

Strategic Procurement

CHECKPOINT REPORT 1: PRE-PROCUREMENT APPROVAL

This form is for procurements of goods and services above the EU Threshold (£189,330) and for works above £500,000 in value. For procurements below this amount, a Procurement Engagement Form needs to be completed.

1. CONTRACT TITLE AND KEY PEOPLE							
Contract Title		Occupational Health and EAP London Borough of Havering					
capitalEourcing Reference		prj_OSH_14496			Report Date		15/07/2020
Tender Manager		Directorate		Buyer Assigned			
Eloh Agbahowe – HR Head of Policy and Projects		OneSource – HR&OD		Kaya Rajan		Category Specialist	
Value of Contract		Targeted Financial Savings		Bankable Savings			
£405,000		5%		To be determined after the tender completes			
Is budget available to proceed with this procurement?	Yes	*Please enter the budget code	A47050 641640	If yes, is this a Revenue or Capital allocation?	Revenue	Procurement to be Approved by? Including date	Executive Delegation Level 2- Head of Service.
Proposed Contract Start date		Proposed Contract End date		Is there an option to extend the contract?		If yes, give duration of extension option	
1 st May 2021		30 th April 2025		Yes		1 year	
Procurement route being undertaken		Have you or your team received training on Capital eSourcing?		**Is there a current contract in place?		If yes, insert expiry date	
Further Competition against an existing external framework		Yes		Yes		30 th April 2021	
Please state the Quality/Price threshold		Does TUPE apply to this exercise?		Have you considered Collaborative Working?		Will you be using an eAuction or DPS?	
40% Quality / 60% Price		No		Yes		No	
Checkpoint Summary							
Please provide a summary of this checkpoint report. Please make sure this includes a summary of the purpose of this report and what outcomes are expected.							
<p>The purpose of this resubmission of checkpoint 1 is that in January 2020 procurement published a tender, however the tender was withdrawn due to impact of Covid 19. A waiver was raised to extend the current contract for continuity of the Occupational Health Services during the pandemic.</p> <p>This report seeks approval to commence the procurement process, for the provision of an Occupational Health Service and Employee Assistance Programme to the London Borough of Havering. The current contract for the provision of an Occupational Health Service and Employee Assistance Programme is with a single supplier, a company named Medigold.</p> <p><u>Pre-market Engagement:</u></p> <p>During a previous tender exercise in January 2020, the council was unable to sufficiently test the market having received only two responses during the exercise. It was important therefore that significant market engagement with suppliers took place. This approach was particularly crucial to ensure that the council's procurement exercise did not end in failure having launched to market.</p>							

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On 10th July 2020 suppliers listed on ESPO, YPO, CCS and SBS frameworks were sent an Expression of Interest (EOI). As a result of the EOI, 9 suppliers confirmed their interest in bidding for this procurement. These were PAM Group, Duradiamond Health, Healthassured, Heathman Ltd, Innovatehmg, Optimahealth, Team Prevent UK Ltd, BHSF Ltd and Medigold Ltds out of 16 suppliers listed on all of the above mentioned frameworks.

Responses were received predominantly from suppliers listed on the ESPO Frameworks. Hence Procurement and the stakeholder decided to use the ESPO Framework as the proposed route to market – Occupational Health Services, Lot 1 and conduct a further competition.

The ESPO Framework runs from July 2019 to June 2021 with an option to extend until 30/06/2023

Newham & Havering Council Collaborative Procurement

Onesource HR directorate is the lead stakeholder for this tender. This is a collaborative procurement exercise for both Councils.

Project team

Project Sponsor - Eloah Agbahowe, Head of HR Policy & Projects.

Project Lead - Nimisha Patel, Senior HR Consultant.

Project Team - Carmen Valdayo, HR Consultant.

Procurement

Kaya Rajan - Category Specialist

All above-mentioned members represent the core team and responsible for all tender documents.

Various managers across both the council will evaluate this tender.

Validation of Specification & Current Incumbents:

Significant engagement has taken place to ensure all current users have had an opportunity to include their needs under the new contract scope. The current contract expires on 30th April 2021 and this tender will be awarded in November to allow the new provider enough time for transition.

***Note:** Finance will be unable to approve the report unless budget code details are included.

****Note:** Where there is a current contract in place, ensure that sections 2.5 Personnel Matters and 6.5 Exit Strategy are fully completed.

CHECKPOINT PANEL RESPONSE

Date of Checkpoint Panel	DD/MM/YYYY
Panel Members Present	Insert names of attendees here
1. CONTRACT TITLE AND KEY PEOPLE	
Checkpoint panel should insert any comments/and or recommendations here	

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2. BACKGROUND TO THE CONTRACT	
<i>Checkpoint panel should insert any comments/and or recommendations here</i>	
3. FINANCIAL: BUSINESS CASE & BENEFITS REALISATION	
<i>Checkpoint panel should insert any comments/and or recommendations here</i>	
4. SOCIAL VALUES	
<i>Checkpoint panel should insert any comments/and or recommendations here</i>	
5. PROJECT ORGANISATION	
<i>Checkpoint panel should insert any comments/and or recommendations here</i>	
6. CONTRACTING PROCESS	
<i>Checkpoint panel should insert any comments/and or recommendations here</i>	
7. ACHIEVABILITY	
<i>Checkpoint panel should insert any comments/and or recommendations here</i>	
CHECKPOINT PANEL OVERALL RECOMMENDATION AND COMMENT	
<i>Checkpoint panel should insert any comments/and or recommendations here</i>	
Procurement to proceed?	<i>Panel insert Yes / No here</i>
Red, Amber or Green Status?	<i>Panel insert Red, Amber, Green</i>

2. BACKGROUND TO THE CONTRACT	
2.1 Market Conditions	
What are the market conditions – e.g. monopolistic, or highly competitive? If there is limited competition, what will you do to get best value?	
Occupupational Health Service market is very competitive. There are sufficient providers in the market that would be able to provide the service at a competitive price, with the tender exercise allowing for maximisation of achievable value for money.	
2.2 Collaboration	

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Does the contract cover all of the relevant requirements across all departments of the Council? Indicate yes or no. If no please provide justification if adopting a departmental, rather than corporate approach. Have you considered working with other Local Authorities?

Yes. This is a joint tender with Newham Council. The contract will cover all the requirements across all the departments of each council for more information see the summary section above

2.3 Sustainability

Please describe the main sustainability risks associated with the contract, and how they will be addressed. Please describe what actions you will take to ensure best practice in respect of Environmental protection, equalities, regeneration and corporate social responsibility. Please describe how these issues will be addressed in the contract.

There are no specific risks with this contract. The contract will be through a framework, where suppliers have been tendered, audited and checked against criteria like financial stability and environmental compliance.

The Council is aware of the environmental impact of transport, we aim to ensure that there are local clinics available for employees when attending their appointments when their physical presence is required and virtually where this is possible.

We will specify that the successful supplier uses emerging technology as innovation is an essential feature of the way we want to deliver the service.

2.4 Diversity & Equality

Have the diversity and equality issues associated with this project been considered. Do the contract documents ensure best practice in respect of: Accessibility to service users, Monitoring of service users, Consideration of age, disability, transgender, pregnancy and maternity, race, religion/belief, sexual orientation, sex, marriage/Civil partnership, Reducing negative outcomes which result from class or socio economic disadvantage

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering staff.

The Council will benefit from improved advice and guidance on disability and other health-related issues. The service from the provider will be accessible to all and will meet people's needs.

2.5 Personnel Matters

Will TUPE apply to this contract? What arrangements are in place to address TUPE with the incumbent supplier? Are all arrangements in place to ensure that this is managed effectively? Are there any other HR/Personnel considerations to be taken into account? How will these be accommodated? If in doubt, has advice been sought from Legal?

TUPE will not apply to this contract

2.6 Insurance

Have you checked with the insurance team the required insurance requirements for this contract?

ESPO Insurance levels

Employers Liability = £5m

Public Liability = £5m

Professional Indemnity - £5m

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2.7 Options Appraisal

Describe the different procurement options that were considered, including any outsourcing considerations. Have the main options been considered yet and if so why was the favoured option selected? Has a formal options appraisal been conducted, or is one planned?

As described in the Summary section above

3. FINANCIAL: BUSINESS CASE & BENEFITS REALISATION

If you have completed a large project business case, and the items outlined below are included in that, please state so and append the business case. (i.e. see attached business case)

3.1 Business Case

Please summarise the business case which should include an assessment of costs (including whole life costs) and benefits, show values and phasing of recurring costs and savings in cash terms, identify set-up and one off costs such as severances and windfalls, estimate pay-back on initial investment and include a sensitivity analysis for relevant factors (demand, unit price etc.).

The Council provides its employees with an Occupational Health Service, as it is a condition of employment that individuals attend appointments with an Occupational Health specialist as and when required by management in line with the sickness policy and procedure. The Council also needs to ensure that health surveillance is carried out for specific job roles, as well as health assessments for night workers. The Council also carries out pre-employment health assessments as part of its robust recruitment and selection processes.

An Employee Assistance Programme provides telephone counselling and advice to employees on a range of issues, such as managing change, financial advice and debt management, legal advice, careers advice, and a managers' advice line. The service also provides critical incident stress debriefings following major incidents.

The table below summarises the spend between May 2020-April 2021 with Medigold (a 1 year contract). The price agreed is per employee for OH & EAP per head.

London Borough of Havering				
Year	No of employees	OH Price per head	EAP price per head	Total annual
LBH 2020-2021	2796	£20.00	£4.12	£67,439.52

The table below summarises the spend between May 2016-April 2020 with Medigold (a 4 years Framework contract). The price agreed is per employee for OH & EAP per head (Framework rate).

London Borough of Havering				
Year	No of employees	OH Price per head	EAP price per head	Total annual
LBH 2016-2017	2563	£20.00	N/A	£51,260.00
LBH 2017-2018	2467	£20.00	£2.68	£55,951.56
LBH 2018-	2467	£20.00	£2.68	£55,951.56

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2019				
LBH 2019-2020	2452	£20.00	£2.68	£55,611.36
				£218,774.48

*This data was provided by Medigold.

3.2 Cashable Savings

Please describe what actions you have taken to ensure that cashable savings are achieved through this project.

Please show estimated cashable savings across the lifespan of the contract (this may relate to the figures entered under Targeted Financial Savings on the first page)

Cashable savings - we anticipate that based on previous historic usage and analysis of data from the abandoned procurement exercise in January 2020, saving will be in the region of 5% as a baseline. Undertaking a competitive tender exercise will further drive down costs and increase efficiency savings.

3.3 Headcount reductions

Please describe the anticipated savings as a result of headcount reductions. Are these cashable savings? Are they included in the calculations above?

There is no impact on headcount reduction.

3.4 Efficiency Gains

Describe other, NON cashable efficiencies including: minimising the cost of routine transactions, utilising IT to reduce costs and improve performance, the procurement process (i.e. electronic tendering/e-auctions), process rationalisation/simplification/reducing non-value added work, reducing other costs – consumption, wastage, price, specification, inventory / cash flow savings, getting more for less or the same, improved quality not included in cashable savings or headcount reductions above

Non cashable savings - using a framework there will be significant reductions in procurement time and costs to the Council. There will be non cashable savings on management and officer time by not undertaking a full tender procurement process.

3.5 Benefits Realisation

How will the money from cashable benefits be released? How will other benefits be demonstrated?

Cashable benefits will be released in the form of lower costs charged.

The quality and performance of the contract will be closely monitored.

Regular review and monitoring meetings will take place to ensure KPIs are met and standards are maintained.

Critical Criteria	Standard
Health Assessment Questionnaires - Notification to relevant department	Within 48 working hours of receipt of questionnaire
Management referrals - Occupational Health Physician / Occupational Health Advisor face to face and	Booked within 2 working days of receipt of referral Appointment to take place within 5-7 working days of

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tele-consultations	<p>receipt of referral</p> <p>Report issued within 5 working days of appointment</p> <p>End to end turnaround 10-12 working days</p> <p>If employee requests to see a report upfront under the rules of pre-consent, report will be issued to employee within 5 working days of appointment. Reports will be issued to the referrer 3 working days after, unless changes are requested or consent is withdrawn by employee</p>
Notification of appointment time and date to manager	At same time appointment is made
Notification to manager of non-attendance and rebooking	To manager and employee on same day with details of new appointment
Response to communication	Within 24 hours
Home visit with Physician/Nurse	Within 20 working days of referral
Contact GP or Specialist for further medical evidence	Request report within 5 working days, first chase 14 working days following request, and every 5 working days thereafter
Case conference in clinic / telephone	Within 5-7 working days of request
Ad hoc professional Advice	Initial response within one working day
Workplace visits and assessments	<p>Appointment within 5-7 working days of request</p> <p>Report within 5 working days of appointment</p>
Risk assessments	Within 5 working days of request
Provide advice on 'at risk 'groups	Advice, recommendation or report within 5 working days of request
Advice from Health Surveillance	Written confirmation within 5 working days of appointment
Night Workers	<p>Within 48 working hours of receipt of questionnaire</p> <p>Further assessments annually</p>

1.1 Meetings and Reports

Criteria	Standard
Contract Management	Minimum of monthly review meetings initially and quarterly thereafter

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Management information	Provided monthly. Turnaround times broken down and specifically presented as per performance targets set out in Section 25.
Report on any recruitment and usage of Workplace	Reports provided at quarterly review meetings
EAP Take Up	Reports on EAP take up shall be provided at quarterly review meetings, with a programme of promotional activity to increase take up being agreed between the Contractor and the Contracting Authority.

SERVICE PERFORMANCE IMPROVEMENT NOTICES

- 1.2 A Service Performance Improvement Notice is a notice given verbally or in writing to the Contractor or any employee of the Contractor. If given verbally, the Contracting Authority will confirm it in writing.
- 1.3 A Service Performance Improvement Notice will specify the specification has not been met and what Service Performance improvement work is required.
- 1.4 The Contractor shall carry out the remedial work required by any Service Performance Improvement Notice:
 - (a) within the timescales (where appropriate) set out within the Specification for the part(s) of the Services under inspection; or
 - (b) where no such timescales are indicated in the Specification, within timescales set by the Authorised Officer at his/her discretion, having due regard to the circumstances in which the Contractor will be required to rectify and the extent of the default which has occurred.
- 1.5 If the Contractor fails to comply fully with the terms of Service Improvement Notice, the Authorised Officer shall be entitled to issue a Default Notice for critical KPI's.
- 1.6 For the avoidance of doubt Service Performance Improvement Notices may also be issued in respect of variations.
- 1.7 The Contractor will be issued with a Service Performance Improvement Notice which will specify the specification has not been met and what Service Performance improvement work is required. The intention is that performance problems will be resolved through effective communication between the Contracting Authority and the Contractor.
- 1.8 The Service Performance Improvement Plan will consist of:-
 - (a) Advising the Contractor that performance is inadequate and specifying precisely what is unacceptable;
 - (b) Ascertaining from the Contractor the reasons why performance is inadequate performance is determined to be unacceptable in one or more critical elements;
 - (c) Agree precisely what the Contractor will do to ensure the performance failure does not recur in the future;
 - (d) Clear warning that a failure to correct performance deficiencies will result in the service of a Default Notice or action.
 - (e) Clear warning that a repeated failure of performance in accordance with the Service Performance Improvement Plan will result in the Contracting Authority exercising its rights under the termination clause D1 in the contract terms and conditions

4. SOCIAL VALUES

4.1 ESE Consideration

Please provide details of the considerations that have been made for economic, social and

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environmental well-being in connection with public services contracts and any connected purposes.

The purpose of this contract is to ensure that we obtain good value for money in line with the Council's priorities. The Occupational Health Programme protects the health and wellbeing of the workforce.

4.2 Securing Improvements

Describe how this procurement improves the economic, social and environmental well being of the borough, and how these improvements are secured.

Throughout the lifetime of the contract the provider is expected to offer more innovative and cost effective ways to ensure continuous improvements. The Provider will deliver a cost-effective Occupational Health service that provides expert advice and guidance to managers regarding medical and other occupational health issues that maximizes value for money through the delivery of a timely, effective, modern service, enabling the Council to manage sickness and promote a healthy workplace, to deliver the Council's vision.

5. PROJECT ORGANISATION

5.1 Roles & Responsibilities

Is the project team in place yet? Are roles and responsibilities clear? Which services are represented on the team? Please describe project sponsorship and governance

Project team

Project Sponsor - Eloh Agbahowe, Head of HR Policy & Projects.

Project Lead - Nimisha Patel, Senior HR Consultant.

Project Team - Carmen Valdayo, HR Consultant.

Project Sponsorship and governance; We will need level 2 approval - Head of Service

5.2 Communication Plan

Describe how communications will be managed with internal customers staff affected by new ways of working, DMT and NEB, other stakeholders

On-going communication will be managed by the Project Team.

Post - tender

- A briefing note to SLT will communicate the outcome of the procurement process to the senior management team.

Once the contract has been awarded a wider comms plans will be required:

- Various Intranet messages will be posted promoting the OH & EAP service including health and wellbeing campaigns.
- A team briefing bulletin will be produced notifying staff of the OH provider.
- If the contract is awarded to a new provider, an All Staff Email will be circulated to notify staff that during the contract transition stage, their medical records will be transferred to another provider and if there are any objections to this process, HR should be informed.

5.3 Stakeholder involvement

List the major stakeholders and describe how they will be engaged include members, residents, services, suppliers and other agencies. Summarise the consultation process

Managers, employees and HR Team are the major stakeholders.

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We identify their needs by:

- evaluating the feedback they provide on a day to day basis while using the OH and EAP services.
- Surveys or focus groups with stakeholders.

5.4 Project Plan

Issue Tender Call Off no later than 14th September
 Closing Date for Return Submissions 05th October
 Evaluations and moderation concluded 5th -15th October
 Checkpoint 2 Approvals 16th October
 Governance Approvals 02nd November
 Award End of 16th November
 New Contract May 2021

6. CONTRACTING PROCESS

6.1 Tender Documentation

Is all the tender documentation drafted including (as appropriate)

OJEU Advert	No
Instructions to tender	Yes
PQQ	No
Specification (including KPIs)	Yes
Evaluation Model	Yes
Conditions of Contract	Yes
Price Schedule	Yes
Variation from Contract Forms	No
Tender Form	No
Method Statements	Yes

6.2 Contract Award Criteria

Please provide full details of proposed weighted contract award criteria

The following criteria shall be applied for this tender submitted through the further competition procedure

Criteria	Criteria Weighting
Price	60%
Quality	40%

We want to ensure that this contract has innovation and emerging technology to ensure that a swift speedy service is provided to support employees' health and wellbeing which enhances staff productivity levels for the Council and our residents. We need to have a state of the art service delivery whereby its delivery is at the high end in their industry/market.

6.3 Price Controls

Are price revisions permitted by the tender documents?	No
If so on what basis? (Up or down or both, and by what margin)	
N/A	

6.4 Tender Evaluation

Has the tender evaluation team been formed?
 Has the process for evaluation been agreed?
 Describe the evaluation methodology, including how you will award points for quality and

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price submissions, and the weightings to be applied
<p>The tender evaluation team will include representatives from:</p> <ul style="list-style-type: none"> LBH Managers that have high usage and core stakeholder team (mentioned in summary section). <p>The price and quality weighting is set at 60%:40% respectively</p> <p>The contract award decision will be made on the basis of the most economically advantageous Bid, based on the application of the detailed evaluation criteria</p> <p>Pricing Evaluation Bid prices will be evaluated by Kaya Rajan (Category Specialist). The panel evaluating quality will not be aware of the prices bid until the quality evaluation is completed.</p> <p>Quality Evaluation The evaluators will allocate scores in accordance with the scoring scale (0-10) for each criterion.</p> <p>In applying the scoring scale, each Bid will be evaluated according to its quality and deliverability</p> <p>Moderation A moderation process will then be undertaken with the evaluation panel to discuss and agree an overall single consensus score for each response where individual evaluator scores differed in relation to a Bidder's response to a question.</p> <p>Each question will be awarded a consensus score in accordance with the scoring scale (0 - 10)</p>
6.5 Exit Strategy
<p>This section is relevant where an existing contract is place. If not, go on to the next question. Do you have in place an appropriate exit strategy for the existing contract? Is the current supplier aware of the strategy and have you received confirmation that they will comply? Do you envisage any issues with the transition from the old contract to the new one?</p> <p>There is an exit strategy within the existing contract. We do not envisage any issues with the transition from the old to the new contract</p>
6.6 Contract Management
<p>Has resource for contract management been identified? Have any issues with current arrangements been identified?</p> <p>There is a Contract Manager Nimisha Patel, who will look after this contract. The support of a Project Officer will also assist with the management of this contract.</p>

7. ACHIEVABILITY

7.1 Risk

Please describe the approach to risk management. What are the 5 key risks? If you have a risk log, state so and attach it to this checkpoint.

N/A

7.2 Governance Requirements
Please confirm that you are aware of and will comply with all procedural requirements including: Loading documents on Capital eSourcing, EU Procurement Directives, waivers of financial regulations (if appropriate), procedures for Contract Award and any other relevant requirements
We will ensure compliance with procedural requirements.