance sheet of €48 million. [↑](#footnote-ref-5)
6. This is the average annual numbers of both staff and managerial staff employed over the last trading year [↑](#footnote-ref-6)