



**REPORT TITLE: Extension of existing Medequip and We Care & Repair Contracts**

<b>Dates between which decision will be taken</b>	Earliest date: 28 June 2022 Latest date: 30 June 2022
<b>Cabinet Member</b>	Cllr Carole Allaway-Martin, Cabinet Member for Adult Social Care Commissioning
<b>Key Decision</b>	Yes
<b>Purpose of Report</b>	To seek approval to extend the current Medequip and We Care & Repair contracts, for 1+1 years following the expiry of the initial 5-year term on 31 <sup>st</sup> July 2022 instead of direct two-year extension with 12 month prior notice as provided in the contracts.
<b>Recommendations</b>	That the Cabinet member:  <ol style="list-style-type: none"><li>1. Approves the contracts with Medequip and We Care &amp; Repair being changed from a two-year extension option after the initial five-year term expires on 31 July 2022 to a 1+1 extension option</li><li>2. Approves the exercise of the option to extend the contracts with Medequip and We Care &amp; Repair for the initial one-year period from 1 August 2022</li><li>3. Delegates authority to the Executive Director of Adult Social Care and Public Health, in consultation with the Cabinet Member for Adult Social Care Commissioning, to determine whether to exercise the option to extend the contracts with Medequip and We Care &amp; Repair for a final period of one year from 1 August 2023</li></ol>
<b>Reasons for Recommendations</b>	The Equipment and Assistive Technology Review has taken place over the past year and is in the final stages; this extension will allow time to focus on evaluating, agreeing, and implementing recommendations made in the reviews regarding both Medequip and We Care & Repair and also allow the Council the flexibility to extend the contract after first year extension if alternative options are not ready for being taken forward.

<b>Resource Implications</b>	<p>The contract extensions have been proposed at higher unit prices than the original agreement, however (as below) the funding required to implement the recommendation is within the current overall Adult Care Budgets</p> <p><b>We Care &amp; Repair</b> - £2,239,798 (funded from existing DFG capital allocations)</p> <p><b>Medequip</b> - £1,288,711 (to be covered initially from revenue budget)</p> <p><b>Total</b> £3,528,509 covering the 1+1 extension</p>
<b>Background Documents</b>	<p>Gloucestershire Industrial Services (GIS) Healthcare - Procurement of Service &amp; Maintenance Contract:  <a href="https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?Id=890">https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?Id=890</a></p> <p>Contract Award for the delivery of a community equipment maintenance and repair contract:  <a href="https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=968">https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=968</a></p>
<b>Statutory Authority</b>	Care Act 2014
<b>Divisional Councillor(s)</b>	N/A
<b>Officer</b>	<p><b>Any representations should be sent to:</b></p> <p>Name: Mary Morgan  Telephone: 0776 6901 007  Email: <a href="mailto:Mary.morgan2@nhs.net">Mary.morgan2@nhs.net</a></p> <p><b>By 5pm on Monday 27 June 2022</b></p>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>• Communicate preferred recommendation/intention to extend contract to Providers</li> <li>• Enter contract extension with incumbent providers by 1/8/22 with the outlook of extending on a 1+1 basis</li> </ul>

## Background

- 1.1 In November 2016 cabinet granted permission for a competitive tender process to take place to award a 7-year contract to provide community equipment service and maintenance. This comprised an initial contract term of 5 years with the option to extend for a further 2 years.
- 1.2 The contract was awarded in two Lots:
  - I. Lot 1 - Service and Maintenance of Community Equipment - Medequip
  - II. Lot 2 – Minor Adaptations – We Care & Repair Ltd
- 1.3 Lot 1 - Service and Maintenance of Community Equipment - Medequip. This service provides:
  - I. **Equipment/Adaptations Advice & Information:** telephone advice and signposting to other services/agencies that may support Service Users with low level products and low risk interventions.
  - II. **Planned Preventative Maintenance (PPM):** including but not limited to PAT, LOLER and manufacturer service maintenance
  - III. **Breakdown Callout Service:** in and out of hours cover for high-risk equipment, including but not limited to a telephone triage service as well as home visits by qualified Technicians to fix electrical/mechanical equipment in the community
- 1.4 Lot 2 – Minor Adaptations – We Care & Repair Ltd. This service provides:
  - I. **Minor Adaptations:** including installation, maintenance & collection of overhead hoists & tracking and temporary ramping and telecare equipment.
- 1.5 The initial 5-year contract terms are due to end on the 31<sup>st</sup> July 2022.
- 1.6 The two-year extension provision already exists in the agreements. Instead of straight two years extension it is deemed proper to extend in two consecutive annual periods to give better control and steer to the Council to deal with outcomes of the currently undergoing review. It has already been agreed with the Providers that the agreements may be extended by way of two annual extensions. The necessary paperwork in that regard is underway. As such extending the contract in 1+1 will be compliant and within the scope of the original agreement.
- 1.7 Prior to 2017 Service and Maintenance of Community Equipment was carried out by GIS in house. They were required to deliver, maintain, and refurbish increasingly complex products and provide weekend activity. Which changed the demands and capabilities of the service. GIS sub-contract this work to Medequip who can respond to emergency breakdowns 24 hours a day.
- 1.8 Prior to 2017 the provision of minor adaptations is part of a larger contract (called Safe at HomeServices), which includes housing advice, subsidised handyperson support and agency support through the disabled facilities grant process, provided by an independent external, Home Improvement Agency (HIA).

## Options

2.1 The following options have been considered:

1. **Medequip and We Care & Repair contracts expire on 31<sup>st</sup> July 2022.**

- This is not an option as Minor adaptations are a statutory duty (as contained in the Care Act 2014) e.g., Telecare, personal aids, grab rails, ramps steps etc. without a contract in place GCC will not be carrying out its statutory duty

2. **Extend the contracts on a 1+1 basis to improve and develop current service.**

- The Equipment and Assistive Technology Review has taken place over the past year and is moving into the final stages; an extension will allow time to focus on evaluating, agreeing, and implementing recommendations made in the reviews regarding both Medequip and We Care & Repair. This will include the development of both contracts by updating their service specifications, re-baselining of activity, review and update the current KPIs. With Medequip evaluating administration processes and overall consideration of how the service integrates with the community equipment service provided by the County Council, working closely with strategic procurement, legal and financial services. We Care & Repair will be focusing on revising the Disabled Facilities Grants (DFG) approval process, as well as review whether elements of the service should be brought back in-house to be provided by GIS; as well as what should be handed over to district councils for a more locally driven service.

3. **Extend the services for 2 years as detailed within current contract.**

- The Equipment and Assistive Technology Review has taken place over the past year and is moving into the final stages. Extending for a further 2 years ties both the Council and the providers into extensions that could delay any improvements to the service being implemented.

**Preferred option: 2**

## Risks

3.1 The following risks have been identified:

- **Contracts are not extended – HIGH Risk.** Contract extensions are not approved causing significant pressure on GIS workforce capacity and by default the support available to individuals is severely reduced.
- **Risk that the providers are unable to or do not wish to continue delivery beyond July 2022 – LOW risk.** The proposal has been discussed with both providers and they have confirmed their intention to continue delivery if this recommendation is agreed.
- **Risk that GCC is unable to commission the service due to financial constraints – MEDIUM Risk.** With the cost-of-living increasing GCC can meet the contractual obligations regarding cost uplift for the extension.
- **Risk of challenge by alternative providers – LOW Risk** The terms and conditions of the contracts as presented at the time of the competitive tender include the option to extend the contract for a further two years to July 2024 so there is unlikely to be grounds for challenge by alternative providers.
- **Risk of Gap in Service – MEDIUM Risk** - The individuals under both contracts are vulnerable people. Sufficient time for new procurement is not available and if the existing contracts are not extended there will be a gap in service.

## Financial implications

- 4.1. It should be noted that costs are incurred based on actual purchases/ visits. The annual estimated value of the contracts based upon historic demand are:

	Year 1	Year +1	
Contract	Aug 22- Jul 23	Aug 23- Jul 24	Total
We Care & Repair - subtotal	1,083,396	1,156,402	2,239,798
Medequip- subtotal	623,353	665,358	1,288,711
<b>Overall Total</b>	<b>1,706,749</b>	<b>1,821,760</b>	<b>3,528,509</b>

4.2. Both budgets received uplift as agreed in their

- contracts in accordance with ONS Consumer Prices Index (CPI) of 6.74%
- 4.3. It has also been agreed with Medequip in order to facilitate the extension of the contract, to include some additional cost increases on top of the Consumer Prices Index (CPI) for the 1+1 extension, which reflect the demand for the service, the heightened cost of staff in a competitive employment market and in order to bring prices in line with similar services in the Southwest. The increases are as follows,
- Cost of workshop repairs will increase by 30% .
  - PPM servicing will be increased by 13.2%.
- 4.4. As noted in the Resource Implications section above, these increases will be covered by a combination of reallocating existing capital budgets within the DFG (We Care & Repair), and mainstream funding for Medequip. This contract will be actively managed, and the financial monitoring will be undertaken monthly and reported to the JCPE.

## Climate change implications

- 5.1. Medequip and We Care & Repair have provided examples of their steps towards environmental sustainability in their Supplier Tender documentation. These have been deemed a good start towards reducing climate change implications of the service. However, to build upon these and ensure accountability for both parties it is suggested that the contract manager investigates requesting environmental reporting within any progress reports to the Council from the Suppliers. In addition to this, the contract manager should include climate change impacts of the services within their priorities when working with the Suppliers for ongoing contract management and consults the Council's Sustainability Team when appropriate.

## Equality implications

Has an Equalities Impact Assessment (EIA) been completed? Yes

- 6.1. The GIS equipment service is a demand-led, reactive, inclusive, and non-discriminatory service, where need is identified and assessed externally by clinicians, and the equipment needs are then referred on to this service to action.
- 6.2. Cabinet Members should read and consider the Equalities Impact Assessment to satisfy themselves as decision makers that due regard has been given.

## Data Protection Impact Assessment (DPIA) implications

- 7.1. A DPIA has been drafted for Medequip. This will highlight any risk to officers within the Integrated Older People's Commissioning hub as well as the Data Protection Officer (DPO).

## **Social value implications**

- 8.1. GCC are committed to embedding Social Value (SV) throughout their contracts and tenders. Opportunities for social value and work with local community suppliers (Including local retailers and recycling shops) formed part of the original tender and contract and will continue to be explored. The contracts are focused on improving the lives and outcomes of individuals within the local area.

- 8.2. We Care and Repair:

- Source all of materials from local suppliers.
- All 4 colleagues live in Gloucestershire, with 3 new colleagues have been recruited since the beginning of the contract in 2017.
- Recruited 1 apprentice who moved on in April and have another starting in September.
- Appointed a Gloucestershire Non-Executive Director representative to their Management Board
- Opened an office and stockroom in Quedgeley with a local phone number
- Provide training to local Occupational Therapists and Occupational Therapy Assistants.
- Close working relationship with Age UK Glos

- 8.3. Medequip:

- Supporting the local economy/retailers
- Supporting local communities/initiatives
- Demonstrating expertise and knowledge:
  - Work closely, providing advice and support services, with local Gloucestershire community support groups, schemes and third sector partners.

- 8.4. Medequip and We Care & Repair have provided examples of their steps towards improved social value, these are considered a good start, but need to be built upon to evidence how they are benefiting the county by holding these contracts. Additionally, work detailed within both providers tender submission, will need to be robustly evaluated by the contract manager moving forward to ensure accountability for both parties.

## **Consultation feedback**

- 8.1. A full public consultation exercise has not been carried out on the basis that no material changes to the service specification or delivery are proposed at this stage.

## **Officer recommendations**

9.1. That the Cabinet Member approves the recommendations as set out in this report.

**Performance management/follow-up**

10.1. The contract manager will be moved to the GCC Older People's Commissioning team and will be managed in partnership with Clinical Commissioning Group soon to become Integrated Care Board (ICB) and GIS against a balanced scorecard of agreed key performance indicators (KPIs) and contractually monitored every 3 (Three) months either face to face or via video conference (MS Teams).