

**WEST DUNBARTONSHIRE COUNCIL**

**Report by Strategic Lead – Resources**

**Tendering Committee: 26<sup>th</sup> June 2019**

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**Subject: Contract Authorisation Report – Occupational Health, Employee Counselling and Physiotherapy Services**

**1. Purpose**

- 1.1** The purpose of this report is to seek the approval of the Tendering Committee to authorise the Strategic Lead – Regulatory, to conclude the award of the contracts for Occupational Health, Employee Counselling and Physiotherapy Services.

**2. Recommendations**

- 2.1** It is recommended that the Tendering Committee authorise the Strategic Lead Regulatory to conclude on behalf of West Dunbartonshire Council (the Council), the award of the contracts for:
- a) Occupational Health Services (Lot 1) to People Asset Management Ltd. Note that the contract shall be for a period of 2 years with an option to extend on two further occasions of up to 12 months on each occasion and at a total value, including any potential extension period, of £440,000 ex VAT;
  - b) Employee Counselling Service (Lot 2) to People Asset Management Ltd. Note that the contract shall be for a period of 2 years with an option to extend on two further occasions of up to 12 months on each occasion and at a total value, including any potential extension period, of £74,000 ex VAT; and
  - c) Physiotherapy Service (Lot 3) to People Asset Management Ltd. Note that the contract shall be for a period of 2 years with an option to extend on two further occasions of up to 12 months on each occasion and at a total value, including any potential extension period, of £150,000 ex VAT.

**3. Background**

- 3.1** The Council, in its own right and on behalf of West Dunbartonshire Leisure Trust and Valuation Joint Board, is seeking to secure the services of an external provider(s) to deliver Occupational Health, Employee Counselling and Physiotherapy Services. The provision of Occupational Health and Physiotherapy Services is essential in ensuring that the Council meets its

health surveillance obligations under Health & Safety Regulations. The Employee Counselling Service provides employees with an Employee Assistance Programme offering confidential support. These services are integral to supporting employees' wellbeing, reducing absence levels and providing support to managers and employees in order to sustain and support attendance at work.

- 3.2** The contract documentation included specific deliverables in relation to reduction of absence levels and specifically the provision of effective management information to evidence improved outcomes.
- 3.3** The Corporate Services Committee on 21 November 2018 agreed a procurement process to obtain provision of an Occupational Health, Counselling and Physiotherapy Service for West Dunbartonshire Council, as a single provision or as individual services, and that the contract/s should be for an initial 2 year period with a further two potential consecutive 12 month periods. The Committee noted that the outcome of the process would be reported to a future Tendering Committee. This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and *The Public Contracts (Scotland) Regulations 2015* (above the EU threshold) for Services. A Contract Strategy document was also approved by the Strategic Procurement Business Partner (People) on 15 March 2019.

#### **4. Main Issues**

- 4.1** A contract notice was published on the Public Contracts Scotland advertising portal and the Official Journal of the European Union (OJEU) on 22 March 2019. 10 providers expressed an interest in Lot 1, 14 providers expressed an interest in Lot 2 and 11 providers expressed an interest in Lot 3. By the deadline for the submissions of 12 noon on 24 April 2019, 3 providers had submitted a response for Lot 1, 2 providers had submitted a response for Lot 2 and 2 providers had submitted a response for Lot 3.
- 4.2** The tender submissions were evaluated by representatives from Human Resources (HR), Corporate Procurement Unit, Health & Safety and Finance Services; against pre-determined selection criteria forming part of the published tender documents which assessed competence, experience, and capacity. 1 tender submission, in each of the 3 lots, passed the award criteria and these tender submissions were all from the same potential supplier – People Asset Management Ltd.
- 4.3** The single tender submission for each of the 3 lots were evaluated against a set of award criteria which was based on a price / quality ratio of 60% / 40%. The scores relative to the award criteria of the remaining compliant tenderer, are as follows:

	<b>Weighting</b>	<b>Lot 1 – People Asset Management Ltd</b>	<b>Lot 2 – People Asset Management Ltd</b>	<b>Lot 3 – People Asset Management Ltd</b>
<b>Quality (40%)</b>				
Service Delivery	<b>(18%)</b>	16.2%	14.9%	16.2%
Business Continuity Planning & Phase Out Plan and Exit Strategy	<b>(12%)</b>	12%	12%	12%
Sustainability	<b>(2%)</b>	2%	2%	2%
Community Benefits	<b>(4%)</b>	4%	4%	2%
e-Procurement	<b>(2%)</b>	1.8%	1.8%	1.8%
Commitment for Fair Working Practices	<b>(2%)</b>	2%	2%	2%
<b>Quality Sub-Total %:</b>	<b>(40%)</b>	<b>38%</b>	<b>37%</b>	<b>36%</b>
<b>Price Sub Total %</b>	<b>(60%)</b>	<b>60%</b>	<b>60%</b>	<b>60%</b>
<b>Total Score</b>	<b>100%</b>	<b>98%</b>	<b>97%</b>	<b>96%</b>

- 4.4** It is recommended that the contracts are awarded to People Asset Management Ltd, of Warrington, Cheshire, who has provided the most economically advantageous tenders. The anticipated award date of these contracts is 5 July 2019 with a commencement date of 1 September 2019. People Asset Management Ltd is the Council's incumbent provider.
- 4.5** The contracts shall be for a period of 2 years with the option to extend on a further two occasions for up to 12 months on each occasion and at a total value, including any potential extension period, across all three lots of £664,000, ex VAT. The value of the contracts is at the same value as the budget held for these services..
- 4.6** People Asset Management Ltd has committed to follow Fair Working Practices as below:
- Living wage accredited employer;
  - No zero-hour contracts;
  - Flexible working;
  - Structured vocational training; and
  - Zero tolerance approach to Modern Slavery.
- 4.7** People Asset Management Ltd have committed to delivery of the following social benefits as a result of delivery of these contracts:

- Recruit one member of staff from within the West Dunbartonshire geographical area;
- Deliver quarterly workshops, covering career skills, mock interviews etc within a school or community learning environment;
- Facilitate quarterly work experience opportunities covering a range of work based skills;
- Sponsoring a charity that promotes physical or mental health wellbeing; and
- Sponsorship of a local sports team.

## **5. Options Appraisal**

- 5.1** An options appraisal was undertaken by HR and concluded that internal provision (i.e. directly engaging individuals as Council employees to deliver an Occupational Health Service and Employee Assistance Programme) was not recommended.
- 5.2** The options appraisal recommended that the existing two separate contracts for Occupational Health (including Physiotherapy) and Employee Counselling Services be consolidated into one contract, with three lots, allowing interested suppliers the option to submit bids for one or more lots. It was hoped that by adopting this approach, it would be more accessible to small and medium sized enterprises.

## **6. People Implications**

- 6.1** There are no people implications.

## **7. Financial and Procurement Implications**

- 7.1** Financial costs in respect of these contracts will be met from the approved revenue budgets of HR and it is anticipated that the value of service procured matches the budget provision.
- 7.2** This procurement exercise was conducted in accordance with the agreed contract strategy produced by the Corporate Procurement Unit in close consultation with HR officers and the provisions of Contract Standing Orders, the Financial Regulations and relevant procurement legislation.

## **8. Risk Analysis**

- 8.1** The successful provider has no known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Council.
- 8.2** Should the Tendering Committee decide not to proceed as recommended then this will delay the project, may have financial implications and may result in legal challenge.

## **9. Equalities Impact Assessment (EIA)**

**9.1** An equalities screening was undertaken for this report to determine if there is an equalities impact. The results where there is no equalities impact.

## **10. Consultation**

**10.1** Finance, Legal and HR have been consulted during every stage of this process.

## **11. Strategic Assessment**

**11.1** This service specifically supports Council Strategic Priorities for 2017- 2022 as follows:

- Open, accountable and accessible local government; and
- Efficient and effective frontline services that improve the everyday lives of residents

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**Designation:** Strategic Lead - Resources

**Date:**

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**Appendices:** None

**Background Papers:** The Contract Strategy  
EIA Screening

**Wards Affected:** Not applicable

