

**Report to CABINET**

# **Occupational Health and Associated Services Contract**

**Portfolio Holder:** Councillor Abdul Jabbar, Cabinet Member for Finance and Corporate Services

**Officer Contact:** Rebekah Sutcliffe, Strategic Director of Communities & Reform

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## **Reason for Decision**

This report seeks approval for the Council's re-contracting of Occupational Health and associated services from 1 April 2020 as part of an GM HR collaboration for the reasons outlined below.

## **Executive Summary**

The Council currently use Occupational Health, Physiotherapy and Employee Assistance (including Counselling) services in order to support employees, meet our statutory obligations and to help reduce sickness absence.

These services are presently delivered, through contract, by Health Management Limited. The Occupational Health element is delivered directly via the supplier, Physiotherapy and the Employee Assistance Programme (EAP) are subcontracted. This contract is a collaborative one entered into by Bolton, Oldham, Rochdale, Stockport, Tameside, TfGM, Trafford and Wigan Councils and the current arrangement terminates on the 31<sup>st</sup> March 2020.

This Cabinet report sets out how the collaboration, now joined by Bury Council, have retendered the contract and selected a preferred supplier.

## **Recommendations**

It is recommended that Cabinet endorse the outcome of the procurement process and approve the Council's commission of Optima Health Limited to provide Occupational Health and Physiotherapy Services and People Asset Management Ltd for the provision on the Employee Assistance Programme over the next 4 years effective from 1 April 2020.

## Occupational Health and Associated Services Contract

### 1 Background

1.1 The provision of Occupational Health services within Local Authorities is a key requirement and satisfies the Council's following statutory obligations:

- Discharging its duty of care towards employees under Health and Safety legislation by ensuring employees are physically and mentally fit to undertake their duties
- Undertaking essential Health Screening as required under Health and Safety legislation and Guidance for Hand Arm Vibration (HAVS), Audiometry and other such screening dictated by the employee's role
- The provision of reasonable adjustments, as required under Equalities legislation, where an employee has a disability impacting on their ability to undertake their duties, and
- Undertaking Ill Health Retirement assessments as required under the Greater Manchester and Teacher Pension Fund Regulations

1.2 At present, the Council contracts Health Management Limited for Occupational Health. Physiotherapy and the Employee Assistance Programme are subcontracted via HML to Connect Ltd and Workplace Wellness respectively.

1.3 In 2019 the collaborative group reviewed the current contract arrangements, the ever-challenging Occupational Health market and our requirement to provide these proactive services to our workforce, it was agreed to retender as a group. Bury and Salford Councils have now also joined the collaborative group for the procurement of the Employee Assistance Programme element of the contract. Following advice from the GM Procurement Hub it was agreed that the group would utilise the existing Crown Commercial Services Occupational Health Services Framework.

This was based on:

- All organisations having an outsourced service
- The majority of service requirements being the same
- A shared view that services provided by the current provider can be inconsistent in quality
- Bury's EAP arrangements expiring at the end of March 2020 and Salford not currently having EAP provision

1.4 Collaborating with other Authorities provides Oldham Council with the following advantages:

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- A more cost-effective Occupational Health Service delivered through greater economies of scale achieved by the successful supplier, and
  - A forum through which benchmarking, the sharing of practice and contract management continued to be made more effective

## 2 **Current Position**

2.1 Prior to inviting suppliers to take part in a mini competition via the existing CCS Framework, work was undertaken by the collaborating bodies to re-specify the service required. This focused on the provision of:

- A modern and efficient service which exploits technologies to improve accessibility, improve turnaround times and reduce costs
- A service better aligned with wellbeing and absence management agendas
- A cost-effective service with transparent pricing, and
- Robust performance management provided by stated service standards and challenging Key Performance Indicators

2.2 Supplier selection took place between the 6<sup>th</sup> November 2019 and 6<sup>th</sup> December 2019 with all collaborating bodies agreeing the outcome of the selection process. Selection included assessment of questions asked via the mini-competition process and extensive clarification responses. The outcome identified Optima Health Ltd as the selected provider for Occupational Health and Physiotherapy and People Asset Management Ltd for the delivery of the Employee Assistance Programme.

## 3 **Options/Alternatives**

### **Option 1 Do nothing**

This is not practically an option and would result in the expiration of the Council's current service provision and lead to the loss of essential services to the Council and those receiving the service under service level agreement (Schools and GMWDA).

### **Option 2 Run a separate procurement process independently**

This would likely result in more costly services and negate the benefits outlined in paragraph 1.4. This will also result in a period of service withdrawal given the timescales in which a new provider is required.

### **Option 3 Award the contract to the preferred suppliers as outlined above**

Continue with the GM Collaboration and contract the services of Optima Health and People Asset Management Ltd for the full contract term of 2 years with the possibility of extension for a further 2 years.

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## 4 Preferred Option

4.1 The preferred and only realistic option is **Option 3**. This is recommended on the following basis:

- The procurement process, led by an Oldham Procurement Manager, on behalf of the GM Collaboration, has been robust, inclusive of all collaborating bodies and identified a more effective service for all collaborating bodies including Oldham.
- The Council has had significant input into the specification of the service and been represented at all stages of selection. The service being procured is fully reflective of the Council's aims and objectives in respect of the service.

## 5 Consultation

5.1 The Oldham Procurement Team has provided advice throughout the process, ensuring that the GM process satisfies all procurement rules and local requirements. Examples of the successful supplier's social value contribution includes

5.2 As this retender will result in a change in supplier for Oldham Council and the other collaboration members. Our Trade Union Representatives, the Human Resources Advisory team, Managers, School Contacts and ultimately the whole workforce will need to be consulted in advance of any operational impact of the transition to the new suppliers.

## 6 Financial Implications

6.1 The preferred option is to continue the GM collaboration and contract services of Optima Health and People Asset Management Ltd.

**[Pam Myrie – Senior Accountant]**

## 7 Legal Services Comments

7.1 The Council, on behalf of the collaboration, has followed Rule 4.1 of the Council's Contract Procedure Rules and used the existing Crown Commercial Services framework agreement to source a provider of OH services via a mini competition. The selected provider has offered the most economically advantageous tender.

**[Elizabeth Cunningham Doyle – Legal Services]**

## 8. Co-operative Agenda

8.1 The service has been designed around continuing manager self-service, empowering managers in this aspect of their staff management. This should continue to impact positively on administrative capacity required. The service's primary focus is to support employees to improve their health and mental and physical wellbeing. This is aligned directly with the Co-operative Agenda and, with 70% of our employees living with the borough of Oldham, and 90% of the GM Workforce living in the Region, will directly impact on resident wellbeing.

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## 9 Human Resources Comments

- 9.1 The service that is to be offered by Optima Health Ltd and People Assessment Management Ltd allows the Council to satisfy its legal and moral obligations towards its workforce. The service provides a platform to support the Health and Wellbeing Agenda and reducing the cost of sickness absence and thus improving the productivity of the workforce. There are no direct implications on the workforce.

**[Paul Dernley – People Services]**

## 10 Risk Assessments

- 10.1 N/a in the context of this approval report.

## 11 IT Implications

- 11.1 This application is managed outside of ICT and has no interface or dependency on ICT. Like in many other organisations it is therefore entirely managed by HR colleagues.

**[Richard Holt – ICT]**

## 12 Property Implications

- 12.1 None.

## 13 Procurement Implications

- 13.1 Occupational Health and Associated Services  
A procurement process was undertaken in accordance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015. These services have been procured via the CCS Occupational Health, Employee Assistance Programmes and Eye Care Framework (RM3795) administered through Lot 2 Occupational Health Services. A Mini Competition exercise was undertaken with suppliers on this Lot invited to submit their bids via The Chest procurement portal. It was out on the Chest Portal advertised for 25 days. Submissions were evaluated against set of criteria threshold, which was set out in the Mini Competition documents.

Based on the outcome of the Evaluation process, Commercial Procurement Unit recommends that the award of the contract to Optima Health having demonstrated that their organisation have submitted the most economically advantageous tender, which demonstrated the capability and quality elements within their bid. The Tender price submitted falls within the financial envelope.

### Employee Assistance Programme

These services have been procured via the CCS Occupational Health, Employee Assistance Programmes and Eye Care Framework (RM3795) administered through Lot 3 Employee Assistance Programmes. A Mini Competition exercise was undertaken with all suppliers in this Lot, they were invited to submit their bids via The Chest procurement portal.. It was out on the Chest Portal advertised for 25

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days. The submissions were evaluated against set of criteria thresholds, which was set out in the Mini Competition documents.

Based on the outcome of the Evaluation process, Commercial Procurement Unit recommends that the award of the contract to People Asset Management having demonstrated that their organisation have submitted the most economically advantageous tender, which demonstrated the capability and quality elements within their bid. The Tender price submitted falls within the financial envelope.

**[Mohammad Sharif – Strategic Sourcing]**

**14 Environmental and Health & Safety Implications**

14.1 None.

**15 Equality, community cohesion and crime implications**

15.1 None.

**16 Equality Impact Assessment Completed?**

16.1 No, the service will be offered equally across the Council.

**17 Key Decision**

17.1 Yes

**18 Key Decision Reference**

18.1 FCS-01-2

**19 Background Papers**

19.1 Occupational Health and Associated Services Specification

**20 Appendices**

20.1 None