

**Report of the Chief Constable to the Chair and Members
of the Policy & Resources / Corporate Development Panel
24th November 2009**

**Executive & Presenting Officer: Mrs Ann Hall, Assistant Chief Officer
(Finance & Commissioning)**

Status: For Decision

**Procurement report for the provision of Occupational Health
Services**

1. Purpose

1.1 This report is intended to provide Members with a summation of the procurement exercise carried out to award a contract for the provision of Occupational Health Services.

2. Recommendations

2.1 That Members note the procurement method used and approve the recommendation put forward by the Evaluation Team.

2.2 That Members accept the details submitted by Tenderer 1 as the Most Economically Advantageous Tender.

3. Reasons

3.1 Background

In 2007 a contract was awarded, after going out to tender, for the provision of Occupational Health Services, which includes the services of a professional consultant and physician.

3.2 The term of the contract was 3 years with a contract end date of 28th February 2010.

3.3 The Occupational Health Department identified that this service was still required and therefore Procurement, in partnership with the Occupational

Health Department, undertook a tender exercise to award a new contract to commence from 1st March 2010.

3.4 Process

The tender process has been completed in line with EU Legislation and Contract Standing Orders using the E-Tendering system.

3.5 The evaluation team consisted of the following representatives:

- Technical advisor Occupational Health Manager
- Technical advisor Deputy Head of P & D
- Commercial Support Services & Equipment Category Leader

3.6 Eleven organisations experienced in the Occupational Health Services businesses expressed an interest. Six of these organisations downloaded all the documentation and submitted a tender, five organisations opted out.

3.7 The tender submissions were evaluated using the agreed format detailed within the tender document, shown at Appendix 1.

3.8 Although Tender 6 was substantially cheaper than all other tender submissions, the Evaluation Team had concerns that Tender 6 would not be able to provide the technical advice, support and services required by the Occupational Health Team, due to their low scoring within the technical element of the evaluation.

3.9 The decision made by the Evaluation Team is to award the contract for Occupational Health Services to the supplier of Tender 1. The reason for this decision was based on Tender 1 scoring high on quality aspects of the tender and being able to provide the Force with a full range of services based on tried and tested experience.

4. Implications

4.1 Finance

There is no capital requirements associated with this contract and all financial implications are revenue based.

4.2 The costs of the contract from Tender 1 are detailed below:

	Anticipated total number of days per year	Price per day	Cost per Year	Total Cost for 3 Year contract
Occupational Health Physician	118	£900	£106,200	£318,600
Occupational Health Consultant	6	£1,056	£6,336	£19,008
Total			£112,536	£337,608

4.3 The costs for this contract from Tender 6 are detailed below:

	Anticipated total number of days per year	Price per day	Cost per Year	Total Cost for 3 Year contract
Occupational Health Physician	118	£682	£80,476	£241,428
Occupational Health Consultant	6	£1,042	£6,252	£18,756
Total			£86,691	£260,184

4.4 The difference in the total 3 year cost between Tender 1 and Tender 6 is £77,424.

4.5 Clarification of prices was requested by Tender 1 who confirmed that they had carefully worked out their prices to give us the best price they could. They were unable to make any adjustment to the prices submitted within the Tender document. They have stated that at the end of the first 12 month period they will revisit at their charges.

4.6 Tender 1 has been selected as the preferred Tender due to their Technical score which was 30% which was full marks. Tender 6 scored 14% on the Technical section. The Evaluation Team has concerns that Tender 6 would not be able to provide the Service detailed in the Specification.

4.7 Tender 6 had also included a letter in their Tender submission stating that they would not be signing up to our Terms and Conditions.

4.8 This Service was originally tendered for in 2007 with an estimated contract value of £280,000 although the actual expenditure on both the current contract and any new contract is determined by the number of days work that the Physician and the Consultant are requested to do on our behalf.

4.9 The increase in the price per day between the new contract and the current contract is 10%. This is purely a price increase and is not due to an increase in scope or service.

4.10 There is evidence to suggest however that no increase in budget will be required for this contract. As you will note from 4.3 above there is a planning assumption that around 10 days per month of occupational health referrals will be needed during the contract. During 2009-10 the current run rate is averaging out at 8 days per month. This reduction in the need to use these services is expected to contra out the price increases and as such no additional budget will be provided for this new contract. The Force will monitor this area of expenditure as it does with all expenditure and will divert resources if required, from within current budgets, to ensure that the occupational health needs of our employees are met.

4.11 Diversity & Equal Opportunities

Tender 1 complies with all Diversity and Equal Opportunity issues.

4.12 Human Rights Act

There are no Human Rights Act implications arising from this report.

4.13 Sustainability

There are no sustainability implications arising from this report.

4.14 Risk

There is no risk involved in the award of the contract. However if the Force does not award the contract there is a risk that officer down time is increased due to the Force's inability to provide Occupational Health and Consultancy services.

5. Conclusions

5.1 The procurement process has been completed in line with European Legislation.

5.2 E-Tendering has given an opportunity for all interested parties to participate.

5.3 The tender submission has fully met the specification required by Cleveland Police. The Evaluation Team are confident that the procurement process has achieved Best Value.

5.4 The Contract is to be awarded to Tender 1.

Sean Price
Chief Constable

PC0001174

Occupational Health Contract

SUMMARY ANALYSIS

WINNING TENDER

Number of tenders with same score must be one
1

TENDERER 1 88%

WEIGHTINGS

**PQQ
PRICE**

70%
30%

TENDER NUMBER	PQQ SCORE	PRICE SCORE	TOTAL SCORE
TENDERER 1	67.1%	20.8%	87.9%
TENDERER 2	64.0%	21.7%	85.7%
TENDERER 3	59.4%	24.9%	84.4%
TENDERER 4	56.6%	17.2%	73.7%
TENDERER 5	67.4%	12.7%	80.1%
TENDERER 6	50.9%	30.0%	80.9%