

## **HEALTH AND SOCIAL CARE SCRUTINY AND PERFORMANCE PANEL**

**DATE: 30 NOVEMBER 2006**

### **COMMUNITY MEALS SERVICES**

**Ward(s): All**

**Portfolio: Councillor A Paul**

#### **Background**

The council's Social Care and Inclusion directorate is undertaking a significant project to procure a modernised community meals service. This project has been ongoing for some considerable time and has been the subject of previous reports, both to Cabinet and to the Health, Social Care & Inclusion Scrutiny and Performance Panel.

#### **Purpose of the Report**

The purpose of this report is to advise members of the Health, Social Care & Inclusion Scrutiny and Performance Panel of the current position regarding the provision of the community meals service.

#### **Context**

The impetus for change came about as part of the joint review outcomes in 2002, which highlighted the need to develop flexible services and greater choice for older people, thereby providing a wider range of community based care and support services. In addition, in 2003, there was a Best Value review of the Council's catering service and on the 3<sup>rd</sup> September 2003, Cabinet commissioned a detailed review to determine the future delivery of the catering service to represent value for money to the authority.

The outcomes of this review was that the meals on wheels service was found to be offering a traditional service, with limited choice for service users, was not appropriately targeted either as a preventive service or to meet the needs of people meeting FACS criteria, was not meeting the needs of people from Black & Ethnic Minority Communities and was found "to be costly both through the provision of a daily cooked service and transport service". Subsequently in 2004 a service review and option appraisal was commissioned and undertaken by Bedwell associates, this review focused on a process review of:

- Review of service delivery and methods
- Determination of the need for the service
- Consultation with service users
- Determination of the capacity of service users to take on service revision

The recommendation from this review was that the service should be tendered as a frozen delivery service as this was suggested as being the most cost effective option. However, the financial modelling of this option did not include the cost of assisting those recipients who were unable to reheat frozen food for themselves. The review reported its findings in July 2004 and it was decided that additional work needed to be undertaken to determine the best model of meals service.

Subsequently there was a consultation process with current and potential service users to evaluate the acceptability of the alternative frozen models of food delivery, and a benchmarking process with a 3 star authority which has similar demographic characteristics to Walsall. Following the scrutiny process, cabinet approved proposals to re-tender the service to provide both a hot meals service and a frozen meals service with "safe & well" checks being built in. It was also agreed that the tendering process be flexible to include the evaluation of provision of the hot meal as either a prime cooked meal or a regenerated frozen meal.

### **Procurement Decision**

When looking at the redesign of services the strategic decision that the council made as a consequence of the review was whether to provide the service itself or buy in the service from external providers through a competitive process. In responding to the outcome of the various reviews and consultations, it is clear that significant changes to the service delivery model were necessary if the recommendations of the joint review were to be satisfactorily met. The current service provider, Walsall Catering, has no experience in providing the new elements of service and to safeguard the interests of users, other providers had to be considered.

To secure responses from other providers, who are able to meet the requirements for the new service, a formal bidding process was necessary. EU procurement legislation specifies a strict procedure by which competitive bids are sought which seeks to ensure that the process is fair and all bidders are treated in the same way and that there is no discrimination between providers. Failure to undertake the procurement process in accordance with these rules may leave the council open to challenge, the procurement process terminated and the council unable to award any contract. Whilst the council cannot have a contract with itself, Walsall Catering, as the in house provider, must still comply with the tendering procedure and submit a formal tender in the same way as other bidders. The evaluation process has been designed to ensure that all bidders are treated in a fair and equitable manner.

Members will be aware that as the service is currently out to tender, discussion on the details of the current process or information on the individual bidders is not appropriate. Information has been limited to the policy decisions taken prior to the tender process commencing and the evaluation process disclosed to bidders as part of the tender process.

## Formation Of Project Team

In order to progress the remodelling of the service as required by the joint review, a project team was instigated to manage the delivery of this service through from the consolidation of an agreed way forward to the procurement, contract award and subsequent implementation of the new service.

The project has had three distinct but interlinking phases and it is anticipated that the project will run for a further fourth implementation phase once phase 3 has been successfully delivered.

## Summary of the New Remodelled Service

Currently the service is provided by the council's catering service, Walsall Catering, and provides a daily hot meal delivery service. It is planned that the new service will provide two types of meals provision, the delivery of a daily hot food service and a home frozen food delivery service provided on a weekly or fortnightly basis.

Detailed financial modelling has been undertaken to support the number of meals required in each category for the three years of the contract.

## Chronological Summary of Key Activities

Listed below is a summary of headline key activities and milestones, most recent events shown first.

<b>Description of Activity/milestone</b>	<b>Project phase :</b>	<b>Date</b>	<b>Comments</b>
Evaluation process is planned	Stage 3	23 <sup>rd</sup> November 2006	Site visits and Q & A sessions for providers on 23 <sup>rd</sup> November 2006
Legal service completing contract documentation		17 <sup>th</sup> November 2006	Contract documentation due for completion 17 <sup>th</sup> November 2006
Dispatch of Invitation to tender Documentation	Stage 3	1 <sup>st</sup> October 2006	ITT documents circulated to the 5 short listed bidders.
Report to redesign Programme Board with adjustments to project timeline to reflect revised tender dispatch date	Stage 3	4 <sup>th</sup> October 2006	A project status report and a supplementary report was tabled setting out a revised timescale for the delivery of the project of the 1st November 2006
Report to Redesign Programme with adjustments to project timeline to	Stage 3	22 <sup>nd</sup> August	A project status report and a supplementary report was tabled setting out a revised timescale

reflect revised date for tender dispatch			for the delivery of the project of the first week in October.
Agreement with legal services of the date for completion of legal review	Stage 3	August	This was agreed as the 6 <sup>th</sup> September but some additional time has been required.
Start of sign off / ratification of tender documents	Stage 3	June 2006	
Drafting of tender documents	Stage 3	January 2006	
First meeting of the Evaluation panel	Stage 3	9 <sup>th</sup> February 2006	
Agreement to tender the service	Stage 3	19 <sup>th</sup> October 2005	Report to Cabinet on 19 <sup>th</sup> October which gave approval to tender the service.
Report to Health and Social Care Scrutiny Panel	Stage 2	29 <sup>th</sup> September 2005	The report recommended that the service be provided "either as a hot meal cooked on the same day or a cooked frozen ready meal and should continue to remain open and be subject to the tendering process". Scrutiny: "Welcomed the flexibility now introduced into the proposals" and: "repeated its recommendation for inclusion of the panels preference to retain a fresh cooked meal option
Completion of stage 2 work	Stage 2	August 2005	
Consultation with community meals recipients.	Stage 2	May to August 2005	This was consultation with a cross section of community meals service users.
Development of Service Specification	Stage 2	May to August 2005	This first draft was used as part of the consultation process with service users.
Consultation with BME communities	Stage 2	April to August 2005	This work involved consultation with BME

			community groups regarding the development of an ethnic meals service.
Cabinet report to proceed to stage 2	Stage 1	23 <sup>rd</sup> March 2005	Cabinet agreed to “option 3”, a service that would provide a daily hot meals service, and a weekly or fortnightly frozen meals delivery service” and “ that further work is undertaken in the next phase to evaluate the potential for supplying prime cooked food as an alternative to hot, previously frozen food”.
Report to Scrutiny on outcome of stage 2	Stage 1	10 <sup>th</sup> March 2005	Endorsed the provision of Option 3 as a “service that would provide a daily hot meals service, and a weekly or fortnightly frozen meals delivery service”.
Consolidation of best option for Council	Stage 1	End of February 2005	Option 3 was considered the best option which was a “full frozen meal provision that is delivered hot or cold”.
Stakeholder Day	Stage 1	24 <sup>th</sup> February 2005	Consultation event on the options for the remodelled service.
Option appraisal	Stage 1	November 2004-February 2005	
Meals tasting	Stage 1	November 2004	To test out the acceptability of frozen food.
Formation of project team	Stage 1	September 2004	
Work by Bedwell Associates	Pre-project	June – August 2004	Initial options appraisal, which recommended a frozen food delivery service.
Best value review of Council’s catering service	Pre-project	Completed May 2003	

## **Current Project Status – Completion of Stage 3**

### **Progress Summary – Key Deliverables**

#### **Tendering the Service**

At the beginning of the year the tender advert was placed, which resulted in the return of eight organisations submitting a pre qualification questionnaire (PQQ) and a shortlist was agreed by the evaluation panel on the 28<sup>th</sup> April.

It had been planned that originally the tender documents would have been sent out in May but because of the complexities concerning the contract specification it has been necessary to extend the period for the ratification of the tender documents. This has resulted in significant slippage to the project timeline, which has been reported to Redesign Programme Board and recorded in the Strategic Project Register.

The legal review of the documentation was completed by the 30<sup>th</sup> October and the Invitation to Tender (ITT) documents were issued on the 1<sup>st</sup> November 2006.

#### **Tender Evaluation Methodology / System**

The evaluation team was formed in February 2006 and their work plan has included the development of the evaluation criteria and subsequent evaluation of the PQQs and the development of the evaluation model, evaluation system, scoring system and model answers. This work is well advanced and nearing completion.

It has been agreed that a service user reference group and meals tasting panels will be central to the evaluation. The Reference group has met on one occasion and focused on the design of the questionnaire, which will be used at the meals evaluation stage, to collate views and opinions on the quality of the food sampled. The group also identified the key considerations, which they felt were important from a service user perspective for the evaluation panel to consider in the evaluation of the tenders. These views have been incorporated, where necessary into the tender document and model answers. A further meeting of the group is planned a part of the evaluation.

#### **Development of an alternative model to collect service users' contributions**

The current system is cash based which is inappropriate for the new contract and an alternative model needs to be developed. This aspect of the project work was originally part of the work programme of the Care Services Efficiency Delivery Programme, who undertook an initial benchmarking exercise and attended the project team meeting on the 15<sup>th</sup> August. Following this a stakeholder workshop was held to reach consensus on the preferred option for collection of contributions.

The agreed preferred model was the use of an electronic swipe card and this option was endorsed by the Redesign Programme Board on the 4<sup>th</sup> October 2006. Further discussions are taking place with Strategic Transformation on how to take this option forward.

### Key Date and Milestones

The revised headline milestones agreed at programme board are as follows:

<b>Description of Activity</b>	<b>Date / Timescale</b>
Issue tender documents to shortlisted organisations	By 1 <sup>st</sup> November 2006
Return of tenders	15 <sup>th</sup> December 2006
Commence tender evaluation	19 <sup>th</sup> December 2006
Complete tender evaluation	27 <sup>th</sup> February 2007
Evaluation report and recommendations of tender award to Programme Board	Beginning of March 2007
Report to scrutiny	March 2007
Report to Cabinet	April 2007
TUPE briefings ( if award is to external bidder)	May 2007
Second reports to cabinet/ scrutiny - ratify contract award.	June 2007
Contract start date for frozen food service	August 2007
Contract start date for hot meals contract (if award is to external bidder).	October 2007

### Legal Considerations

It is a requirement of English law that, when procuring services under the EU procurement regime, all bidders (including in house bidders) are treated equally. As a consequence this requires careful management by the project team so as to ensure that neither the in house service or any external bidder is given an advantage, this would include for example ensuring that all points of clarification by any bidder (including the in house service provider) are dealt with through the project team which keep a record of all such points raised and that any responses are sent to all providers. This would not however apply to the details of any tender proposals submitted by all bidders including matters relating to the financial and business affairs of the bidder which should be treated as confidential during the process.

Also in the event of the in house bid being unsuccessful, it is more than likely that the Transfer of Undertakings regulations (TUPE) apply, TUPE generally requires employees to transfer to the successful bidder. The purpose of TUPE is to protect the employees' rights as employees transferring to the successful provider.

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