

Title: Occupational Health and Counselling Service	
Ward: N/A	Cabinet lead: Councillor Craig Cheney
Author: John Walsh	Job title: HR Consultant

Revenue Cost: £317,000	Source of Revenue Funding: Occupational Health Budget
Capital Cost: £ None	Source of Capital Funding: N/A
One off <input type="checkbox"/>	Saving <input checked="" type="checkbox"/>
Ongoing <input checked="" type="checkbox"/>	Income generation <input type="checkbox"/>
Finance narrative: I confirm the revenue budget of £317k for 2017/18 reducing to £284k in 2018/19	
Finance Officer: Kevin Lock	

Summary of issue / proposal:

- The proposal is to retrospectively sign off the contract to provide the Councils Occupational Health Service which has been awarded to Avon Partnership Occupational Health Service.

Summary of proposal & options appraisal:

- In Sept/Oct 2013 a review of the Occupational Health Medical Service was conducted and the recommendation was to provide a "reduced and slimmer resource" via Outsourcing
- In 2015 the Councils Occupational Health Service (OHS) went out to tender and two bids were received from market leading OHS providers. Both were unsuccessful.
- The Council then sought a partnership with local NHS provider of Occupational Health Services, Avon Partnership Occupational Health Services (APOHS).
- APOHS were awarded the contract from 3rd October 2016
- Following review of the process that was followed to award the contract, it became apparent that the process did not follow the necessary decision pathway required for contracts of this amount. As the contract is now live there is a requirement to obtain a retrospective sign off for the contract to enable invoices to be paid and the service to continue.

Recommendation(s) / steer sought:

- The recommendation is to retrospectively approve sign off of the Occupational Health contract to the preferred supplier Avon Partnership Occupational Health Service

City Outcome: N/A**Health Outcome summary:** Health and wellbeing of employees**Sustainability Outcome summary:** N/A**Equalities Outcome summary:** APOHS are equalities compliant**Impact / Involvement of partners:** N/A**Consultation carried out:****Internal**

With Trades Unions and Senior Leadership Team

External

N/A

Legal Issues:


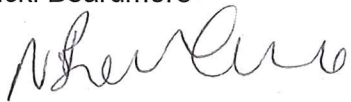

This contract was subject to a procurement exercise with the intention of awarding a contract via the Crown Commercial Service framework. However suitable tenders were not received.

A decision was made to award the contract directly relying on regulation 32(2)(a) of the Public Contract Regulations 2015 i.e. that no tender or no suitable tender were received. This was in compliance with legal requirements

Cabinet authority is now required for this award.

Legal Officer: Nancy Rollason

Policy/Comms Officer: N/A

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Jacquie McGeachie  Date	Nicki Beardmore  Date 19.9.17.	Councillor Cheney  Date 21/9/17

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Exempt Information	NO

Background and Detail on the Proposal

During September and October 2013, a review of the Occupational Health Medical Service was undertaken by Santia Consulting Limited who made the following recommendations for change:

.....reduced and slimmer resource, outsourcing much of the routine services and providing more effective intelligence to support the strategic leadership team in achieving the required health, safety, occupational health and wellbeing standards at a lower cost.

Following this recommendation the OHS went out to tender in 2015, through the Crown Commercial Service, to procure an external provider as a replacement for the current in-house service.

Following the tender process, there were two bids for the OH Contract; however, these were unsuccessful due to:

BID 1

- Not agreeing to provide a Parent Company Guarantee or any other performance bonds, as requested and

- Submitting prices excluding TUPE. When clarification was requested to include TUPE the response was that *"The short contract period and relatively high potential TUPE costs compared with likely contract value means that we are therefore unwilling to give a fixed price including TUPE."*

BID 2

- TUPE issues, there were no rights under or in connection with an occupational pension scheme and this would not transfer under TUPE in the case of redundancy or early retirement.

The Companies, bidding for the OH contract, were two of the market leaders in OHS and repeating the tendering exercise, at a later date, was thought to be unlikely to provide a more favourable result.

Therefore, a decision was made to investigate Partnership working with the local NHS provider of Occupational Health Services, Avon Partnership Occupational Health Services (APOHS).

APOHS are a large, specialist, local provider of services to the NHS and external customers. They are based in central Bristol, in accessible premises, and are easily reached via public transport; there are also public car parking facilities nearby.

In order to provide a comparison between the larger, commercial providers and the local NHS provider, the quality questions asked of APOHS and the Quality Question Scoring were identical to those used in the formal tender process.

As a result of undertaking the comparison process, a recommendation was put forward to the Corporate Procurement Group to award the contract to APOHS with effect from 3rd October 2016.

Cost savings of £166,000 over the length of the contract were provided and the following tasks completed prior to awarding the contract which went live from 3rd October 2016.

- * Preparation of a contract agreement via Procurement
- * Employee consultation
- * TUPE considerations
- * Phasing in period

Following a review of the process that was followed to award the contract, it became apparent that the process did not follow the necessary decision pathway required for contracts of this amount which is circa £300,000 per annum.

As the contract is now live there is a requirement to obtain a retrospective sign off for the contract to enable invoices to be paid.

The process followed to award this contract was in line with Council procurement processes and there is absolutely no evidence that any part of the process fell outside procurement rules, the issue is purely to obtain retrospective approval and sign off from the appropriate stakeholders to award the contract.

