

**DRAFT UNRESTRICTED MINUTES OF A MEETING OF THE
CABINET PROCUREMENT COMMITTEE****MONDAY 8 MARCH 2021**

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| Chair | Cllr Rob Chapman in the Chair |
| Councillors Present: | Cllr Deputy Mayor Anntoinette Bramble, Cllr Chris Kennedy, and Cllr Caroline Woodley |
| Also in attendance: | |
| Apologies: | nil |

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| Officers in Attendance | Mr Rotimi Ajilore – Head of Procurement Ms Denise De’Souza - Interim Group Director Adults, Health and Integration Mr Chris Pritchard - Director of Strategic Property Services Mr Nick Grimwade - Interim Maintenance Contracts Manager -Strategic Property Services Mr Rob Miller - Strategic Director Customer & Workplace Mr Matthew Cain - Head of Digital .ebusiness Ms Dawn Cafferty – Category Lead Social Care Ms Judith Hughes – Category Lead – Corporate Ms Candace Bloomfield - Category Lead -Category Lead (Construction and Environment) Mr Patrick Rodger - Senior Lawyer – Procurement - Legal & Governance Ms Sharon Ellis - Strategic Commissioner - OP and LTC Mr Clive Sheldon - Procurement Lawyer - Legal & Governance Ms Anisah Hilali - Procurement Lawyer - Legal & Governance Ms Jade Mercieca -Strategic Procurement Manager (Interim) Central Procurement Team Ms Merle Ferguson - Procurement Strategy & Systems Lead Mr Clifford Hart – Senior Governance Services Officer – Legal & Governance |
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The recording for this meeting which was live streamed here
[:https://youtu.be/fYv0JKOaAuU](https://youtu.be/fYv0JKOaAuU)

Therefore the minutes as stated are a summary of the proceedings.

COUNCILLOR CHAPMAN IN THE CHAIR

1 APOLOGIES FOR ABSENCE

There were no apologies for absence.

The Chair welcomed Councillors Chapman and Kennedy to the proceedings in lieu of their pending appointments to the Committee from 22 February 2021.

NOTED

2. To note the changes to the Membership of the Cabinet Procurement Committee from 1 March 2021, as confirmed at Cabinet on 22 February 2021

The Chair advised of the agreed changes to the Membership of the Cabinet Procurement Committee, as confirmed by Cabinet on 22 February 2021, with effect from 1 March 2021, with the appointment of Councillor Christopher Kennedy - Cabinet Member for Health, adult social care and leisure - to fill the one vacancy on the Committee, and himself appointed as Chair of the Committee and Cabinet Member for Finance - to cover the nine month maternity period of Deputy Mayor Rennison.

NOTED

3. Urgent Business

The Chair advised that there were no items of urgent business, but that it be noted that there was an addendum to item 9 - published and circulated by the Clerk on 5 March, and that Item 10, which was marked 'TO FOLLOW' was published /circulated on 3 March.

NOTED

4. DECLARATIONS OF INTEREST - Members to declare as appropriate

There were no declarations of interests.

NOTED

5. NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

There were no representations.

NOTED

6. DEPUTATIONS/PETITIONS/QUESTIONS

There were no deputations, petitions or questions.

NOTED

7. DRAFT UNRESTRICTED MINUTES OF THE CABINET PROCUREMENT COMMITTEE HELD ON 15 FEBRUARY 2021

RESOLVED

That the unrestricted minutes of the meeting of Cabinet Procurement Committee held on 15 February 2021 be confirmed as an accurate record of the proceedings.

8. Home Care Framework Extension to Support Re-Tender Process - Contract approval - Key Decision No. CACH R50

The Chair asked for a brief introduction of the report.

Ms Sharon Ellis -Strategic Commissioner - OP and LTC informed the Committee that the report sought approval to extend the current Framework Agreement for Home Care services to enable a service redesign and procurement, which had been delayed due the pandemic but was now underway.

Ms Ellis briefly commented that the provision of good quality home care enabled people to remain living at home with their needs and identified and outcomes met. The proposal aligned itself with the Council's commitment to promoting and maintaining an individual's independence. In particular, the recent pandemic, and subsequent changes in hospital discharge policy meant that the plans for the future redesign and re-procurement of home care would need to take a wider focus. Ms Ellis advised that by seeking to address the challenges that would be faced by the wider health and social care system, this was therefore part of the rationale for the extension request.

(At this point in the proceedings due to technical difficulties, the Chair left the meeting - Deputy Mayor Bramble took the Chair in his absence nemine contradicente).

Ms Ellis further reported that the pandemic, and the recent Cyber attack on the Council had led to a review of priorities. The extension of the Framework for 12 months (with provision to extend for up to a further 12 months) beyond the 4 year term was considered justified by the extenuating circumstances detailed in the report. Ms Ellis commented that the recommended course of action ensured that effective contracts were put in place to stabilise the market and to cover both existing and new packages of home care whilst recommissioning work was undertaken.

The Chair thanked Ms Ellis for her introduction,.

The Committee briefly discussed the report making the following main points:

- with regard to the costings as detailed in para 6.2 of the report whether there had been consideration given to the possibility of insourcing of the

Monday, 8 March 2021

services provision going forward, Ms Ellis advised that insourcing would be considered as part of the overall options appraisal /business case going forward regarding the viability of insourced provision in comparisons to the current external provision.

The Chair advised the Committee that there were further details as detailed in the exempt appendix and if members wished to discuss its content they would need to do so during the exempt part of the proceedings. The Committee confirmed that they had no exempt related questions.

On a **MOTION** by the Chair it was:

RESOLVED:

That approval be given to the extension of the Framework Agreement for the delivery of home care services with the 8 companies detailed in exempt Appendix A of the report, and the estimated total expenditure under the home care framework being £14.2 million for a one year period, with an option to extend for a further one year (1 + 1 years) noting that the total forecasted spend for the extension period would be between £28.7 million to £29.3 million.

RELATED DECISIONS

Award of Contract for Outcome based Homecare Services presented to Cabinet Procurement Committee on 4th April 2016.

REASONS FOR DECISION/OPTIONS APPRAISAL.

The Service provides support to adults aged 18+ who have a range of adult social care needs. A key focus of service provision is to maximise and/or maintain independent living within the community.

To achieve this, the Council has an **outcomes based homecare service** offering a range of support which can respond flexibly to the changing needs of service users and can:

- Promote reablement,enablement and independence;
- Reduced and prevent social isolation;
- Deliver the health and well-being principles in line with the duties of the Care Act 2014¹
- Contribute in the delay and reduction of the care and support needs of Adults and Carers in Hackney.

The specification for the outcomes based homecare service are aligned to the:

- The Care Act 2014,
- Department of Health's "Transparency in Outcomes" Framework,
- Public Health Outcomes Framework

- Adult Social Care Commitment Statement²

Providers are required to deliver services in accordance with the following key requirements of the the service specification:

- Person centred and flexible service that meets the needs of the service user.
- Outcomes based support planning, that is aligned to the care and support plan that is developed by the health and social care practitioner;
- Promoting the use of telecare/assistive technology
- Providing information to service users and signposting to universal or targeted preventative services

Since the framework was let, a number of changes and initiatives have taken place which have impacted on how these services can be delivered in the future. These include (but not limited to):

- The development of neighbourhood working
- The new hospital discharge policy 2020: Home First
- Lessons learnt from COVID response
- Integration agenda and NHS changes
- The changing nature of the health and social care market
- The sustainability of the homecare market

The agreement to extend the current Framework will allow commissioners to look at designing new home care services to meet the changing needs of the system, providers and service users and their families, to ensure the service is future proof, while offering value for money, and choice. A high-level timeline for this work and subsequent procurement exercise is provided as Appendix B.

The future business case will also explore the viability of insourcing home care services, either fully or partially. The extension will provide time to conduct comprehensive benchmarking around the contract and service delivery models, and undertake a SWOT analysis of the options available.

The current framework is structured as follows:

- The framework consists of three Lots :
 - Lot One - Generic Homecare, split into 4 geographical quadrants (sub-lots)
 - Lot Two - Culturally specific care for Turkish/Kurdish community
 - Lot Three - Culturally specific care for Orthodox Jewish community
- The awarded “Tier One” provider for each Lot (or sub-lot) is expected to aim to deliver all call-off requirements.
- In the event that the Tier One provider cannot meet a requirement the tier two provider is approached
- There are currently eight providers on the framework. This is following two of the original ten providers exiting the homecare market in Hackney.

The advantages of extending the Framework will be to:

- Ensure continuity of existing provision for service users, which is particularly important at this critical time;

- Avoid short term TUPE transfers of care workers to new providers;
- Avoid potentially inflated prices seen in an external framework option (See options considered and rejected below).
- Provide a straightforward system for awarding new packages required during the 12 month period.

This Contract Award report also seeks an option to extend for up to a further 12 months, in particular as the landscape for service delivery is critical at the moment. Should the pandemic exacerbate or take a new and unexpected development, this will impact Adult Social Care in Hackney and will continue to affect the Home Care Market as well as the wider health and social care system.

5.1.10 The Commissioning team has been and will continue to engage with Providers throughout the recommissioning process in order to make an informed decision as to the ability of the market to respond once the tender is ready to be published. This will avoid placing extra pressure on the market, which is working hard to support residents during the pandemic and which could disadvantage smaller businesses in particular, without the capacity to continue to provide services during a pandemic or take part in a tender process.

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

| Option | Advantages | Disadvantages |
|---|---|---|
| Use of the NHS “Any Qualified Provider” Framework | <ul style="list-style-type: none"> - Compliant route to market, with minimal procurement resource requirement for Hackney - Mechanism for awarding new packages of care, and possibility of retaining existing packages where current providers are successful in joining the Framework | <ul style="list-style-type: none"> - Not available to access immediately, as we are not named as a contracting authority until the retendering of the Framework is complete - Inflexible rates due to the costing model tool that is used combined with Hackney’s requirement for payment of LLW to staff - May result in changes of providers and loss of |

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| | | <p>continuity for service users, as well as risk around transfer of workforce, where current providers are not on the Framework</p> |
| <p>Extend Framework contracts</p> | <ul style="list-style-type: none"> - Enable Adult Social Care to have stability to ensure response to COVID and Cyber and Vaccines is prioritised. - - Continuity of provision for service users and the workforce in relation to existing care packages. - Avoid short term TUPE transfers of care staff to new providers - Some stability of pricing compared to use of an external framework or a wholly new procurement exercise, due to the ability to use the current framework rates as the basis for negotiations. | <ul style="list-style-type: none"> - May be lack of choice / options of provider for residents |

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| <p>Procure immediately via competitive tender</p> | <ul style="list-style-type: none"> - Fair and robust process compliant with Public Contracts Regulations 2015 - Ability to build in a mechanism for awarding new packages of care during the contract period | <ul style="list-style-type: none"> - Service disruption to residents at this critical time of pandemic. - Time constraints mean there is no time to complete a full tender process before the Framework expires. - Re-procurement may result in changes of providers and loss of continuity for service users, as well as risk around transfer of workforce - The Specification remains the same pending full redesign of the service, only minor operational changes are sought during the recommissioning period. Therefore a full reprocurement process would not be expected to add any real value. - Wider Adult Social Care department is responding to hospital |
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| | | discharges and need to support care homes and care provider stability in Hackney. |
| Direct negotiation new contracts with existing Framework providers | <ul style="list-style-type: none"> - Ensure continuity of existing provision for service users - Avoid short term TUPE transfers of care staff to new providers - Ability to build in a mechanism for awarding new packages of care during the contract period | <ul style="list-style-type: none"> - Limited time available for full negotiation and Governance process - The Specification remains the same pending full redesign of the service, only minor operational changes are sought during the recommissioning period. Therefore a full reprocurement process would not be expected to add any real value. - Risk of challenge if negotiating new contracts with existing providers without prior notification. |

Deputy Mayor Bramble relinquished, and Councillor Chapman resumed the Chair.

9. Telephony and Contact Centre Cloud Solution - Contract approval - Key Decision No. FCR R 42

The Chair advised the meeting that there had been a short addendum circulated for member's information - the addendum did not change the essence of what the Committee report already published stated, nor the recommendations contained

therein. In asking Mr Matthew Cain - Head of Digital .ebusiness and Mr Rob Miller - Strategic Director Customer & Workplace to introduce the report and respond to any questions, the Chair advised that there was exempt appendix 2 at item 15 and Members would need to wait until the exempt part of the proceedings to seek any points of clarification on the exempt appendix.

Mr Matthew Cain advised the Committee that the report :

- set out the results of the procurement of a 'Communications as a Platform' service and 'contact centre software' solutions, and identified and evaluated options from two procurement frameworks, reviewing 23 product listings;
- that the procurement would not mean the purchase of any new physical telephone devices or mobile phones as there were already enough useable desk top phones across the authority, and any purchase of mobile devices if required would be cheaper from a mobile phone provider
- the table at para 9.2 of the report set out the specific specifications of the models to be procured, which were briefly highlighted covering covering the interface between the Council through its call centre facility and interaction with residents
- the bringing in the the current Hackney Learning Trust telephone system as part of the overall Hackney system, and no overall effects on staffing
- the ability to purchase bands of usage taking account of those staff who either have little or no requirement to making calls, but primarily receiving call,s and vice a versa
- the detailed analysis of the costs solutions as shown in paragraph 9.1 of the report.

The Chair thanked Mr Cain for his introduction and asked, and received confirmation from the Strategic Director Customer & Workplace - Mr Rob Miller that he had nothing to add to the introduction of the report or the circulated addendum.

In response to points of clarification from Councillor Woodley in respect of the legacy of ICM and a clear audit of the requirements of the specific solutions Mr Cain advised that in terms of the the audit / assessment historically there had been a whole number of line installments for specialist purposes across Council services i.e an alarm system within lifts in Council buildings, and that each of the lines currently in operation had to be clarified as their exact purpose and where possible some would be deactivated and brought in under the proposed procurement, which would also be a cost saving.

There being no further points of clarification, on a MOTION by the Chair it was:

RESOLVED:

- i. that the Digital Marketplace G Cloud procurement process used for the procurement of 'Telephony and Contact Centre Cloud' solutions be noted;**
- ii. that approval be given to progress the award of a contract to Supplier 2 to provide two products: (i) Communications as a Platform, and (ii) Contact Centre Software, with the contract for a period of 2 years with a Council option to extend for two further one year periods (2+1+1); and**
- iii. that the comprehensive summary of the evaluation of the individual bids as detailed in exempt Appendix 2 to the report and including the names of all the bidders for each lot be noted.**

RELATED DECISIONS

Business case and Risk Assessment (Medium Risk) approved by CPC (November 2020) prior to commencing the procurement.

Request for Information (RFI) under Network Services 2 (NS2) Framework Lot 10 and Lot 13 was undertaken in October - November 2020. Notification was sent to a total of 31 cross lot suppliers with details of our draft requirements and suppliers were asked to identify any service offers they may have listed that they believe could meet our requirements. Suppliers were also asked to provide indicative costings to help a budget for the project.

A total of 8 suppliers from cross-lot Network Service 2 responded to the RFI, the responses came from a mix of resellers and telecommunications companies.

From this exercise, we learnt the following:

There were no clear benefits associated with buying a solution either directly or via a reseller

We weren't able to identify the Communications as a Platform offerings that we anticipated and wanted

The offerings were at a higher price point than anticipated with less clarity around the structure of the pricing models than we wished

Three of the companies responding did not have a service offering that would meet our requirements on the NS2 eMarketplace.

Therefore, we decided not to proceed with the procurement via the NS2 eMarketplace and to evaluate service offerings identified during the RFI process

REASON FOR DECISION/OPTIONS APPRAISAL.

The Council currently has three telephony contracts:

With Centiant, a 'systems integrator' currently costing £883,000 per annum which provides:

- a. A cloud-based VoIP communication system provided by NFON
- b. A cloud-based customer contact centre system provided by Puzzel
- c. A voice-activated switchboard provided by Netcall, hosted on-premise
- d. A mobile telephony service provided by NFON and backed off to Mobile Network Providers

A contract with for telephony used by Hackney Education

Legacy telecommunications such as ISDN and private wires provided by Daisy and BT costing £95,000 per annum

This procurement relates to 1a, 1b, 1c and 2 (which must be fully interoperable). There is already a contract providing mobile phone SIMs (1d).

Security and privacy aspects have also been considered and all the major platforms have clear GDPR, ISO27001 and PCI Data Security Standard compliance statements and certifications. These requirements were reflected in the UK Government's Technology Code of Practice previously adopted by the Council.

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

The 'unified communications as a service (UCaaS)' contract was considered. UCaaS is a single ready-made platform through which organisations access different services, such as phone, video calling, call recording and so on. This option was rejected because we believe that a unified approach would:

- a) Involve greater compromises of how the solution meets specific user needs (eg. some UCaaS providers excel at contact centre solutions, others at telephony);
- b) Increase the risks associated with vendor lock-in;
- c) Reduce our overall agility - whether operational flexibility or adaptability to changing technology and;
- d) Require us to develop skills in a single solution and therefore the skills would be less transferable.

10 . Information Item - Update in respect of the long term contract for provision of statutory, testing, inspection, repair, and maintenance services in preparation for competition and potential insourcing of service elements

The Chair asked for an introduction of the information item.

The Director of Strategic Property Services - Mr Chris Pritchard advised that :

- the information report gave an update with regard to the progression of the long-term maintenance service strategy for the provision of statutory, testing, inspection, repair and maintenance services, in preparation for competition and potential insourcing options;
- the report to CPC in June 2020 had provided options for the future of the service, and setting out the proposed arrangements for an interim solution necessary to continue service provision, whilst continuing to develop the longer term strategy, and it was agreed that a further CPC report would be submitted with the business case for a longer term procurement strategy.
- work was progressing on both the procurement of the next maintenance contract and options for a planned approach to insourcing, and outlined the work undertaken in developing the strategy since the June 2020 report

The Chair thanked Mr Pritchard for his introduction.

The Committee briefly discussed the briefing paper and the following main points were raised in summary and clarified by Mr Pritchard, and Mr Grimwade :

- the insourcing position and confirmation that elements of the corporate maintenance delivery function could be insourced but other elements could not be currently as the service did not have the capacity to do so, initially at the expiration of the current contract
- that there would be a requirement for an external contractor to provide those elements of the provision not able to be insourced
- the insourced capacity covering matters such as the data based computer management aided elements of facilities management, and some elements of

building works (not major capital projects/works) which were beyond the definition of maintenance works, and possible future insourcing of the help desk function though currently there was not the capacity to take on the function in the current climate

- the supporting of and sustaining the Council's procurement strategy and working as part of the Hackney Opportunity to attract forward thinking and sustainably minded contractors to work with going forward
- noted that there would always be some specialist elements of the service that would always be in-sourcable going forward and this was recognised
- reference and clarification of timescales in terms of possibly bringing in house existing agency staff, and the current on-going financial analysis of the current maintenance and support structures in order to assess required staffing levels and capacity, to be completed hopefully within the following two months, and given the interest shown by a number of agency staff to be taken on by the Council it was not envisaged that there would be any service disruption going forward
- comment and clarification as to having an understanding and view of a more comprehensive insourced model going forward beyond December 2021 and current dialogue with housing services as to capacity within that service, together with consideration of the existing functions of the DLO and the overall management of the corporate estate, and that the overall insourcing of the function overall was a committed ambition of both members and officers
- clarification of the term 'Hard FM' being of a physical nature in terms of equipment, upgrading/maintenance of the fabric of buildings, and different from the FM service being security, catering or cleaning of buildings

The Chair in drawing the discussion to a close asked that officers provide some commentary going forward in regard to the comments in relation to those services that it was harder to insource together the overall longer term plan for the service provision.

There being no further comments the Chair asked it was :

RESOLVED

That the information report be noted, and that officers provide Members with a briefing /commentary going forward in regard to those services that it could be or may not be possible to insource, together with an outline of the overall longer term plan for the service provision.

11. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

There were no items of unrestricted urgent business.

NOTED

12.. DATE OF FUTURE MEETINGS

NOTED – meetings of the Cabinet Procurement Committee commencing at 5.00pm for the remainder of the Municipal Year 2020/21 as follows:

12 April 2021
10 May 2021

13. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED

THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 13-14 on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.

SUMMARY OF EXEMPT PROCEEDINGS

14. Home Care Framework Extension to Support Re-Tender Process - Contract approval - Key Decision No. CACH R50

AGREED to note the exempt appendix A in relation to agenda item 8.

15. Telephony and Contact Centre Cloud Solution - Contract approval - Key Decision No. FCR R 42

AGREED to note the exempt appendix 2 in relation to agenda item 9.

16. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

There were no exempt items of urgent business.

NOTED

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| Duration of the meeting: 17:00HRS – 17:45HRS |
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