

Category Management Engagement Form

HEALTH SERVICES ONLY

Prior to any new project starting or supplier being set up, service leads should familiarise themselves with the Contract Procedure Rules prior to completing this form and sending it to categorymanagement@medway.gov.uk.

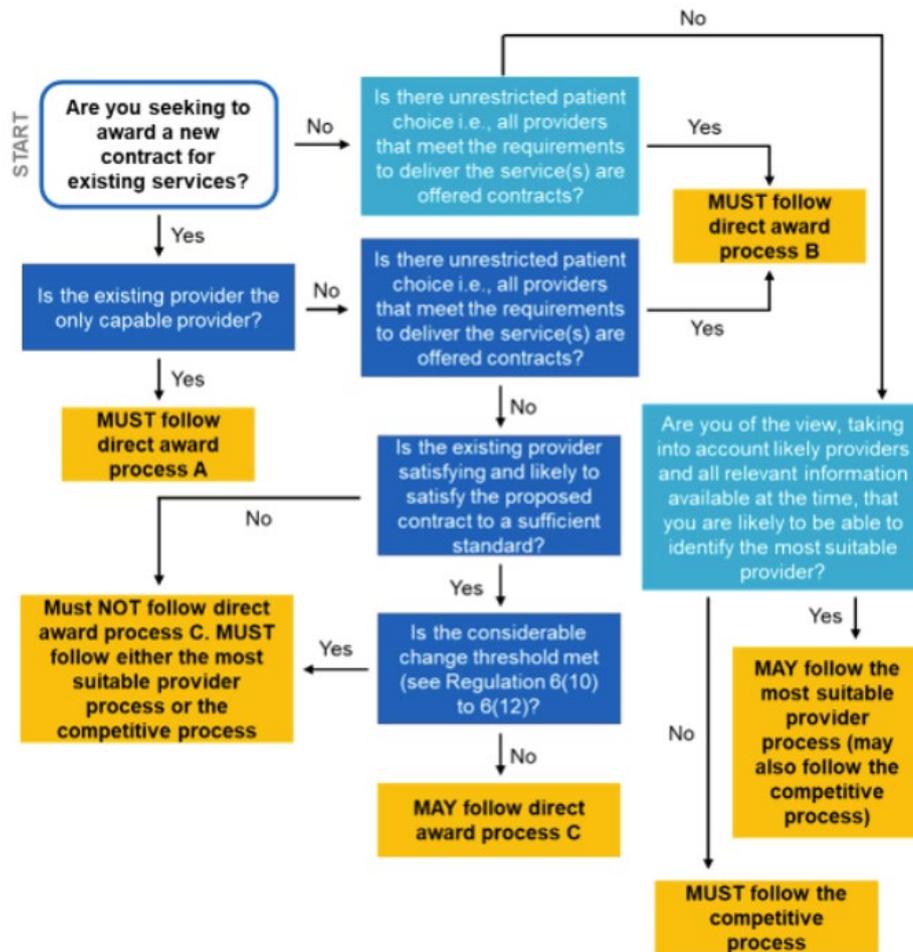
Further procurement guidance and support can be found [here](#).

The procurement of health services is subject to the Provider Selection Regime (PSR) regime which came into force from 1 January 2024. Note this engagement form is applicable to health services only which are in scope of this regime.

Detail	Response
Client Department	[Enter text]
Client Lead	[Enter text]
Head of Service	[Enter text]
Assistant Director	[Enter text]
Portfolio Holder	[Enter text]
Project Name	[Enter text]
Project Short Description	[Enter text]
CPV code(s) applicable to the requirement (see Annex A of this link)	[Enter text]
Project Budget	[Enter Value]
Is this a mixed procurement, i.e. does the requirement also contain goods or services which are out-of-scope of PSR? If Yes, which is higher - the estimated lifetime value of the health care services or the estimated lifetime value of the other goods or services?	[Yes/No] If Yes, please provide details: [Enter text]
Project Cost Code	[Enter 16 Digit Cost Code]
Is this a key decision? A key decision, and therefore one which would constitute high risk, is an executive decision which is likely: A. To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or B. To be significant in terms of its effects on communities living or working in an area comprising two or more wards in Medway.	[Yes/No]
Is this a Statutory service? <ul style="list-style-type: none"> • If 'yes', what legislation governs it? • If 'no', why is it being suggested? 	[Yes/No] <ul style="list-style-type: none"> • [Enter text] • [Enter text]
Using the decision-making flow chart in Appendix A of this document which process is proposed?	Delete as appropriate: [Direct award Process A] [Direct award Process B] [Direct award Process C] [Most Suitable Provider] [Competitive Process]
If Direct Award Process C is proposed has the threshold for 'considerable change' been met as outlined in Appendix C?	[Yes/No with justification or N/A]

Note: officers must answer and evidence 'no' to this, or they invalidate their ability to proceed with this process.	
Except for the competitive process, provide supporting justification and evidence including as a minimum, but not limited to the following: (1) providing value for money, (2) proposed application and weighting of the key criteria (for direct award C and most suitable provider processes) (3) evidence of the incumbent satisfying the current contract (direct award C and most suitable provider processes) (4) why, for processes marked as 'may', they have been opted for, specifically outlining what benefit(s) this will have over a competitive process.	[Enter text in same number order] (1) [Enter text] (2) [Enter text] (3) [Enter text] (4) [Enter text]
Category Management Comments:	[Enter text]
Service Area Authorisation – Client lead to obtain	
Assistant Director Signature	
Category Management Authorisation – Category Management use only	
Head of Category Management Signature	
Allocated Officer	[Enter text]
Engagement Form Reference Number	[Enter text]
Sub-LTR Threshold (£663,540) projects proposing Direct Award Process C or Most Suitable Provider authorisation – Monitoring Officer use only	
Monitoring Officer Signature	

Appendix A: Provider Selection Regime decision making flow chart:



Appendix B: Application of the award processes

a. Direct Award Process A

Direct award process A is for situations where:

- there's an existing provider **and**,
- there's no realistic alternative due to the nature of the health care services.

When the above two conditions are true, direct award process A **must** be used.

To clarify, this process cannot be used to award a newly established service nor to establish framework agreements.

b. Direct Award Process B

Direct award process B is for situations where:

- Patients are offered a choice of providers,
- The number of providers is not restricted (i.e., a DPS),
- The Council has arrangements to enable providers to express an interest to deliver,
- The Council offers a contract to all eligible providers.

Where the above conditions are all true, direct award process B **must** be used.

Direct award process B can be used to award existing and newly established services but cannot be used to establish frameworks.

c. Direct Award Process C

Direct award process C is for situations where:

- There's an existing provider whose contract is ending,
- The proposed new contracting arrangements are not changing considerably,
- The Council is of the opinion that the existing provider is satisfying the original contract and is likely to satisfy the new contract,
- The Council does not need to follow direct award processes A or B.

Where the above conditions are all true, direct award process C **may** be used.

Direct award process C cannot be used for a newly established services, nor can it be used to establish a framework.

d. The most suitable provider process

The most suitable provider process is open to Councils who:

- Are not required to follow direct award processes A or B and does not wish to or cannot follow direct award process C,
- Is of the view whilst considering all likely providers and all relevant information available, that they are likely to identify the most suitable provider.

Where the above conditions are true, the most suitable provider process **may** be used.

The most suitable provider process cannot be used to establish a framework.

e. The competitive process

The competitive process is reserved for Councils who:

- Are not required to follow direct award processes A or B,
- Cannot or does not wish to follow direct award process C,
- Wishes to establish a framework agreement or similar i.e., a DPS.

Where all the above conditions are true, the competitive process **must** be used.

Appendix C: Considerable Change

1. The threshold for considerable change **is met** (and therefore **direct award process C cannot be followed**) if:

a) it renders the proposed contracting arrangements materially different in character to the existing contract when that existing contract was entered into

or:

b) it meets all the following:

- the change, (to the proposed contracting arrangements as compared with the existing contract), is attributable to a decision made by the relevant authority
- the lifetime value of the proposed new contract is at least £500,000 higher (i.e., equal to or exceeding £500,000) than the lifetime value of the existing contract when it was entered into
- the lifetime value of the proposed new contract is at least 25% higher (i.e., equal to or exceeding 25%) than the original lifetime value of the existing contract when it was entered into.

2. The considerable change threshold **is not met** (and **direct award process C can be followed**) where either:

- The material difference in character from the existing contract applies solely as a result of a change in the identity of the provider due to succession into the position of provider following corporate changes (e.g., takeover, merger) and the value elements of the considerable change threshold are not met.

OR

- The proposed contracting arrangements are not materially different in character to the existing contract when that existing contract was entered into, and the following three points all apply:

- the changes in the relevant health care services to which the proposed contracting arrangements relate (compared with the existing contract) are attributable to a decision of the relevant authority; however, that decision had to be made due to external factors beyond the control of the relevant authority or the provider, such as changes in patient or service user volume or changes in prices in accordance with a formula provided for in the contract document

- the lifetime value of the proposed contracting arrangement is £500,000 or higher than the lifetime value of the existing contract when it was entered into

- the lifetime value of the proposed new contract is 25% or higher (i.e., equal to or exceeding 25%) than the original lifetime value of the existing contract when it was entered into).