

1. Appendix 1 – Procurement Options Appraisal

	Option and Description	Description	Benefits	Dis-benefits
1	Tender for a Framework Agreement	<ul style="list-style-type: none"> Provider frameworks tend to be a mechanism for spot purchasing over a period up until a maximum of four years. Once the suppliers have been placed onto a framework no new suppliers can be added during the lifetime of the framework. However, the council can set the supplier rates/prices for any length of time as stated, potentially setting price restrictions that result in no change for the life of the contract, (i.e. providers are 'locked in'). 	<ul style="list-style-type: none"> Improved clarity and consistency for market, service users and commissioners. Enables robust test of quality, financial viability and pricing at the framework stage which enables a less resource intensive and more person-centred approach to negotiating individual placement contracts. Potential to increase range and quality of provisions. Framework can be organised into 'lots' to enable different specification and pricing models to be applied to different types of services to meet a range of service user needs. Allows those providers accepted onto the framework to develop and grow their business. More control over pricing by setting maximum or benchmarked prices for different services. Potential to directly award work and carry out mini competitions for individual placements. Potential to implement culture change among providers within the framework. 	<ul style="list-style-type: none"> No guarantee that providers will apply for framework and/or bid for packages. Requires well planned market engagement to understand providers' appetite. Restricts ability to bring in new providers into the framework on an ad hoc basis, which might prevent us from encouraging new market development. Variance in prices at call off stage (unless tight parameters are put in place, or a fixed rate is set). No ongoing competition to drive quality / performance and innovation once the framework agreement is put in place, as it becomes closed to new entrants, and this poses a risk that providers become complacent and there is no motivation to improve quality, practice and price. No obligation to pick up packages – could result in some areas being left without providers bidding for work.
2	Set up a Dynamic Purchasing System (DPS)	<ul style="list-style-type: none"> A DPS is a fully electronic system for setting up and maintaining a list of providers from whom you can purchase as and when required. Unlike framework 	<ul style="list-style-type: none"> A DPS has all the positives of a framework contract with the added flexibility to allow new providers to join the DPS at any time, subject to meeting the quality requirements. There is an increased opportunity to develop new 	<ul style="list-style-type: none"> No guarantee that providers will apply for the DPS and/or bid for packages (though they can apply at a later stage unlike a framework). Requires well planned market

		<p>agreements, suppliers can apply to join the DPS at any point during its lifetime.</p>	<p>provision because suppliers can apply at any time once the DPS is 'live' or enabled, plus if they don't match the selection criteria first time around, they can re-apply if unsuccessful (unlike a closed framework arrangement).</p> <ul style="list-style-type: none"> • New entrants are encouraged to enter into the market and ultimately inclusion onto any DPS arrangement (subject to satisfying qualification criteria) which also can offset instability of losing suppliers and increases competition. • Can be set for a longer period than 4- year standard framework and can include extension options. 	<p>engagement to understand providers' appetite.</p> <ul style="list-style-type: none"> • Variance in prices at call off stage (unless tight parameters are put in place, or a fixed rate is set). • No obligation to pick up packages – could result in some areas being left without providers bidding for work. • More resource intensive to manage for commissioning as potentially more providers to oversee. • It can prove resource intensive to respond in a timely manner to mini competitions. This can restrict the ability of small, good quality providers to engage, however it's a more efficient process than the one currently in place.
3	<p>Develop a hybrid between a framework agreement and a DPS (named Dynamic Purchasing Vehicle (DPV)) (Recommended)</p>	<ul style="list-style-type: none"> • Bespoke process which can be designed / tailored to suit the specific requirements for home care provision. • Utilises the flexibility provided for under the Light Touch Regime to enable the opportunity to open and close at specified points throughout its' lifetime. 	<ul style="list-style-type: none"> • A DPV incorporates all the strengths from both a Framework Agreement and a DPS. • Suppliers will be able to apply to join the DPV at specified points throughout its period of validity, thus reduces the resource required to undertake a conventional DPS process. • Can be set for a longer period than 4- year standard framework and can include extension options. 	<ul style="list-style-type: none"> • As well as the disadvantages listed for a DPS, we cannot guarantee that Providers will bid to join the DPV, however the supported living procurement has proved otherwise.
4	<p>Procure each service or individual placement via block</p>	<ul style="list-style-type: none"> • Rather than putting in a framework, DPS or DPV model, home care would be commissioned via individual contracts. 	<ul style="list-style-type: none"> • Saves an upfront tender process • Can enable very individualised, bespoke services for service users with complex needs (however, this can be incorporated into a DPV through specific lots). 	<ul style="list-style-type: none"> • Very resource intensive for the Council and providers both in terms of procuring individual spot placements and with respect of tendering large block contracts.



	or spot contracts (Current Model)			<ul style="list-style-type: none">• No clear, consistent framework and expectations for services in place. No agreed vision.• Lack of clarity about the provision available in the county.• Contract terms are varied and not fit for purpose in some cases.• Reduces the impact of the Council to manage the market and shape service development throughout the County.
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