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Optimisation of the purchasing process of support needs in municipalities

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Summary

Introduction: On 1st of January 2015 the youth support and the social support act (Wmo 2015) decentralized to the municipalities. Purchasing social care was a completely new task for the municipalities. Furthermore, the context of purchasing social care is complex (public procurement, service purchasing and the service triad). This combination has led to multiple challenges in purchasing social care for municipalities.

Purpose: There is limited research available on purchasing social care in the Netherlands after the decentralization, especially practical research, because the decentralization happened just five years ago. The goal of this research is to provide municipalities tools to improve their purchasing process. This leads to the research question: *"How can a commissioning model and purchasing process be shaped in order to optimize a purchasing process of the social care in regions in the Netherlands?"*.

Design: This research is a case study. The case study is performed on the purchasing process in the region of Twente. This region chose to use the catalogue-model as commissioning model. The catalogue model is used by 67% of the municipalities in the Netherlands. To answer the research question, 14 interviews are conducted with purchasing advisors, supervisors of quality, contract managers and legal advisors. Moreover, documents/reports, meetings, and quantitative data of the region of Twente is used to validate and substantiate the results of the interviews.

Findings: The challenges perceived by the interviewees are the low barrier to get a framework contract, a large number of providers, and difficulties with checking, monitoring and managing the quality of the providers. The most important methods to manage the low barrier are to increase the barrier to get a framework contract by checking document beforehand and concretize the specifications. To limit the number of providers, methods as contracting a maximum number of providers or maximum capacity and purchasing fully integral (providers offer youth support and support from the social support act) can be used. The methods to optimize the management and monitoring of the quality are more active contract management, proactive supervision of quality and developing a risk profile. These methods can be used to optimize the purchasing process. Important to take into

consideration, are the direct and indirect effects of a method on challenges and that the effect of the methods should fit in the policy of the municipalities.

Value: This research contributes to literature that performance measuring and supplier monitoring is a challenge of the catalogue model. Moreover, this research is an empirical research, so this adds value to the limited research available on this topic. Last but not least, this research gives insight and guidance for municipalities with the same kind of challenges.

Table of contents

Index of figures

Index of Tables

1. Introduction: Purchasing social care lead to multiple challenges for municipalities

From the 1st of January 2015, youth support and the social support act (Wmo) became the responsibility of the municipality, instead of the responsibility of the government, province and the healthcare insurance (NOS, 2019). The youth support, social support act and the participation law together are called the social domain (Cohen, 2017). The government decided to decentralize the social domain based on multiple reasons. The first reason was that decentralisation should lead to less regulatory pressure for the citizens with a support need. Furthermore, with the decentralisation of the social domain there is one contact point for the citizens and the cash flows will be easier to display, which should lead to lower costs. The last reason to decentralize social care was that decentralisation should lead to support needs which fit better to the citizens' world. (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2019). So, the goals of the decentralization were to reduce the increasing cost, increase the quality of the care services, to provide tailored-care based on individual preferences, create shared-decision making and to give citizens with a support need freedom of choice for providers. (Uenk, 2018)

For the Dutch municipalities, this was a large and important change. The financial impact of the decentralization on the municipalities is large, with around 50% of the budget. These new responsibilities of the social domain are also large and important, because this kind of care aims to support the most vulnerable people to participate in the society. The severity of misspecification or errors in purchasing social care is much higher, because these care services are delivered to vulnerable citizens. (Uenk, 2018)

Besides the new task and the 50% increase of the budget of the municipalities, purchasing social care has a complex context. The complex context of the purchasing process of social care consist of different aspects. In this research, the purchasing process is defined as the process of the specification, selection, contracting, ordering, monitoring and the after-care/evaluation phase (van Weele, 1998). The ordering, monitoring and after-care/evaluation phase are also called contract management. In this thesis, social care is defined as care from the social support act (Wmo 2015) and youth support. The first aspect, which makes the purchasing process for social care complex, is public procurement and the European

legislation of public procurement. Furthermore, the products purchased in this context are services. Service purchasing is more complex than purchasing products, because of the interactive nature of services (explained in 2.1.2). Another aspect is that there is a service triad in purchasing social care. The buyer (municipality) buys from the suppliers (social care providers) and the supplier delivers the service to the end-buyer (citizens with a support need). The fourth aspect, is that municipalities mostly purchase the social support act and the youth support in one purchasing process (partly integral) (Uenk, 2018, Wind, Uenk, & Telgen, 2020). A social care provider can provide youth support or support from the social support act, but there are also social care providers who provide both types of care. Which results in a purchasing strategy and process that should fit to all kinds of care within the social support act and youth support. The fifth aspect is that municipalities have to purchase social care services with high quality, effective, and innovative care while at the same time the budget of the social domain is decreased by 12 to 32%, depending on the type of care (Wind, Uenk, & Telgen, 2020). So, the growth of 50% of the total procurement budget, the complex context of the purchasing process and the completely new tasks with a large responsibility have led to complex new task for the municipalities. (Uenk, 2018)

According to literature, the municipalities experience problems with purchasing social care and to reach the goals of the decentralisation. Multiple municipalities have problems with striving for high quality, effective, innovative and affordable social care services. (Uenk, 2018) Furthermore, the research of Van Hees et al. (2018) found that the opinion of young people is that the municipalities do not succeed in fitting the support needs to the real world of the inhabitants with a support need. Also, according to Minister De Jonge, more order, calmness and regulations need to be created for purchasing youth support. This can be reached by cooperation of multiple municipalities, so the social care providers have less different requirements from the different municipalities. (NOS, 2019)

Several studies have been conducted with regard to the challenges and methods to manage these challenges in public procurement, service procurement and service triads (Wind, Uenk & Telgen, 2020, Li & Choi, 2009, Uenk, 2018). Furthermore, research is done with different commissioning models of social care services after the decentralization used in Dutch municipalities and the corresponding challenges to each model (Uenk,2018). A commissioning model is defined as: “a model in which the municipality or municipalities

shapes the outsourcing relationship(s) with its supplier and reflects a specific combination of strategic choice made, such as scope of the contracts, implicit and explicit risk allocation, and incentives for social care providers (Uenk, 2018, p. 33)". But there is no empirical research executed on how to minimize the challenges of the purchasing process and the commissioning model in the complex context of social care in the Netherlands. Moreover, the methods to manage the challenges for the complex context, public procurement, service procurement and service triads are mostly research which are not empirical or performed in a different context. The intended contribution to literature is to find empirical data and methods to minimizing challenges of a commissioning model and optimize the purchasing process with the complex context of social care in the Netherlands. This leads to the research question:

"How can the commissioning model and purchasing process be shaped in order to optimize a purchasing process of the social care in regions in the Netherlands?"

To answer the research question, a case study will be performed. For the case study, the region of Twente is chosen, because this region purchases and monitors youth support and the social support act with fourteen municipalities together as preferred by the Dutch government (NOS, 2019). The municipalities work together and this cooperation is called OZJT. The goal of this cooperation is to organize procurement, contract management, monitoring, and expertise more efficiently, so the municipalities can realize a sustainable and affordable social care system for their residents. (OZJT, n.d.-a) By joint commissioning, the municipalities have a strong position in the conversation with social care providers. Next, it is also attractive for social care providers to register on the tender, because the providers register for all municipality at once. (OZJT, n.d.-b) Furthermore, this municipality use the most used commissioning model type, namely the catalogue model. This model is used in 67% of all municipalities in the Netherlands (Wink, Uenk, 2019).

To answer the research question, the challenges and the methods to optimize these challenges need to be researched. First, a literature review is performed to find the challenges of the complex context of purchasing social care (public purchasing, EU legislation in social care service purchasing, service purchasing, service triads) and the commissioning models. After the literature review of the challenges in the complex context and the commissioning models, the purchasing process of this case is reviewed. Moreover, the commissioning model used by the region of Twente is explained in this section. After the description of the case, the theory of the challenges is applied to the case and a model with the expected challenges is developed. To optimize the commissioning and purchasing process of the region of Twente, these challenges need to be managed. A literature review is performed on the methods to manage the expected challenges. Based on this review and the review of the expected challenges, a research model is developed. In this research model, the expected challenges and the corresponding methods to manage these challenges according to literature are shown. In chapter five, the research type, data collection, sampling and data analysis is described. Thereafter, the results of this research are shown in two steps. The first step are the experienced challenges and the second step are the methods to manage the experienced challenges according to the interviewees. Finally, a new model with challenges experienced by employees of the municipalities and the methods to manage these challenges according to them will be developed. Furthermore, in chapter eight, a discussion on the findings shall further elaborate the results, reliability, and further research recommendations. A visual overview of the research process can be found in figure 1.

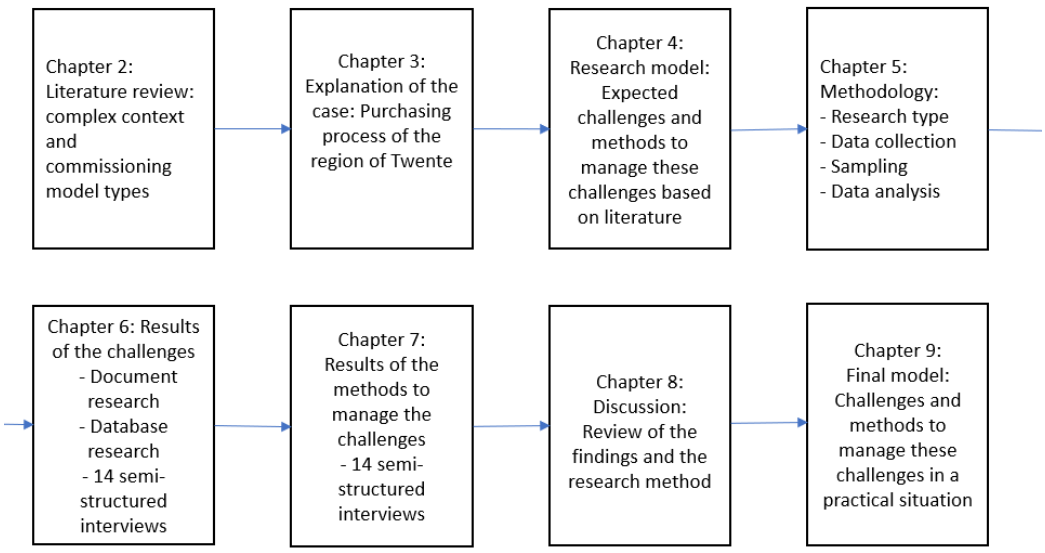

Figure 1. Research process

2. Theoretical framework: The complex context of purchasing social care and the different commissioning model types.

In this section, a literature review on the existing literature will be given. First, literature of the complex context of purchasing social care service will be discussed in different parts (public purchasing process, the EU legislation around public purchasing, service purchasing, service triads). Second, the commissioning models and procurement procedure types used by Dutch municipalities will be described. Furthermore, the corresponding challenges and benefits to the commissioning models and procurement procedure types will be discussed.

2.1 Complex context of purchasing social care services in the Netherlands

2.1.1 Public procurement process is more complex then private procurement because of the external, internal, context and process demands.

The first aspect of the complex context for purchasing social care is public procurement. In this section the difference between public procurement and private procurement is explained. Furthermore, the extra complexity of public procurement based on the different demands will be explained.

Public procurement is different than private procurement (Stentoft Arlbjørn & Vagn Freytag, 2012, p. 205) Public procurement is defined as: “purchases by government or public entities of goods, services and works” (McCrudden, 2007, p. 2). One of the differences is that in public procurement, the customers of the goods, services or works are also the citizens of the municipality, region or country, so the target groups are identified by rights and not by segmentation. Moreover, the changes in the purchasing process or the services purchased are mostly more political driven than demand driven. Another important thing to take in consideration, especially in the context of social care, is that services are mostly defined by politicians and experts. So, not by the users of the service. (Stentoft Arlbjørn & Vagn Freytag, 2012)

In the research of Telgen et al. (2007), the differences are divided into four groups (external demands, internal demands, context demands, process demands). The external demands are transparency, equality, accountability, and integrity. These demands are commissioned by

EU Directives (2004/18/EC). Furthermore, in public procurement exemplary behaviour is required from public entities. In the study of Telgen, Harland and Knight (2007, p.17), transparency, in the context of public purchasing, is the ability of all interested participants understand the actual means and processes by which contracts are awarded and managed. This implies equal opportunities for all bidders. Accountability is referred to as municipalities and their officers must be accountable for the effectiveness, efficiency, legal and ethical manner in which they conduct the procurement (Telgen, Harland & Knight, 2007, p.17). Exemplary behaviour means that the government (in this case the municipalities) is expected to set an example, in terms of ethical standards, efficiency and effectiveness of their own operations. (Telgen, Harland & Knight, 2007, p.17)

Another difficult aspect of public procurement are the internal demands, as there are many goals at the same time, political goals, and multiple stakeholders. The public entity does not only serve their internal goals, but at the same time on the same issue the general public which the public entity is supposed to serve. (Murray, 1999), (Telgen, Harland & Knight, 2007, p.17) Furthermore, there are political goals and interest. The different stakeholders which should be taken into account in public procurement are the citizens, taxpayers, electorate, elected, officials, management, and procurement officers. These stakeholders could have different objectives. (Murray, 1999) But even when they share an objective, the interests in that objective could be conflicting. (Telgen, Harland & Knight, 2007, p.18)

The contextual demands of public procurement are: budget driven, open budget, interdependent budgets, and cultural-specific setting. The budget determines, at least partly, what is procured, because changing the budget requires a major organizational upheaval (Telgen, Harland & Knight, 2007, p.18). Furthermore, the budget is open to the general public and the suppliers which change the relationship between the buyer (public entities) and supplier (Telgen, Harland & Knight, 2007, p.18). Another contextual demand is cultural-specific setting, because most of the employees of a public organization are concerned with the public interest. This causes risk aversion and a tedious decision-making process (Johnson et al., 2003), (Telgen, Harland & Knight, 2007, p.18)

The fourth demand group consist of process demands, which are: rules & procedures, long-term relationships, co-operating with other public entities. Public procurement should be executed by strict rules, regulations, and organizational procedures at various levels (from EU directives to local political choices). (Telgen, Harland & Knight, 2007, p.18)
Moreover, long-term relationships with suppliers are difficult in public procurement, because of the rules and regulations. This can cause some concerns, because public entities deal by nature with some very important long-term investments (Telgen, Harland & Knight, 2007, p.19). The last process demand is cooperating with other public entities. There are no legal or commercial reasons against cooperating, but the process costs could be minimized by cooperating with other public entities (Telgen, Harland & Knight, 2007, p.19)

Table 1. Dimensions of extra complexity in public procurement

Research	Demands	Extra complexities in Public procurement
Stentoft Arlbjørn & Vagn Freytag (2012)	Internal demands	Target group are identified by right, not by segmentation
	Internal demands	Political driven instead demand driven
Telgen, Harland & Knight (2007)	External demands	EU-directives (transparency, equality, accountability and integrity), exemplary behaviour
	Internal demands	Many goals at the same time, political goals, many stakeholders
	Context demands	Budget drive, open budgets, mutually dependent budget situations and cultural settings
	Process demands	Strict limits by rules & procedures, difficulties with long term relationships, possibilities for cooperating with other public entities

2.1.2 Lightened regime in EU legislation: Purchasing according to the fundamental principles; transparency, equality, accountability and proportionality.

Public procurement has multiple differences and extra complexities compared to private procurement as explained in the previous section. An important demand is the external demand: EU-directives or in other words the public procurement law. Through EU-directives for public purchasing, it is obligatory, above a certain threshold, for the public entities to publish their tender on a public site, TenderNed. Moreover, the EU-directives prescribe fundamental principles for all public entities in the EU, as transparency, equality, accountability and proportionality. The objectives of the EU-directives are to support the internal market in the EU and stimulating competition by using the same legislation for all EU members.

The public procurement law is different for purchasing social care than for other works, goods or services. The reason behind this differentiation is that social care services have a national characteristic and are strongly related to cultural tradition and norms and values of the EU Member States. Therefore, the EU decided to use a lightened regime for these services. The lightened regime means that government can create their own procurement procedure in the Netherlands, as long as it does not conflict with the Treaty on the Functioning of the EU and the fundamental principles of public procurement law (transparency, equality, accountability and proportionality).

In the lightened regime, the government needs to publish their tender on TenderNed in case the value of this tender is above 750.000 euro (Uenk,2018). So, below the threshold, a negotiated procedure without prior publication can be used. A negotiated procedure without prior publication is a procedure whereby a limited number of provider (mostly incumbent) will be invited to submit an offer. The contract in this type of procurement procedure are mostly built on a standardized set of services and condition. Furthermore, there is some negotiation about the fee-for-service contract tariffs. (Uenk,2018)

Above the threshold an open competitive procedure is obligated. In an open competitive procedure, the municipality publishes a tender on TenderNed. In this tender, the exclusion grounds, suitability criteria, condition and service specification and information with respect to the tender procedure itself are published. In an open competitive procedure, municipalities publish the award criterion in the tender and the offer(s) which are Most Economically Advantageous tender (MEAT) will be awarded. This procedure can be used to select a

limited number of providers, but also for framework contracts (awarding every provider which meet the quality criteria). (Uenk,2018)

In the lightened regime, the central government is allowed to develop regulation for social care. The Dutch central government does not have regulations for purchasing social care from the social support act. This means that there is a wide variation of possibilities to develop a commissioning model and procurement procedure for the municipalities, because there are no standardized procurement procedures or standardized criteria for a procurement process. A challenge of having no additional national regulations is that social care providers need to fill in all kinds of different procurement procedures, as they would like to deliver care in more than one municipality. Which means that the administrative burden increases for the social care providers. (Uenk, 2018)

Furthermore, the municipality is a monopolist in the market of health and wellbeing for most activities. This means that the municipality is the only requesting party for these kinds of care. The consequence of this is that the municipalities determine over a longer period which social care providers remain financially vital and which not. So, the municipality can determine how the market develops and which providers survive over a couple of years. Therefore, it is important for the social care providers that the European procurement law will be executed, because the social care providers will have an equal chance to continue their business. (OZJT, 2016) Furthermore, it is important for the municipality to take this into account with their tendering process and policy.

Table 2. Specialities of social care procurement compared to public procurement based on EU-directives and market position

Public procurement	Social care procurement
EU-directives	Lightened regime EU-directives
International market	National market
Buyer is mostly not the only customer of a product	Buyer (public entities) is the only customer of the product, so monopolist in region

2.1.3 The interactive nature of services makes purchasing services more complex than purchasing goods or works

Public entities purchase goods, works and services. Purchasing social care means purchasing a service. Purchasing services is different than purchasing goods or works and is considered as more complex. Van der Valk & Rozemeijer (2009) argue that the additional complexity of service purchasing is mostly related to the interactive nature of these services. Axelsson & Wynstra (2002) argue that the characteristics of services; heterogeneity, intangibility, perishability and simultaneity cause the additional complexity of service purchasing. To oversee the additional complexity of service purchasing, the similarities and differences between purchasing services and goods will be shown.

According to van der Valk & Rozemeijer (2009) the similarities between purchasing goods and purchasing services are mainly in the selection phase and the contracting phase. Their research states that these phases do not differ a lot from purchasing goods.

The largest differences are found in the specification phase, the monitoring phase and evaluation phase. (van der Valk & Rozemeijer, 2009) According to the research of Jackson et al. (1995), determination of quality of services is more difficult than determination of quality for goods. So, for service purchasing it is more complex to develop complete and accurate specification. Furthermore, preparing for a detailed service level agreement takes more time and effort. (van der Valk & Rozemeijer, 2009). Moreover, according to Jackson et al. (1995), a higher degree of collaboration between the buyer and the seller is needed for purchasing services. Evaluating and monitoring the performance of services providers is more complex, because of the interactive nature of services. (Fitzsimmons et al., 1998 and Van der Valk & Rozemeijer, 2009)

Another complexity of service purchasing in the context of social care is the triadic structure. In manufacturing, the buyer buys a supply from the supplier and sells it to their customer (S→B→C). In service purchasing the buyers buys the service from the supplier, which provide the service directly to the customer. This will be explained in the next paragraph.

Table 3. Overview of additional complexity and challenges of purchasing services

Additional complexity of purchasing services
Interactive nature
Difficult to determine quality
Difficult to develop complete and accurate specifications
Difficult to development of Service Level Agreement
Higher degree of collaboration between buyer and seller needed
Difficulties with monitoring and evaluating the performance of a service

2.1.4 The service triad between municipality, social care providers and the citizen with a support need make purchasing social care complex

Service triads in social care services are an important aspect to consider and can lead to multiple important challenges. A service triad is when the buyer buys from the supplier, which provide the service to the end-customer (Van der Valk et al., 2009, Van der Valk & Wynstra, 2012 and Uenk, 2018). In this context, the municipality buys social care from the social care providers, which provide the care to the citizens with a support need. This context leads to a triangle situation as shown in figure 2.

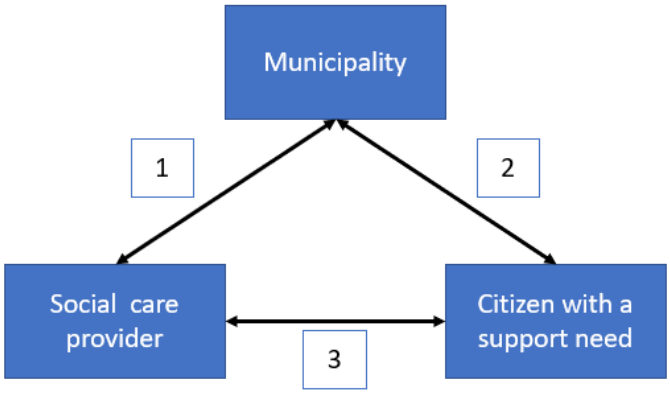

Figure 2. Service triad in social care context

The dynamic between the municipality, social care provider and the citizen with a support need is changing during the process. In the beginning, there is only contact between the municipality and the social care provider (line 1), and the municipality and the citizen with a support need (line 2). The municipality has a so-called bridge position, which provide the municipality strong advantages as having information and control. (Burt, 1994), (Burt,

2000a). In this situation, there is no relation between the social care provider and the citizen with a support need, so line 3 does not exist yet. The relation between the citizens with a support need and the social care provider starts when the provider starts to deliver the service. This process is called the bridge decay (Li & Choi, 2009, Vedel et al, 2016). A bridge decay is known to reduce the advantages of the bridge position for the municipality, but is also not preventable. When the municipality has (almost) no relation with the citizen with a support need during the period of receiving care, the bridge position will transfer to the social care provider. Which is known to lead to a higher risk of opportunistic behaviour from the social care provider. (Li & Choi, 2009, Uenk, 2018) Another important challenge in a service triad in this context is to manage the quality of the social care services. Important to note is that the buyer knows the preferences of the service not at first hand, but via the citizens with a support need. Moreover, the buyer does not experience the care by itself. So, there is a need to closely monitor to increase the quality of the service and fitting it to the preferences of the citizen. (Uenk, 2018, Van Der Valk & Van Iwaarden, 2011)

Table. 4 Overview of additional complexities and challenges based on the service triadic structure

Difficulties of a service triad for social care
Hard to stay in control
Difficulties with staying in a position which offers a lot of information
High risk of opportunistic behaviour from care provider if municipality do not have frequent contact with citizen
Difficulties with managing the quality of services, because buyer does not experience the service by themselves

2.2 Commissioning models used by Dutch municipalities are the AWBZ-model, population-based model, catalogue model and the client auction model

This section is based on the PhD thesis of Niels Uenk, commissioning of social care services. (Uenk, 2018, ch.4) This research explains that there are four types of commissioning models used for outsourcing social care by Dutch municipalities. A commissioning model is defined as: “a model in which the municipality or municipalities shapes the outsourcing relationship(s) with its supplier and reflects a specific combination of strategic choice made, such as scope of the contracts, implicit and explicit risk allocation, and incentives for social

care providers (Uenk, 2018, p.33)". There can be small differences in the used model for each municipality.

Each model has its own section in which the key aspects (contract type, number of suppliers, kind of competition, extent of choice freedom and reimbursement type) are explained. Also, the benefits and the challenges of each model are discussed. After the explanation of the key aspects, benefits and challenges of each model, an overview of the four models based on the key aspects and on the benefits and challenges is given.

2.2.1 Explanation and the challenges and benefits of the AWBZ-model: Limited providers cover all care in a municipality

Explanation of the AWBZ-model

The AWBZ-model is a model in which the same manner of purchasing social care services is used as before the decentralization. In this commissioning model, negotiation procedure without prior publication is mostly used. Which means that a limited number of providers get an invitation for offering a request for quotation (RFQ). These invited providers are mostly incumbent providers. After the RFQ, usually each of the contracted provider gets a maximum annual budget and will be paid with fee-for-service reimbursement. In this commissioning type there is no actual competition over contracts, because almost each invited provider gets a contract.

Benefits of the AWBZ-model

The first advantage of the AWBZ-model is the continuity of existing policy and practises. This means that the clients who already received care will notice a little or no change and mostly can stay with their care provider. In other words, the AWBZ-model leads to relational continuity. Furthermore, this model is easy to adopt for municipalities, because they can mostly copy-paste the old AWBZ commissioning method. Another advantage is that it is possible to build a collaborative relationship with a small number of providers. The last advantage of this model is that there is control over the budget, because the maximum budget is established beforehand.

Challenges of the ABWZ-model

The annual budget in combination with the fee-for-service reimbursement can lead to overproduction. The providers would like to reach the maximum budget, because otherwise the budget will be cut next year and they can earn more when they reach the maximum budget. Fee-for-service reimbursement is an incentive to reward volume (Miller, 2019). In theory, the annual budget allocation should prevent this, but this could also lead to waiting lists, which are undesirable in social care services. Furthermore, the position is the service triad is weak because in this model the contact between the municipality and the client is limited. Moreover, the goals of the decentralization do not seem to fit to this model. This model will not lead to more tailored care, better integration of different types of social care services, choice freedom and more affordable care.

Table 5. Overview of benefits and challenges of the AWBZ-model

Benefits	Challenges
Continuity of existing policy and practices	Risk of overproduction or waiting list
Relational continuity for clients	Little choice freedom
Control over budget	No incentive to more tailored care
Building a collaborative relationship	No development of market structure
	Weak position in the service triad

2.2.2 Explanation and the challenges and benefits of Population-based model: all clients get one provider in a region

Explanation of the population-based model

In this commissioning model, the municipalities have chosen to outsource the care from the social care services to one main contractor per district of the municipality for social care. Which means that the number of districts is equal to the number of care providers, so a limited number of providers will be contracted. These providers get a yearly fixed budget, based on their population. The invited providers for the mostly negotiated procedure without prior publication are generally incumbent providers. But there is some competition before awarding the contracts.

Benefits of the population-based model

The most important advantage of this model is the collaborative relationship with the provider(s). This is possible, because there is/are one or a few providers contracted. Moreover, the municipality outsources controlling the sub-contractors and giving indications to clients. Another advantage is that this model leads to opportunities for integrated care provision, because the provider coordinates different types of social care that is needed for a citizen with a support need or a family with support needs (O'Flynn et al., 2014) Moreover, this model leads to management continuity which means that there is a coherent approach of the management of a health condition that is responsive to a patients' changing needs (Haggerty et al., 2003). The last advantage is that there is an annual budget. This budget is based on the population of the district. The cost can be controlled quite easily, because of the fixed annual budgets. Furthermore, the annual budget is an incentive for the provider to strive for early signalling and prevention rather than treatment (Billing & de Weger, 2015).

Challenges of the population-based model

The most important disadvantage is that this model creates a monopolist or oligopoly market for the main contractor(s), which results in a market without competition. But also creates a situation where the municipalities rely too much on the contracted provider. In cases where the provider exits or fails, it is difficult to contract a new provider in this kind of market. Moreover, the disruption of the market makes it difficult to switch to another commissioning model. This model also creates a vulnerable position for sub-contractors of the main provider. These contracts are also less visible for the municipalities, which leads to a lack of transparency and deterioration of the municipalities' information position. In other words, in this model the position in the service triad is for the main contractor strong (bridge position) and for the municipality very weak. Moreover, there is no freedom of choice for clients in this model, which is required by the Wmo 2015. The last disadvantage is that the lump sum budget payment is a financial incentive to provide less support to citizens. Less care providing and less extensive care entitlements leads to a higher profit margin for the main contractor. In this situation, while there is no independent case manager, this increases the risk of skimping (reduction of amount of care services) and dumping (refusing social care or pushing client toward other financers). (Ellis, 1998) Important to note is that according to the research of Billings & de Weger (2015) there is no evidence of effectiveness of this model.

Table 6. Overview of benefits and challenges of the population-based model

Benefits	Challenges
Collaborative relationship with provider	Vulnerable position for municipality
Opportunities for integrated care	Vulnerable position for other social care providers
Cost control	No freedom of choice
Reduced coordination efforts	Creates a market with a monopolist or oligopoly
Incentive for prevention	Difficult to switch from main provider or to another commissioning model
	Weak position in service triad
	Difficulties with monitoring the suppliers

2.2.3 Explanation and the challenges and benefits of catalogue model: Clients can choose a social care provider who has a framework contract

Explanation of the catalogue model

This model is totally different than the earlier types discussed. In this model, all healthcare providers who meet the required quality criteria can get a framework contract. All framework contracts are based on standardized terms and conditions. So, many providers are will be contracted. A framework contract does not mean that the social care provider will provide care to citizens with a support need, so there is a strong ex post competition. With an independent case manager, the needed care is decided and the social care provider can be chosen from of the list/catalogues. There is a distinction made in two types of reimbursement. The first type is fee-for-service reimbursement, so the provider gets a fixed price for the service they delivered. For example, the provider gets a fixed price per hour for domestic help. The second type is outcome-based reimbursement. This means that the provider gets paid based on the outcomes, for example the provider gets a fixed price for a clean house.

Benefits of the catalogue-model

In the catalogue model each social care provider which meet the standardized quality criteria and accept the terms and agreement for care provision is contracted and can be chosen by the citizens with a support need. This results in optimal freedom of choice. This can also lead to a large chance that there is relation continuity between the care provider and the citizen. The framework contracts lead to ex post competition between social care providers to get clients. Moreover, in this model there is no vendor lock-in, because if a provider does not adhere to the contractual agreements, there are many alternative providers. Another advantage of the catalogue model is that there is no need for sub-contractors. This means that all providers are visible for the municipalities and no social care providers are forced into a vulnerable sub-contractor position. (O'Flynn et al, 2014). Furthermore, new and small social care providers have opportunities to provide social care services next to the larger incumbent care providers. So, this model does not interrupt the market. In this model, there are different types of case managers: municipal case manager, independent manager, and a case manager from a contracted provider. The municipal case manager (if not outsourced) leads to a relative strong position in the service triad. (Li & Choi, 2009) A municipal or independent case manager can minimize the risk of opportunistic behaviour.

Challenges of the catalogue-model

In this model, each provider which meets the standardized quality criteria and agrees with the terms gets a framework contract, which results in a large number of providers contracted. This leads to a high administrative management, relational management, and performance measure burden on the municipalities. Furthermore, this large number of providers contracted makes it hard to build collaborative relationships with the social care providers, which is necessary to monitor the quality of the service provider. Moreover, the framework contract does not mean that the contracted provider gets actual clients, which leads to more financial insecurity for the providers. In this model the quality and performance of the case manager is extremely important, which is a risk factor in this model. If the case manager makes an inadequate judgement, the client may be unable to receive the appropriate type of care, care from a provider with inadequate competences, or the client gets extensive care while not necessary. The case manager is also responsible for cost control by controlling the access to social care services (type and magnitude of care). (Eijkel, Gerritsen, & Vermeulen, 2019)

Advantages and disadvantages for the reimbursement types

Fee-for-service reimbursement creates no incentives to be efficient and to reduce costs. Fee-for-service reimbursement also affects the incentives of improving quality, because there is no reason to underproduce the social care service and overproduction should be prevented by the case managers. The outcome-based bundled payment method creates incentives for efficient, innovative social care services. On the other hand, if a care provider would like to maximize their profit, the quality of care could be negatively influenced by outcome-based bundled payment if the provider is not monitored adequately.

Table 7. Overview of benefits and challenges of the catalogue-model

Benefits	Challenges
Optimal freedom of choice	Large amount of social care providers contracted
Relational continuity	Hard to build a collaborative relationship
Ex post competition over clients	High dependence on quality of the case manager
Absence of vendor lock-in	Financial insecurity for social care providers
Stimulates market development	High administrative burden
Possibilities to maintain a strong position in the service triad (with inhouse case manager)	High burden on relational management
Inhouse case manager minimize risk of opportunistic behaviour and can monitor providers	High burden on performance measures

2.2.4 Explanation and the challenges and benefits of the client auction model: An auction for each client with providers who have a framework contract

Explanation of the client auction model

In this model, the municipality contracts all providers who meet the standardized criteria, terms and conditions. These providers get a framework contract. To get a client, the social care provider should win an auction, so there will be a strong ex ante competition. The

municipality organizes an auction for every (new) client. This auction goes via an electronic market place and only invited healthcare providers can offer a bid for a client. The invited healthcare providers are providers which have a framework contract. The steps of the customized plan auction are as follow: first, the independent case managers place the description of a case on the electronic market. Then there is a sealed-bid auction and care providers offer a plan, goals, result and price. At the end, the client and case manager select the proposal which fits the best to the preferences of the client. This differs for standardized care, for example 3 hours domestic help. For these kinds of care there is an e-reverse price auction.

Benefits of the Client-auction model

The first advantages are that the client auction model creates a strong incentive for ex post competition for providers and makes it possible to choose the most cost-efficient care. So, the auctions stimulate to reduce costs and strive for higher quality. In this commissioning model, the providers, which can participate in the auction, need to have a framework contract. All providers that meet the standardized quality criteria and agree with the terms can get a contract, which means that there can be many providers contracted. This leads to some advantages corresponding with the catalogue model such as opportunities for new, specialized or small social care providers, absence of vendor lock-in and no market disruption. A benefit for customized care plan auction is that this guarantees that there is a tailored care plan for individuals.

Challenges of the Client-auction model

A disadvantage of this model is the negative impact on a buyer-supplier relationship that is related to auctions (Jap, 2002, 2003). An auction model could increase the belief that the municipalities act opportunistic with both new and current suppliers. This has a negative effect on the position in the service triad. (Li & Choi, 2009) Another disadvantage for the customized auction model is that the care plan shown in the auction, is the only information for the providers, so the proposal of the provider can be only as good as the description of the case. For price auctions, there is less reliance on the correctness of the case description. Another disadvantage for the customized care auctions is the high administrative burden for municipalities and providers. In the standardized service client auction the disadvantage of

the high administrative burden for social care providers is not a disadvantage of this model anymore, because the client case description includes care service entitlement.

Table 8. Overview of challenges and benefits of the client-auction model

Benefits	Challenges
Tailored care	Risk of inadequate case description
Ex post competition	High administrative burden
Absence of vendor lock-in	Negative impact on buyer-supplier relationship
No vulnerable position for social care providers	Weak service triad position
Opportunities for new, specialized or small providers	
No market disruption	
Incentive on cost reduction	
Incentive to strive for higher quality	

2.2.5 Overview and comparison of the key aspect and impact of the four commissioning models

To provide a summary of all commissioning model types two overview tables are shown in this section. The first table give an overview of the four commissioning models explained in section 2.2.1 until 2.2.4. Thereafter, an overview of the impact of each model (positive and negative) on collaborative relationships, incentives to reduce cost and increase quality, maintaining a strong position in the service triad, monitoring suppliers and development of the market structure is shown.

In table 9. An overview of the key aspects of the four commissioning models is given to provide a summary. As can be seen, the AWBZ-model and the population-based model have similarities in the number of providers, an annual budget, ex ante competition, limited or no freedom of choice. Moreover, the catalogue model and the client-auction model also have similarities in the number of providers, type of contract, kind of competition and the extent of choice freedom for the client.

Table 9. Overview of the key aspect of the commissioning models

Model	Number of providers contracted	Type of contracts used	Kind of competition	Extent of client free choice	Core subject of the contract
AWBZ	Few	Contract with maximum annual budget	Ex ante (strong), limited ex post	Limited	Fee-for-service with maximum annual budget
Population-based	One or a few	Contract with budget based on the region	Ex ante	No	budget
Catalogue model- fee for service	Many	Framework contract	Ex post	Extensive	Input based
Catalogue model – outcome-based reimbursement	Many	Framework contract	Ex post	Extensive	Output based
Client auction model	Many	Framework contract	Ex post	Extensive	Individual proposal for clients
Open house	Many	Framework	Ex post	Extensive	Fee for service or outcome based

In table 10. An overview of the impact of each commissioning model on collaborative relationship, incentives on cost reduction and to increase quality, the strength of the position in the service triad, the strength of the option to monitor suppliers and the effect on the development of the market structure is shown. If a model has a positive effect or a negative effect on the dimension it is also a benefit or challenge of the model, as shown in the tables 5 to 8 for each model.

Table 10 To what extent have the commissioning models impact on mechanisms of economic, service triad and agency theory

Model	Collaborative relationship	Incentive on cost reduction	Incentives to strive for higher quality	Maintaining a strong position in the service triad	Monitoring suppliers	Market structure development
AWBZ	+	-	+/-	-	+/-	-
Population-based	++	+/-	+/-	--	--	--
Catalogue fee-for-service	+/-	0/-	0/-	++	++	0/+
Catalogue outcome based	+/-	0/+	+/-	++	++	0/+
Client auction	--	+	+	0	0/+	0

Overview of score; ++ strongly support, + supports, 0 neutral, - conflicts, -- strongly conflicts

2.2.6 Open house: No official European tender but all providers who meet the standardized quality and suitability criteria and agree with the terms and condition will be contracted

Open house is not a commissioning model. But the catalogue model and the client auction model can be an open house. An open house means that the municipality awards contracts to all social care providers who meet the quality and suitability criteria, against standardized conditions and fixed prices. An open house in no official tender procedure, which means that the European directives are not obligatory to take into account. (De wind, Uenk, Telgen, 2020), (Uenk, 2018) The difference between a catalogue model and client auction model (official European tender) and a catalogue model or client auction model (open house) is that it is not mentioned in the tender that the official EU-directives will be used.

Table 11. Comparison of the key aspects of an open house and the catalogue and client-auction model

Model	Number of providers contracted	Type of contracts used	Kind of competition	Extent of client free choice	Core subject of the contract
Catalogue model- fee for service	Many	Framework contract	Ex post	Extensive	Input based
Catalogue model – outcome-based reimbursement	Many	Framework contract	Ex post	Extensive	Output based
Client auction model	Many	Framework contract	Ex post	Extensive	Individual proposal for clients
Open house	Many	Framework	Ex post	Extensive	Fee for service or outcome based

2.3 Procurement procedure methods used by municipalities in the Netherlands after decentralisation are open competitive negotiated, open non-competitive and dialogue-based procedures

The procurement procedure is the process through which an organization (municipality) selects one or multiple suppliers for the provision of goods, services, or works to conclude a contract with. This procedure consists of a relational dimension and a competitive dimension. The relational dimension consists of how the buyer (municipality) and the supplier (social care provider) interact in the process of concluding a contract. This interaction impacts the trust between each other. (Bovaird, 2006) A trustful relationship is known to impact social care providers performance in the service triad context of the social domain. (Li & Choi, 2009) The procurement procedure includes competition, which is expected to improve quality and to reduce the cost of social care services (Randall & Williams, 2009).

In the commissioning model described in 2.2, there are two types of competition. Ex ante competition and ex post competition. Ex ante competition is competition before the contracts are awarded. Ex post competition is when the social care provider is ‘awarded’ for a

framework contract, and the competition starts after the awarding phase to get clients. (Uenk, 2018)

According to Chapter 6 of the PhD research of Uenk (2018), three types of procurement procedures are used by Dutch municipalities.

Procurement procedures used by Dutch municipalities:

1. Open competitive negotiated procedure

   In this type of procurement procedure one or a few contractors are selected according to the Best Value Procurement method. Which means that the buyer does not specify the contract extensively or in detail, but objectives that the supplier must achieve are given. This procedure consists of two phases: in the first phase, care providers are invited to submit an initial offer based on a functional specification of the contract. Municipalities evaluate the offers and award the contract. In the second phase, the negotiation will take place. This procurement procedure fits with the AWBZ-model and the population-based commissioning method.
2. Open non-competitive procedure

   The municipality publishes a tender with the exclusion grounds, suitability criteria, condition and service specification. In this procurement procedure every provider which satisfies the suitability and quality criteria and agrees the terms of the contract will be awarded a framework contract. This procurement procedure is also known as the ‘Zeeuws’ model in the Netherlands. This procurement procedure fits to the catalogue commissioning model and the client auction commissioning model.
3. Dialogue-based procedure

   This procurement procedure is characterized by the municipality organizing repetitive plenary negotiation session with the most important social care providers to develop a standardized framework agreement. (Robbe, 2011) Then an open non-competitive procedure will take place. This procurement procedure is suitable for the catalogue commissioning model and the client auction commissioning model.

The dialogue-based procedure and the open non-competitive procedure can also be called an ‘open house qualification procedure’. The open contracting schemes are not subject to the EU directives on public procurement. (Uenk, 2018) An open house qualification procedure is characterized by standardized contract and the absence of a comparison and subsequent section of providers. (CJEU, C-410/14), (Uenk, 2018)

3. The commissioning model and the purchasing process of the region of Twente

In this chapter, the commissioning model and the purchasing process of the case are described and the theory described in chapter 2 is applied to the case. In the first part, the commissioning of the region of Twente is explained and the theoretical name is applied to the case of the region of Twente. In the second part, the procurement procedure and process used for the of the region of Twente and the theory is applied to the case. In the third part, the purchasing process of the region of Twente is explained. In this research the purchasing process is defined as the process of the specification, selection, contracting, ordering, monitoring and the after-care/evaluation phase (van Weele, 1998). Monitoring and evaluation phase are also called contract management.

3.1 The region of Twente purchases social care with the catalogue-model as commissioning model

The purchasing process of the region of Twente is chosen based on their principles.
The principles of the region of Twente are:

1. 1 family, 1 plan and 1 director
2. Own strength
3. Local support
4. Support as close as possible to home
5. Freedom of choice
6. Result-oriented work
7. High-quality care
8. Limited administrative burden

An extended explanation of the principles can be found in Appendix A. (OZJT, n.d.-b)

The region of Twente contracts all the social care providers who meet the required standardized quality criteria and the suitability requirements. This creates an extensive free choice of providers for the clients. Moreover, this model results in competition over clients after awarding a framework contract, also called ex post competition. The region of Twente chose to work with fixed prices for each type of care. They bundled the types of care in

modules (with different categories). For each category, there is a fixed price. The region works result-oriented but the reimbursement method they chose is fee-for-service. (OZJT,2016, OZJT, 2018a)

Each municipality in the region of Twente has a different access system. All municipalities in the region use a director system, but this will be executed by case managers or district nurses/coaching teams. The case managers or district nurses/coaches are employees of the municipalities, so inhouse case managers. The case managers decide which type of care fits to the problem/question of the citizen and the social care provider can be chosen by the citizen in combination with the case manager from a list of all social care provider who perform the needed kind of care. (OZJT,2016, OZJT, 2018a)

The commissioning model described in literature that fits the best to the description of the commissioning model used in the region of Twente is the catalogue model. The catalogue model is the most used commissioning model by Dutch municipalities (Uenk, 2018). No less than 67% of the municipalities used this model (possibly with small differences) in 2018. (De Wind, Uenk & Telgen, 2020) The chosen procurement procedure and commissioning model can also fit in an open house, but the region of Twente chose for a public tender, so they have to equal, transparent, accountable and integer. (De wind, Uenk, Telgen, 2020), (Uenk, 2018)

3.2 The procurement procedure of the region of Twente is a continuous open non-competitive procedure

The OZJT and the municipalities choose to purchase based on framework contracts. This fits to an open non-competitive procedure. Which means that the region publishes the tender with the exclusion grounds, suitability criteria, quality criteria, contractual condition and the service specification on TenderNed. Every social care provider who meet the criteria gets a framework contract. In the Netherlands, this procurement procedure is also called “Zeeuws model’. This procurement procedure is used by approximately 30% of all municipalities in the Netherlands. Most municipalities have chosen for the dialogue- procurement procedure, approximately 60%. (De Wind, Uenk, Telgen, 2020), (Uenk, 2018)

The region of Twente included the opinion of the social care providers in market consultation, but these market consultations were not to negotiate all standardized terms. In

the market consultations mostly result-oriented working and the corresponding care plans and the prices were discussed. Furthermore, the region of Twente has chosen for a dynamical purchasing system (DAS). Which means that all tenders are continuously open and done according to an electronic platform: Negometrix. (OZJT,2016, OZJT,2018a)

As earlier explained, the OZJT and the municipalities chose to purchase the social support act, youth support and a part of long-term care together in one purchasing process, so partly integral. There is one main tender which should be filled in by all providers. Then a provider registers on one or multiple modules and categories based on the type of care they can provide. (OZJT,2018) The five sub-tenders are: support needs of the social support act, support needs of youth support, consultation and diagnostics, living and accommodation, and severe single dyslexia.

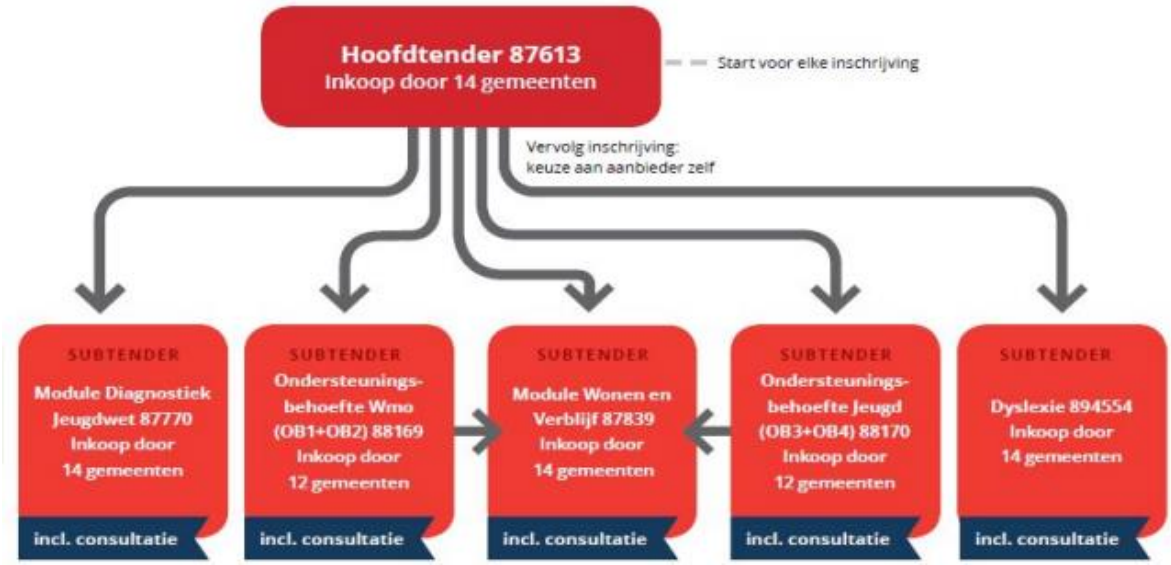

Figure 3. Overview of the tender structure of the region of Twente (OZJT,n.d-c)

3.3 The purchasing process of the region of Twente: specification, selection, contracting, ordering, monitoring and evaluation phase

Specifications, selection & contracting

The specifications of the region of Twente are standardized quality and suitability criteria. The selection phase consists of checking if the tenderer meets the standardized quality and suitability criteria. In the selection phase, the tendering party is also checked on a risk indication, based on the information given from the barrier model, which is included in the tender. This risk indication is developed to get more insight in the quality of the social care

providers. An extended explanation of the risk indication model can be found in Appendix B. All providers who meet the standardize criteria and agree with the terms and conditions get a framework contract. An extended explanation of the specification and selection phase can be found in Appendix C and in the tenders; 87613 (OZJT,2018a), 87770 (OZJT, 2018b), 88169 (OZJT, 2018c), 88170 (OZJT, 2018d), 87839 (OZJT, 2018e)

Ordering

When a social care provider has a framework contract, the ordering phase starts. The inhouse case manager indicates the type of support need and the citizen can choose which provider he or she wants. The inhouse case manager also indicates the time needed to help the citizen with a support question. Then a provider is contacted (ordered) if they can offer their care to the citizen for this type of support and for the time indicated.

Monitoring & evaluation

The region of Twente makes use of different categories of contract management. The first level is for social care providers with many clients (Top 17), they will be monitored by contract management four times a year and have many other meetings. The contract management from the 17 largest social care providers in the region of Twente is done by the OZJT. The second level are providers who have more than 50 clients. These providers have a contract management conversation once a year once with contract managers of two of the municipalities in the region of Twente. Small social care providers (smaller than 50 clients) normally do not have active contract management. A municipality can nevertheless decide to conduct contract management with a small provider. Furthermore, the providers can always contact a contract manager if there are questions. The monitoring of the quality of the social care is next to the contract management also done by Supervisors of quality. The supervisors of quality operate based on signals (risk indication model or experiences) of low-quality care.

4. The challenges and methods to manage these challenges of the region of Twente according to literature

In this chapter, the challenges for the region of Twente according to the literature as described in chapter 2 and 3 are shown. Thereafter, a literature review is shown with methods to manage these challenges. Based on the challenges and the methods to manage these challenges, a research model is developed.

4.1 Expected challenges of purchasing social care in the region of Twente according to literature

In this chapter, first an overview of the challenges that arise from the context is given in table 12. Then the benefits and the challenges of the catalogue fee-for service model are shown. Based on this information a table with the expected challenges based on the complex context and the commissioning model is displayed. Before this table is developed, it is checked if the benefits of the catalogue model do not already solve the challenges of the context.

Table 12. Overview of challenges that arise from the context complex

Challenges from the context	Aspect of the context
Multiple different demand for the municipality	Public procurement
Municipality has to be transparent, equal, accountable, and integer	EU-directives
Developing specification is more difficult	Service purchasing
Hard to determine quality	Service purchasing
Evaluating performance of the service provider is more complex	Service purchasing
Managing the quality of the services is difficult	Service purchasing
Difficult to maintain a strong position in the service triad	Service triad structure
Preferences and experiences are not first hand	Service triad structure
High risk of opportunistic behaviour (weak position in service triad)	Service triad structure
Difficult to stay in control and get information (weak position in service triad)	Service triad structure
Difficulties with managing the quality (weak position in the service triad	Service triad structure

Table 13. is the overview of the benefits and challenges of the catalogue model of chapter 2. This overview is only for the fee-for-service reimbursement type.

Table 13. Overview of benefits and challenges of the catalogue fee-for-service model

Benefits	Challenges
Optimal freedom of choice	Large amount of social care providers contracted
Relational continuity	Hard to build a collaborative relationship
Ex post competition over clients	High dependence on quality of the case manager
Absence of vendor lock-in	Financial insecurity for social care providers
Stimulates market development	High administrative burden
Possibilities to maintain a strong position in the service triad (with inhouse case manager)	High burden on relational management
Inhouse case manager minimize risk of opportunistic behaviour and can monitor providers	High burden on performance measures
	No incentive to reduce cost and increase efficiency

Striking is that monitoring the quality of care providers is a challenge according to the context of social care. But the catalogue model should result in a strong position in the service triad and monitoring of the supplier should be one of the benefits. So, the monitoring of quality of social care providers should not be a challenge in the context of the region of Twente. A remark that should be made is that it will cost a lot of capacity to monitor the suppliers, because of the large amount of social care providers contracted. This means also a high administrative burden on relational management and performance measures.

Moreover, defining the specifications is difficult, but only standardized quality and suitability criteria are used for a framework contract. So, to which extent this will be a challenge in this model, is not really clear based on literature.

The challenges of multiple different demands for municipalities and that municipalities have to purchase transparent, equal, accountable and integrity will not be taken into account

further in this research, because these challenges are influenced by the EU and the National government. So, the municipality cannot change that in a new tender.

In table 14, the expected challenges based on the context of social care purchasing (service purchasing and service triad structure) and the commissioning model are displayed. As can be seen in table 14. the challenge of a large number of social care providers contracted leads to other sub challenges.

Table 14. Expected challenges in the region of Twente

Expected challenges in the region of Twente
Large number of social care providers contracted - Difficult to build a collaborative relationship - High administrative burden - High relational burden - High performance measure burden
High dependence on quality of the case managers
No incentive to reduce cost for social care providers
Developing specification is difficult
Preferences and experiences are not first hand

4.2 Methods to manage the expected challenges of the region of Twente: collaboration between municipality and providers, early supplier involvement, active contract management, maintaining a strong position in the service triad, frequent contract with citizens and limiting the number of contracted providers.

To optimize the commissioning model and the purchasing process of the region of Twente the challenges needs to be managed. There is a literature review performed to find out which methods are known to manage the expected challenges.

Large number of social care providers contracted

High number of social care provider contracted as in the region of Twente takes a lot of effort (Uenk, 2018). As, earlier discussed this challenge also leads to a high administrative, relational management and performance measure burden. These challenges are the result of the large number of social care providers, so limiting the number of social care providers is

the method to manage these challenges. To decrease the number of social care providers to a manageable number, multiple methods can be used.

To limit the number of social care providers contracted, the choice could be made for a competitive procurement procedure, with a maximum number of social care providers. The providers will be awarded based on quality (Uenk,2018). Another solution to limit the number of social care providers is to purchase the social domain (fully) integral, so the social care providers need to deliver youth support and social support. (Slabbers, 2013, Lange, 2017) This will force, mainly small, providers to collaborate with other social care providers to fulfil the requirements. Moreover, if the standardized quality and suitability criteria are higher, less providers are able to fulfil the requirements and the number of contracted providers is less. To limit the number of social care providers contracted, a choice can be made for another commissioning model, like the AWBZ-model or the population-based model (Uenk, 2018). It is important to take this in consideration, but this will not be taken into account as a method in this case of the region of Twente, because it does not fit to their principles.

Proposition 1: To limit the social care providers a maximum number of social care providers should be chosen based on a competitive procurement procedure.

Proposition 2: Fully integral purchasing of social care lead to less social care providers contracted.

Proposition 3: Higher standardized quality and suitability criteria lead to less social care providers contracted

High dependence on the quality of a case manager

In literature, no methods to manage this challenge are found within the scope of this research. The only way to manage this, if needed because the quality of the case managers is not optimal, is to change to another commissioning model. The AWBZ-model and the population-based model could be suitable to reduce the dependence on the quality of the case managers. As earlier mentioned, this will not be a suitable solution for the region of Twente, because this will not fit to their principles.

No incentive for social care providers to reduce cost

Creating incentives to reduce cost, an outcome-based reimbursement can be a method to manage the challenges. Outcome-based reimbursement could create an incentive to work more efficiently, because this creates an incentive to reach the results which are described by the municipalities. According to the systematic review of van Herck, De Smedt & Annemans, the effectiveness of pay-for-performance differs compared to fee-for-service reimbursement in care per research from rarely absent to strongly beneficial. (Van Herck, De Smedt & Annemans, 2010, Uenk, 2018).

Proposition 4: Outcome-based reimbursement increase incentive for social care providers to work more efficiently and to reduce cost.

Developing specification is difficult

Defining the specification of a service is difficult, but to check the quality before awarding a framework contract, the specifications should be concrete and clear. (Uenk, 2018, Van der Valk & Rozemeijer, 2009). To develop strict and clear specification for services Van der Valk & Rozemeijer (2009) recommend to first develop an initial specification with a sufficient level of detail. Then information and input from suppliers must be obtained with for example a market consultation to develop more detailed specifications. So, this means that the specification phase will consist of three steps instead of one.

Proposition 5: Developing initial specification and obtain information and input from suppliers with a market consultation to further detail the specifications leads to more concrete and clear quality specifications.

Preferences and experiences are not first hand

The preferences and experiences of the social care services are not experienced first-hand. A method to manage these challenges is to have frequent contact with the clients. Possible methods to stay in frequent contact with clients are satisfaction researches, evaluation conversation or frequent contact with clients by their case manager (Gunawardane 2012, Uenk,2018, Van Der Valk and Van Iwaarden, 2011). Furthermore, the relationship will be closer and a closer relationship should lead to information exchange (Karatzas et al.,2016).

So, this has also another benefit, namely a stronger position in the service triad. (Li & Choi, 2009)

Proposition 6: Frequent contact with clients leads to better information of the preferences and experiences of the clients and a stronger position in the service triad.

4.3 Research model: Expected challenges and the methods to manage these expected challenges

In figure 4. the research model is displayed. The expected challenges are shown in the blue boxes. The expected challenges which should be a result of the large number of social care providers contracted are shown in the light blue boxes. The orange boxes of figure 4 are the methods to manage these challenges, as discussed in 4.2.

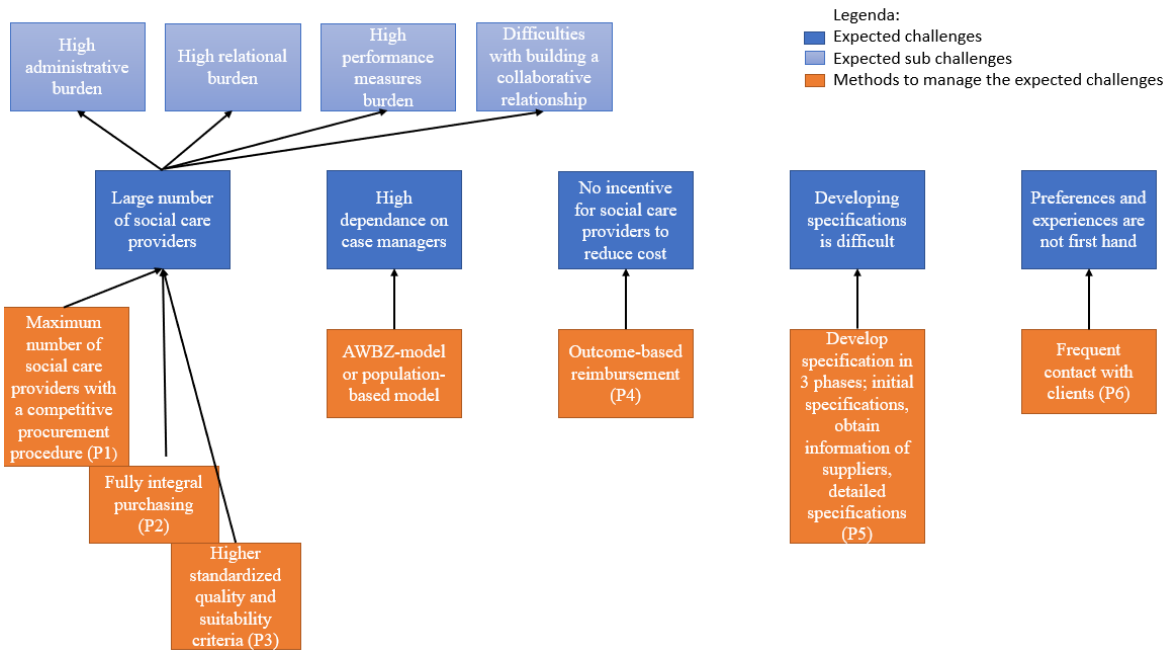

Figure 4 . Research model: Method to manage the expected challenges

In the next section, the methodology of the research will be explained.

5. Methodology: Using semi-structured interview, internal documents and internal databases to find the practical challenges and methods to optimize these challenges

The aim of this study is to optimize the commissioning model and the purchasing process of the region of Twente. To optimize the commissioning model and the purchasing process, the practical challenges and ideas about how to manage these challenges should be identified. In this chapter, the research method, data collection, sampling and data analysis is explained.

5.1 Research method: Qualitative research: a case study in combination with a field research

To find out how the commissioning model and purchasing process can be shaped in order to optimize the integral purchasing process of youth support and the social support act according to municipalities in the Netherlands a qualitative research is performed. This is an explorative research method. In a qualitative research, data is usually collected with observations and/or interviews. (Asper & Corte, 2019)

In this research, the qualitative research is performed based on a case study in the region of Twente. A case study is chosen, because this type of research is suitable when it is important why and how things happen to answer the research question and helps to understand complex issues. So, a case study is suitable when a more in-depth research method is necessary to provide an answer on the research question. (Yin, 2017) But case studies are also subjective according to some researchers, so the choice is made to combine this case study with a field research to increase the objectiveness of this research by using multiple different data sources. (Simons, 2009)

In a field research, whereby the researcher works in the environment of the purchasing advisors, supervisors of quality and contract managers of the support needs at Enschede, Hengelo and OZJT, is the researcher able to observe and collect data in official meetings and informal conversations. In these meetings, the researcher is listening and observing. The researcher does not participate. The advantages of a field research are that information can be collected though different data sources such as documents/reports, informal and formal meetings of municipalities in the region of Twente itself. This information can be used as an

extra data source for substantiation or validation of the data collected in the qualitative case study. The limitations of the field research are that information from informal conversation cannot be checked and the other data collected by the field research are not from an open data sources, so validation of this data is more difficult for other researchers. (Meredith, 1998 & Simons, 2009)

5.2 Data collection: Semi-structured interviews as primary data and documents, reports, minutes of meetings and databases about purchasing social care as secondary data.

The most commonly used qualitative research method for a case study are interviews. Interviews are characterized by understanding the social and world as needed to examine the practical challenges and methods to manage these challenges by experiences and opinions of the participants.(Asper & Corte, 2019) Interviews mostly consist of open questions in which there is an opportunity to collect valuable data for this research such as experienced challenges and to which extent these challenges are a real problem which needs to be solved (Bryman, 2012). The primary data of this research consist of the results of the semi-structed interviews. Semi- structured interviews are chosen, because this type of interviews has a clear direction, but it also allows to have a real two-way dialogue. A two-way dialogue is desired to find out what the real opinion and view of the interviewee is about the current model and how to improve the model. (Agwu et al, 2014) The interview protocol developed for the semi-structured interviews about the experienced challenges and the ideas and method to manage these challenges can be found in appendix D and E.

Moreover, during the field research, secondary data is collected in the form of reports, policy, documents and a lessons-learned document. Moreover, in the period of this research, the region of Twente started with the memo barrier model. The goal of this project is to make it possible to check the quality and suitability of the social care providers more before awarding a framework contract. To find ideas and possible solution for these challenges, there were multiple meetings with purchasing advisors, supervisors of quality, legal advisors, and policy advisors. The minutes of these meetings will also be used as secondary data. The third kind of secondary data are the databases of Kennispunt Twente with data about the number of social care providers and their risk indication.

5.3 Research sampling of the interviews: Purchasing advisors, supervisors of quality, contract managers and legal advisors in the region of Twente

The region of Twente consists of fourteen municipalities, twelve of them work together for purchasing the youth support and the social support act. The twelve municipalities are: Borne, Dinkelland, Enschede, Haaksbergen, Hellendoorn, Hengelo, Losser, Oldenzaal, Rijssen-Holten, Tubbergen, Twenterand and Wierden. The organisation of this cooperative purchasing group is OZJT. Almelo and Hof van Twente will not be considered as part of the purchasing group in this research, because these municipalities purchase not all parts of youth support and care form the social support act together with the other twelve municipalities in the region. (OZJT, n.d. -a)

The interviews were conducted with 14 employees (purchasing advisors, supervisors of quality, contract managers and jurist) of the municipalities in the region of Twente or OZJT. The purchasing advisors, supervisors of quality and the contract managers jointly carry for the purchasing process. To ensure the generalizability of this research, employees from different municipalities were interviewed during this research (small and larger municipalities). Not all municipalities could be interviewed because of the limited knowledge some of the municipalities have about the purchasing social care. Mostly, these were smaller municipalities who do not have enough capacity to have inhouse knowledge about the purchasing process. The interviews were done with three small municipalities and two larger municipalities.

In table 15. An overview of the sampling is shown. There are 14 interviews conducted with different functions who affiliation with purchasing social care. For each participant, his or her function is shown and the size of the municipality he or she works at. The participants who work at the OZJT, work mostly also at a municipality. If that is the case, the category of size of the municipality will be described in the column: size of the municipality. Otherwise, a large municipality will be filled in at the sampling table, because the OZJT works for all twelve municipalities.

Table 15. Sampling overview

Respondent	Function	Size of municipality	Duration in minutes
1	Purchasing advisor	Small	52:51
2	Purchasing advisor	Large	62:36
3	Purchasing advisor	Large	58:58
4	Purchasing advisor	Small	38:58
5	Purchasing advisor	Large	42:36
6	Supervisor of Quality	Large	64:48
7	Supervisor of quality	Large	53:14
8	Supervisor of quality	Large	55:11
9	Contract manager	Large	40:43
10	Contract manager	Large	42:30
11	Contract manager	Small	38:21
12	Legal advisor	Large	52:53
13	Legal advisor	Small	24:21
14	Legal advisor	Large	44:38

All interviews are conducted via Microsoft Teams or Zoom due to the Corona pandemic in 2020. The interviews have a duration between 24 and 64 minutes. The variation in interview time is mostly explained by the knowledge of the interviewee about the purchasing process of social care. As can be seen, the shorter interviews (below 40 minutes) are with small municipalities, and it has been noticed that they know which challenges they experience, but do not have many ideas how to manage these challenges.

5.4 Data analysis: Manual transcribing of interviews, inductive coding of interviews and documents of the region of Twente and qualitative data analysis in Excel.

The interviews were transcribed manually. The transcribed interviews are coded according to an electronic and inductive method. For the electronic coding ATLAS ti. is used. An inductive method is chosen, because this is a bottom-up method, whereby the raw data will be converted into more useful data without a codebook. The inductive method fits to exploratory research and assurance that no misconceptions are made in advance. (Christians & Carey, 1989). The reason to choose an inductive method is that empirical research is rarely done to challenges and methods to deal with challenges in purchasing social care in the Netherlands, so an exploratory approach suits the best to this research. In an inductive method, new challenges or methods to deal with the challenges in the purchasing process can also be discovered and no misconception can be made. (Christians & Carey, 1989)

The coding is conducted in three phases; open coding, axial coding and creation of table of mind-map. In the open coding phase, statements of the interviewee will be labelled in categories and concepts. In the open coding phase, the data is labelled into first-level concepts, second-level concepts and third-level categories. In the axial coding phase, the transcribed interview text is re-read by using the concepts and categories found in the open phase. The categories and concepts will be reviewed by the researcher. Furthermore, in this phase the exploration how concepts and categories are related are checked. In the third and last phase a model of the concept and categories is created. With the concept and categories, the challenges and methods to manage these challenges according to the interviewees are mentioned. The founded categories and concept in the interviews are compared to the methods to manage these challenges found in literature, as described in chapter 4.

In the data analysis of the interviews, the choice is made not to make use of a percentage of interviewees who experience a challenge, because not each challenge can be experienced by all interviewees, because of the different functions. So, the choice is made to show the interviewee numbers which experienced that challenge. The same applies for the methods to manage the experienced challenges. In the results, the choice is made to summarize the experienced challenges and their explanation, so quotes will not be used. The first reason why quotes are not used, is because of the confidentiality of the interviewees. Most interviewees and the readers of this thesis do know each other and therefor interviewees can possibly be identified by their quotes. Moreover, the context of the quotes is important to avoid misconceptions. Last, there is much information in the results and limited space.

The results of the interviews are validated by documents, meetings of the memo barrier model and quantitative data. These documents are secondary data, which is owned by the municipalities of the region of Twente or Kennispunt Twente. The documents that are used for validation are the lessons learned document and the minutes of the meetings, which are also coded in Atlas ti. These documents are coded according to the same procedure as the interviews. The quantitative data are Excel documents of Kennispunt Twente. These Excel files do not need a data analysis, because that is already done by Kennispunt Twente.

6. Results of the experienced challenges

The results of the interviews, documents/reports of the region of Twente and databases of Kennispunt are discussed in this chapter. First, the results of the experiences challenges based on 14 interviews about the experiences of the purchasing process and the commissioning model with purchasing advisors (interviewee 1, 2, 3, 4, 5), supervisors of quality (interviewee 6, 7, 8) contract managers (interviewee 9, 10, 11) and legal advisors (interviewee 12, 13, 14) are shown. Each experienced main challenge is validated with documents, meeting and/or databases. Thereafter, a summary of the experienced model is given.

The experienced challenges which are discussed in this chapter are all related to the context of social care purchasing or the commissioning model (catalogue model). The challenges which are only related to the tender or specific for the region itself are discussed in appendix F.

To make it easier to compare the challenges the overview of the expected challenges based on literature is displayed in table 14.

Table 14. Expected challenges in the region of Twente.

Expected challenges in the region of Twente
Large amount of social care providers - Difficult to build a collaborative relationship - High administrative burden - High relational burden - High performance measure burden
High dependence on quality of the case managers
No incentive to reduce cost for social care providers
Developing specification is difficult
Preferences and experiences are not first hand

6.1 Results of the interviews: Experienced challenges of purchasing social care

In this section, the challenges according to the interviewees are discussed. First, the experienced challenges on context and/or commissioning level will be explained. Thereafter, an overview will be given with the experienced challenges according to the interviews.

The experienced challenges are divided over three main challenges. The three main challenges are low barrier to get a framework contract with limited options to check the providers on quality, the large number of social care providers and difficulties to check, monitor and manage the quality of the providers. These three main challenges can consist of one or more sub challenges. These challenges are then a result of the main challenge.

6.1.1 Low barriers to get a framework contract with the limited option to check the social care providers on quality

The municipalities in the region of Twente do a limited check if the social care providers meet the quality criteria before a framework contract. The documents that are checked before awarding a framework contract are UEA, Chamber of Commerce number (KvK), statement of tax authorities, quality management system certificate or a quality manual, statement of behaviour and if the file of the barrier model is filled in (if the answer are right will not be checked, this is based on trust). (interviewee, 3)

As result of not checking the quality criteria and the approach of the tender, there is a low barrier. According to multiple employees, it is quite easy to get a framework contract, also for businesses which are setup with a CEO or officers without experience or education for care or social care. If you get clients, the diplomas of the employees should be asked and checked, but this is not always the case because of the large number of providers and the high administrative burden, as explained later this chapter. This can result in organisations whose directors do not have experience or education in health setting up a social care business, which is undesirable (interviewee 1, 2, 3, 5, 6, 8).

Moreover, the limited checks before awarding a framework contract also leads to framework contract with providers who do not meet the quality criteria. When the provider has clients, it is checked if the social care provider meets these criteria. Nowadays, this leads to the many

framework contracts with social care providers who do not meet the quality criteria or are not able to deliver one or multiple kinds of care they have a framework contract for. (interviewee 4, 6, 7, 8, 9, 10, 11)

The low barrier and the limited check of quality and suitability criteria also lead to a large number of providers registering for the social care providers. The large number of social care providers registering to the tender in combination with the possibility to get a framework contract during the contract term means a high administrative burden for the purchasing advisors who need to check all registrations. (interviewee 1, 2, 3, 4, 5)

Validation of the challenge: low barrier to get a framework contract and limited possibilities to check the quality before awarding a framework contract

The lessons learned document of the region of Twente validated this challenge: a low barrier to get a framework contract and limited possibilities to check the quality before awarding a framework contract. 28 out of 59 challenges described in this document are about the broad specifications and 8 lessons learned are about adding a specification. The limited options to check the quality is 5 times included in this list. Also, the memo barrier model validates this challenge. The changes of the memo are all methods to raise the barrier for a framework contract, which indicates that the barrier to get a framework contract is at this moment too low.

6.1.2 Large number of social care providers contracted

Because of the low barriers and limited options to check the social care providers, a large number of social care providers is contracted. Many of these providers are small providers with a maximum of 5 clients. Furthermore, there are many providers with zero clients for almost 2 years which increases the number of providers. (interviewee 6, 7, 9)

The large number of social care providers in combination with the limited check before awarding a framework contract leads to a high performance measure and administrative burden for the supervisors of quality. According to the supervisors of quality, there is capacity missing to really check and try to improve the quality of the social care providers. (interviewee 6, 7, 8) The large number of social care providers contracted means also a high

performance measure and administrative burden on the contract managers. (interviewee 10,11)

Validation of the challenge: large number of social care providers contracted

The high administrative burden on multiple functions, because of the large number of social care providers contracted is one of the lessons learned according to the lessons learned document. Furthermore, the goal of the memo barrier model was to increase the barrier to get a framework contract and thereby to decrease the number of providers which register and are contracted during the contract term of this tender. So, this validates the challenge: that there are a large number of social care providers contracted. But it could be too short-sighted to say that the number of social care providers needs to be decreased. Therefore, the databases of the region of Twente are checked.

The region of Twente has 364 providers in September. For the support need from the social support act, there are approximately 180 providers contracted, and for youth support, there are approximately 190 providers contracted. These providers provide care for approximately 25.000 citizens (approximately 7.500 citizens with support from the social support act and 16.500 citizens with a kind of youth support). From the 364 providers contracted, 23% had no clients in the last quartile. Furthermore, 29% of the contracted providers had between 1 and 3 clients. Moreover, 80% of the contracted providers had less than 50 clients. These percentages confirm that the number of providers is high and it seems not necessary in terms of capacity, because many providers do not have clients or a small group (1-3) of clients. But deviation in kinds of care between these providers, so it could be possible that there are for some kinds of care limited providers or waiting lists. Therefore, a detailed analysis of the social landscape needs to be performed. This is outside the scope of this research, but the OZJT is performing this analysis right now.

6.1.3 Difficulties to check, monitor and manage the quality of the social care providers

The large number of social care providers create difficulties to check, monitor and manage the quality of care. While necessary because there are many social care providers who do not meet the quality criteria as result of the low barrier and no check before awarding a framework contract.

The large number of social care providers leads to a high performance measure and administrative burden. The high number of providers and the corresponding workload means that sometimes things as checking subcontractors or documents are forgotten (interviewee 9).

Moreover, the municipalities have also chosen that active contract management will only take places when the provider has more than 50 clients. The municipalities can decide by themselves to do contract management with a provider under 50 clients if they want to or deem it necessary. It is not very common that municipalities decide to manage a provider under 50 clients, because of the high burden (interviewee 10, 11). The opinion on the severity of not managing the smaller provider differs between participants. (interviewee 9, 10, 11) This is important to consider because, according to the interviewees, the most problematic providers (low quality or fraudulent) are small social care providers (interviewee, 6, 7, 8, 11). Furthermore, the group of providers which is managed by a designated municipality is not always managed once a year, because of the high administrative burden of this number of social care providers (interviewee 10, 11)

Another point which makes it hard to check and manage the quality of the social care providers are the broad specifications. An example of the broad specification is that there are no criteria which a location for day care must meet. (interviewee 6, 7, 8) This leads to difficulties to check the providers on the criteria. Furthermore, the broad specifications in this tender are interpretable, which results in difficulties with terminating a contract, because it is very hard to have a strong case in court according to the supervisors of quality (interviewee 6, 7, 8) Moreover, the broad specifications in the tender and the contract lead to many discussions between contract managers and social care providers about which care is covered in a type of support need. (interviewee 10, 11)

Furthermore, the number of social care providers who are red or orange in the traffic light system of the risk indicator is enormous, according to the supervisors of quality (interviewee 6, 7, 8). A red or orange indication based on the barrier model does not mean that the social care provider is bad, has low quality or is fraudulent, but that the provider has priority to be checked. The supervisors of quality are extremely busy with checking these social care

providers, so the green and most orange providers are not checked at all at this moment. (interviewee 3, 4, 5) This also results in a chance that fraudulent or low-quality social care providers are able to stay under the radar, or will be investigated very late, because a green provider is not by definition a high-quality provider who meets all criteria, even as not all providers who have a red indication have a low quality. (interviewee 7, 8).

Validation of the challenge: difficulties to check, monitor and manage the quality of the social care providers

To validate this challenge, the current results of the risk analysis (barrier model) are shown. At the moment, the deviation in the traffic light model is that 24% of the social care providers have a green indication, 60% have an orange indication and 16% have a red risk indication. The supervisors of quality have started in January 2019 to check the red and orange (with extra signals) providers. This means that in the group of green providers, there are potentially orange or red providers, because they are not checked at all. Through investigation 16 (4.4% of the total number of social care providers) framework contracts of social care providers were terminated, because of severe short-comings. All of these providers had a red colour in the traffic light risk analysis. Furthermore, by no means have all providers been checked on quality, so the percentage of termination of contracts can still rise a lot. The interviewees expect 5%-20% providers who do not meet the quality criteria. (interviewee 6, 7, 8)

Moreover, it is important to note that 80% of the contracted social care providers have less than 50 clients, so they are not monitored by contract management. This results in very limited control, management and monitoring of the small providers.

So, the data validates the challenge: difficulties to check, monitor and manage the quality. In the next section, a summary of all experienced challenges and their relation is shown.

6.2 Summary of the experienced challenges and overview of the relations between the experienced challenges

The overview of the experienced challenges is given in table 16. In this overview, it is also shown which group of participants based on function experiences these challenges. Furthermore, the level of the experienced challenges is described. The different levels are the context and the commissioning model. Moreover, for some challenges tender level is also included, next to context and/or commissioning model level, because this challenge is also influenced by choices on the tender level.

Table 16. Challenges experienced by the participants.

Challenge	Experienced by	Level of challenge	Validated by	In line with Expected challenges
Low barrier to get a framework contract with the limited quality check	All	Commissioning level, context level and tender level	Documents	No
Difficulties/ broad with specifications	All	Context level and tender level	Documents	No
Large number of social care providers	All	Commissioning model level	Database	Yes
High administrative burden	All	Commissioning level	Documents	Yes
Difficulties with monitoring the quality of social care	Supervisors of quality & contract managers	Commissioning model level	Database	No
Social care providers, smaller than 50 clients, do not have contract managers	Supervisors of quality & contract managers	Commissioning model level and tender level	Documents	No
Many contracted social care providers do not meet the quality or suitability criteria	Supervisors of quality & contract managers	Commissioning model level and tender level	Database	No
Discussions about broad specifications between providers and municipality	Supervisors of quality & contract managers	Commissioning model level and tender level	X	No
Difficulties with terminating a contract when needed	Supervisors of quality & legal advisors	Context level and tender level	X	No

It is important to note that these challenges have a connection with each other and most challenges are the result of another challenge. The choice to use a commissioning model and tender in which the framework contracts are accessible and the choice to have limited options to check the quality of the social care providers has led to a large number of social care providers. The large number of social care providers leads to a high administrative burden. Because of this large number of social care providers registering and awarding a framework contract, the management and monitoring of the quality of the social care providers is hard. While really necessary, because the quality is not checked before awarding a framework contract and there are many social care providers contracted while they do not meet the quality criteria. Figure 5 gives an overview of the connection between the challenges. The dark blue boxes are the main challenges, the light blue boxes are the sub challenges. As the sub challenge affects the main challenge the arrow has a straight line and as the sub challenge is a result of a main challenge or another sub challenges the arrow is dotted.

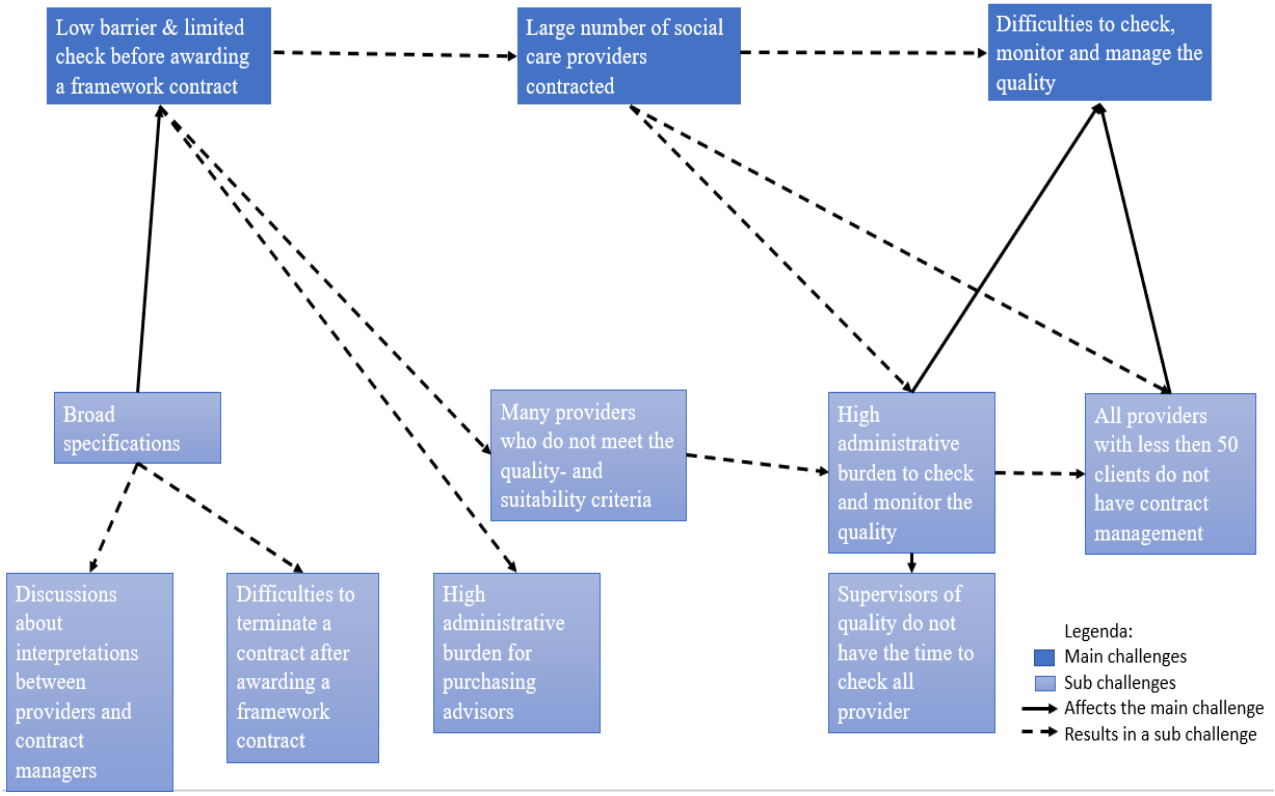

Figure 5 relations between experienced challenges.

In the next chapter, methods to manage these experienced challenges are shown.

7 Results of the methods to manage the experienced challenges

In chapter 6, the experienced challenges and the relationship between these challenges are shown. To optimize the commissioning model and the purchasing process of the region of Twente, these experienced challenges should be managed. The methods to manage these challenges according to the interviewees are described in this chapter. The methods to manage these challenges are divided into methods to manage the three main challenges; low barrier of awarding a framework contract and limited possibilities to check the providers before awarding a framework contract, large number of social care providers and difficulties to check, monitor and manage the quality of the social care providers.

7.1 Methods to manage the challenges according to the interviewees

7.1.1 Methods to manage the challenge: low barrier of awarding a framework contract and limited possibilities to check the quality of the social care providers

Multiple ideas and methods to increase the barrier of awarding a framework contract are mentioned in the interviews. All participants think that the quality of the social care providers needs to be checked before awarding a framework contract to avoid that framework contracts are awarded to social care providers who do not meet the quality criteria. The documents which should be added according to the interviewees are a prescribed type of statement of behaviour (VOG), documents of financial situation, permits of location and the fire brigade and certificates of the caregivers. (interviewee 4, 5, 9, 11) Furthermore, during this research, checking an excel file with the statements of behavior of employees, number of employees, number of certificated employees, number of SKJ registered employees, number of BIG registered employees, number of locations and if these locations are suitable for delivering care, number of owners, and the ratio between turnover and wage costs is added to the tender. These added documents are also methods to increase the barrier and check the providers quality more before awarding a framework contract. According to one of the legal advisors, it is doubtful if the diplomas of the caregivers can be checked before awarding a framework contract, because this could be seen as a disproportional requirement. (interviewee 12) Moreover, some participants mentioned that it is necessary that each registering social care provider has a meeting with the supervisors of quality to really check, because quality on

paper is something different then quality of care in practice. (interviewee 4, 5) An important consideration is that this increases the administrative burden for the purchasing advisors and the social care providers (interviewee 3, 4) and the burden for the supervisors of quality also rises if they visit all social care providers before awarding a framework contract. (interviewee 4) Therefore, an increase of the capacity, a decreased number of social care providers or a non-public procedure is necessary. (interviewee 4, 5). The check before awarding a framework contract leads to the opportunity for the supervisors of quality to work proactive on continuous improvement cycles with social care providers. (interview transcript, interviewee 5, 6)

Furthermore, concretizing of the specification is frequently mentioned as method, because that make the specifications less interpretable. (interviewee 5, 6, 7, 9, 11) This leads, according to the interviewee 6 and 7, to a better check before awarding a framework, more options to do not award a framework contract for a provider which does not have everything in order and they expect less providers. Furthermore, this should lead, according to the interviewees, to less fraudulent social care providers, because it will be harder to earn the easy money (interviewee 4, 7). Frequent subjects which need more concrete specification in the tender are the support of daytime activities, care plans, certificates of employees and location. (interviewee 4, 5, 6, 7, 11) A note which should be taken into account is that everything that is really specific could also possibly exclude parties which the municipalities want to contract. So, for each concrete specification a well-considered trade-off should be made between additional returns and the possibility the exclude a provider which is desired (interviewee 3). Furthermore, each concrete specification needs to be proportional, so this should also be taken in consideration according to the interviewees (interviewee 3, 12, 14)

According to an interviewee, more quality criteria regulations or a quality license for social care providers from the national government could help to make it easier to check the quality before awarding a framework contract (interviewee 3).

The ideas to increase the barrier of awarding a framework contract are all ideas to check the quality of a social provider more before awarding a framework contract and this should increase the quality, because these ideas should have the effect that all providers who are contracted meet the quality criteria. Furthermore, this also means that some providers who cannot meet these criteria will not be awarded for a framework contract. This means that this

will also limit the number of social care providers. An important note to make, according to the legal advisors, is that everything which is needed to deliver for registering at the tender should be checked and that takes a lot of time. Furthermore, each of the quality and suitability criteria in the tender must be equal, transparent and proportional for all social care providers who wants to register. (interviewee 12,13,14)

7.1.2 Methods to manage the challenge: Large number of social care providers

According to the interviewees there are multiple options to limit the number of social care providers. Before limiting the number of social care providers, it is important to do research on the social care landscape of this region. The social care landscape provides information the number of social care providers on a type of care, the number of clients they can take care of and the about the region. This overview gives the region of Twente the possibility to limit the number of social care providers, without creating shortages, large distances to providers or waiting lists (interview transcript, interviewee 3, 5, 7, 8, 9, 11)

The ideas of the participant to increase the barrier by a quality checking with more concrete specification and with a more extensive check of documents before a framework contract, should decrease the number of social care providers. (3, 5, 6, 7, 8, 9, 11) Another idea which was mentioned was to require social care providers to deliver youth support and care of the social support act. The self-employed providers and the small social care providers will be forced to work together, which increases the size of the companies. Furthermore, this decreases the problems with the transition from youth support to the social support act because there is more change on relational continuity. (interviewee 5, 6) 77 providers are currently able to deliver youth support and social care support. Remarkable is that the providers with the largest number of citizens with a support need only provide youth support.

Another option to limit the number of social care providers is to have a maximum of the number of care providers or a maximum amount of capacity needed, so all providers until that maximum is reached will get a framework contracted. The awarding of the contract will be based on quality. The quality can be checked with documents and conversations. (interviewee 5, 6, 9) Important for this idea is to do a thorough research to the social care landscape and always have the option to open the tender if the demand of social care is growing (interviewee 6, 9). A disadvantage is that if many small social care providers are

contracted based on their quality, the number of providers will not decrease that much. Based on the interviews, the chance on this disadvantage is small, because many small providers cannot meet the quality criteria. (interviewee 6, 7)

Another option to limit the number of social care providers is to open the tender only in case of shortage in supply or when the demand rises. The high number of social care providers registering for the tender during the period is way larger than expected, so limiting the option for registering for the tender during the period of the tender can decrease the number of social care providers. (interviewee 9)

Moreover, one of the interviewees suggested a minimum turnover or number of clients, to decrease the number of social care providers and to no longer have a contract with social care providers who do not have any clients in their contract period. Therefore, self-employed providers or small social care providers need to corporate with each other to fulfil this requirement. (interviewee 6) According to a legal advisor, the requirement of a minimum turnover is not proportional for new providers, so this seems to be not the best solution to minimize the number of social care providers. (interviewee 12)

Another solution for this is to maximize the time wherein the social care provider is allowed to have a contract without having clients. Three months or a year with no clients should be the maximum according to multiple participants. According to the data, this should decrease the number of providers currently with 23%. A disadvantage of this method is that it is harder for new innovative social care providers to enter the market. (interviewee 7, 8, 9, 11)

To limit the number of social care providers and increase the monitoring and control one or a few main contractors can be contracted instead of all providers who meet the standardized criteria. The main contractors will get subcontractors who need to be checked and monitored by the main contractor. (interviewee 4, 9). But then you put the responsibility to the main contractors, but the municipalities lose control and the residents with a support need lose their freedom of choice, so that are also things which may not be desirable and do not fit in to the principles. (interviewee 4, 9). This is the population-based model (discussed in the chapter 2.2).

An important consideration to this method is that if the number of social care providers is more limited, the freedom of choice of clients will decrease. Freedom of choice is one of the principles of the region of Twente. This could lead to a disruption in the relational continuity. A consideration of the interviewees is, that the disruption in relation continuity can lead to a higher number of personal budget requests, because in social care the relationship with the social care provider is extremely important. (interviewee 4) When a person in need for care has a personal budget, the control and monitoring of the quality of care is totally lost. The advantages of less social care providers are, according to interviewees, that the quality of the social care providers is easier to check, monitor and managed the quality. Furthermore, the municipality will be able to build a relationship with the providers through professional contract management. (interviewee 5)

7.1.3 Methods to manage the challenge: difficulties to check, monitor and manage the quality of the social care providers

The challenges for monitoring and managing the contracted social care providers were mainly the results of the large number of social care providers in combination with limited capacity. Furthermore, the supervisors of quality and the contract managers needed to check and monitor if the provider meets the quality- and suitability criteria for all types of care. If the quality is checked before awarding a framework, the workload for supervisors of quality and contract managers will decrease. So, the methods to limit the number of providers and the check the quality before awarding a framework contract are also indirect methods to manage the difficulties with monitoring and managing the quality of care during the contract term.

The monitoring and management of the social care providers during the contract period can be done in different ways according to the interviewees. Active contract management should be a way to monitor the quality. With a decrease in workload, it is more realistic to have the contract management conversation as often as required according to the level of the social care provider explained earlier. (interviewee 4, 9, 10, 11) Some of the interviewees think that it can be useful to monitor all social care providers, so also the providers with less than 50 clients, but the focus must stay on the large providers. Furthermore, according to some of the interviewees, more frequent contract management is desired to build a relationship with the social care providers. (interviewee 7, 8, 9, 11).

Proactive supervision of quality can help with monitoring and improving the quality of social care. This can be done with continuous improvement cycles and extra attention on social care providers if necessary, based on the risk profile. A risk profile based on the results of the risk analysis and the results of the financial analysis of Annual Inside. This risk profile should be adjusted for the type of care, based on the vulnerability of the patient group. (interviewee 6, 7)

Moreover, the quality check is a snapshot, and can change during the contract term. A solution to monitor and check the quality of the social care providers during the contract period is to ask the providers to send the document again, or send an automatic email and check these documents. (interviewee 5, 8, 12) Important to consider, is that extra moments to check the document increases the administrative burden for the social care provider and the municipalities in the region of Twente (interviewee 12,14)

7.2 Summary of the methods to manage the experienced challenges

An overview of all methods to manage the challenges is shown in Figure 6. The blue boxes are the challenges and the orange boxes are the methods to manage these challenges. Furthermore, figure 6 shows that the effect of the solutions limits the challenges further in the process.

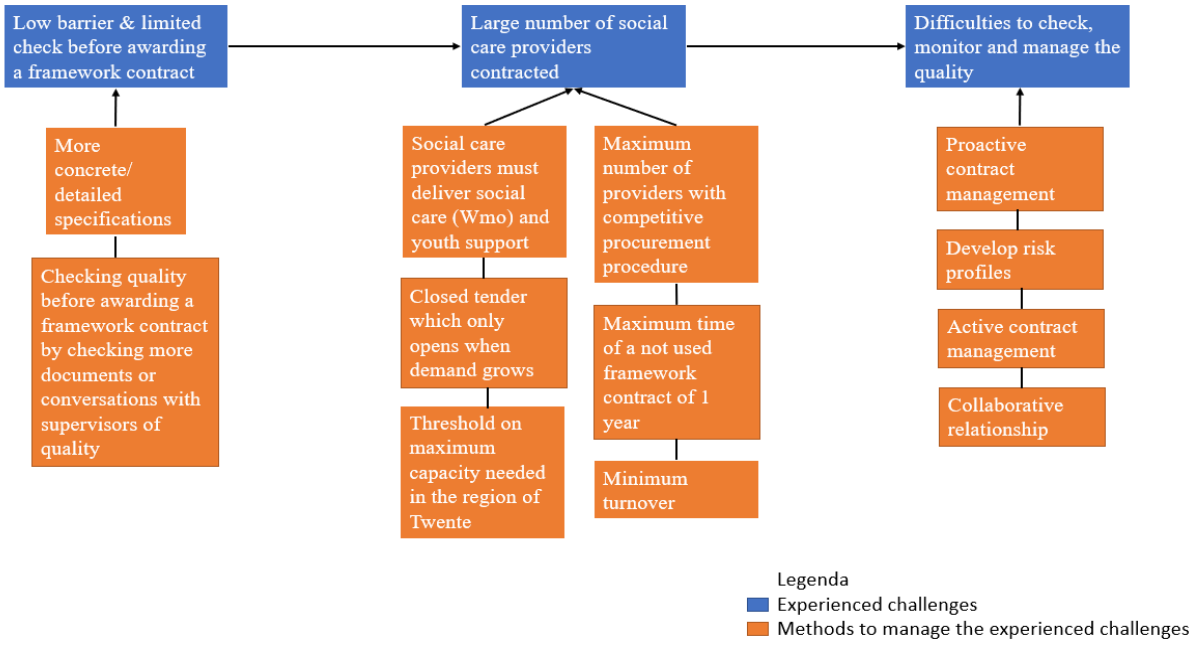

Figure 6. Overview of all ideas to manage the challenges according to the participants

Important to note in figure 6 are the effects of the methods to the challenges. Checking the quality and more concrete specification leads to a larger barrier to award a framework contract. A higher barrier to award a framework contract will lead to less providers contracted. In combination with the other methods to limit the number of social care providers contracted, this should lead to less workload and more capacity to monitor and manage the social care providers and the quality, which can be improved by proactive contract management, active and more frequent contract management and an extended risk profile per social care provider.

8 Discussion, implications, limitations and recommendations

In this chapter, first the differences between the expected challenges and the experienced challenges will be discussed. Thereafter, the differences and the similarities between research model and the model of the results about the methods to manage these challenges will be explained. After this discussion, the contribution to literature of this research get featured. Lastly, the limitations and recommendation to further research are described.

8.1 Large differences between the expected challenges based on literature and experienced challenges in a practical situation

In this section, the differences and similarities of the expected and the experienced challenges will be shown. Thereafter, a (possible) explanation will be given for each difference.

The experienced and the expected challenges differ on multiple points, as shown in table 17. The green color means that the experienced challenge and the expected challenge are in line. The red challenges are experienced challenges which are not challenges according to literature. The orange color means that the challenges are found in literature but not mentioned as challenges in the interviews.

Table 17 Similarities and differences between the expected challenges and experienced challenges

Experienced and expected challenges
Large number of social care providers
High administrative burden
Difficulties/ broad with specifications
Low barrier to get a framework contract with the limited quality check
Difficulties with monitoring the quality of social care
Social care providers, smaller than 50 clients, do not have contract managers
Many contracted social care providers do not meet the quality or suitability criteria
Discussions about broad specifications between providers and municipality
Difficulties with terminating a contract when needed
High dependence on quality of the case managers
Preferences and experiences are not first hand
Difficulties to build a collaborative relationship

The most important difference is that the municipalities experience large problems with monitoring the quality of the supplier. This challenge is in line with the challenges of service purchasing and the service triad, but based on literature it was expected that this was managed by the catalogue model (Uenk, 2018, Van Der Valk & Van Iwaarden, 2011 and van der Valk & Rozemeijer, 2009). An advantage of the catalogue model, according to literature, is that the monitoring of the suppliers is very strong. (Uenk, 2018). This difference is a consequence of the high performance measure burden, which was one of the expected challenges. The high performance measure burden, through the large number of social care providers make it impossible to monitor the quality of all the suppliers. So, monitoring the suppliers is not an advantage of the catalogue model in a practical situation, because this is not doable with a large number of social care providers.

Moreover, the low barrier to get a framework contract and the limited options to check the quality is an experienced challenge which was not expected based on literature. But this could be the result of the standardized quality and suitability criteria. The limited option to check the quality is partly an effect of the EU-directives, but also the result of the choices made by the region of Twente to limit their option to check the quality, because the tender is based on trust. The limited option to check and the trust based tender leads also to many contracted social care providers who not meet the quality and suitability criteria.

Some of the challenges are not experienced, as no incentive to reduce cost, high dependence on the quality of the social care providers and that experiences and preferences are not first hand. No incentive to reduce cost could be not mentioned, because the participants of this research do not work with the cost of social care. High dependence on the quality of the social care providers seems to be not a challenge for the region of Twente. But this can possibly be explained by the quality of the case managers. If the quality of the case managers is high, it can be expected that this challenge will not be experienced. Last, the challenge: experiences and preferences are not first hand, is not experienced by the interviewees. A possible explanation can be that the interviewees already have a decent idea of the experiences and the preferences from the clients.

8.2 Methods to manage the experienced challenges compared to the methods to manage the challenges according to literature

In this section, the differences and similarities between the challenges are shown and discussed. Based on the large differences of the expected and the experienced challenges, it is likely that proposition 4 and proposition 6 are not one of the methods to manage the challenges. It could be that these methods work in a practical situation, but no statements can be made based on this research.

Figure 7 shows the original research model, but all expected challenges which are not experienced (as discussed in 8.1) are made dark blue. For the dark blue boxes in the figure, no statements or results can confirm or invalidate this method to manage the challenges based on this research. So, in the new research model, these challenges and methods to manage the expected (but not found) challenges are excluded.

To provide an overview of the differences and similarities of the methods to manage the experienced challenges, figure 8 is developed. In this model, the methods to manage the experienced challenges according to the interviewee are shown. These methods are divided in methods to manage the challenges which are in line with literature, methods which are in line with literature based on the new challenges, and methods which are found in this research but not in the literature.

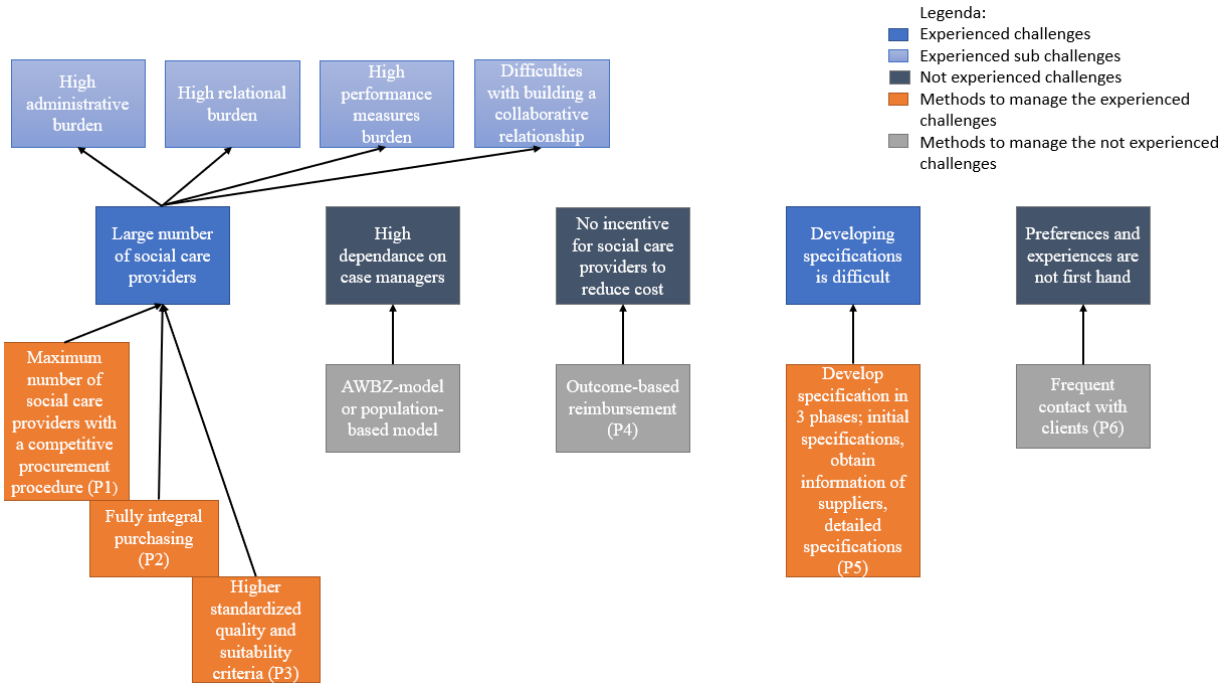

Figure 7. Research model: differences and similarities of the expected and experienced challenges

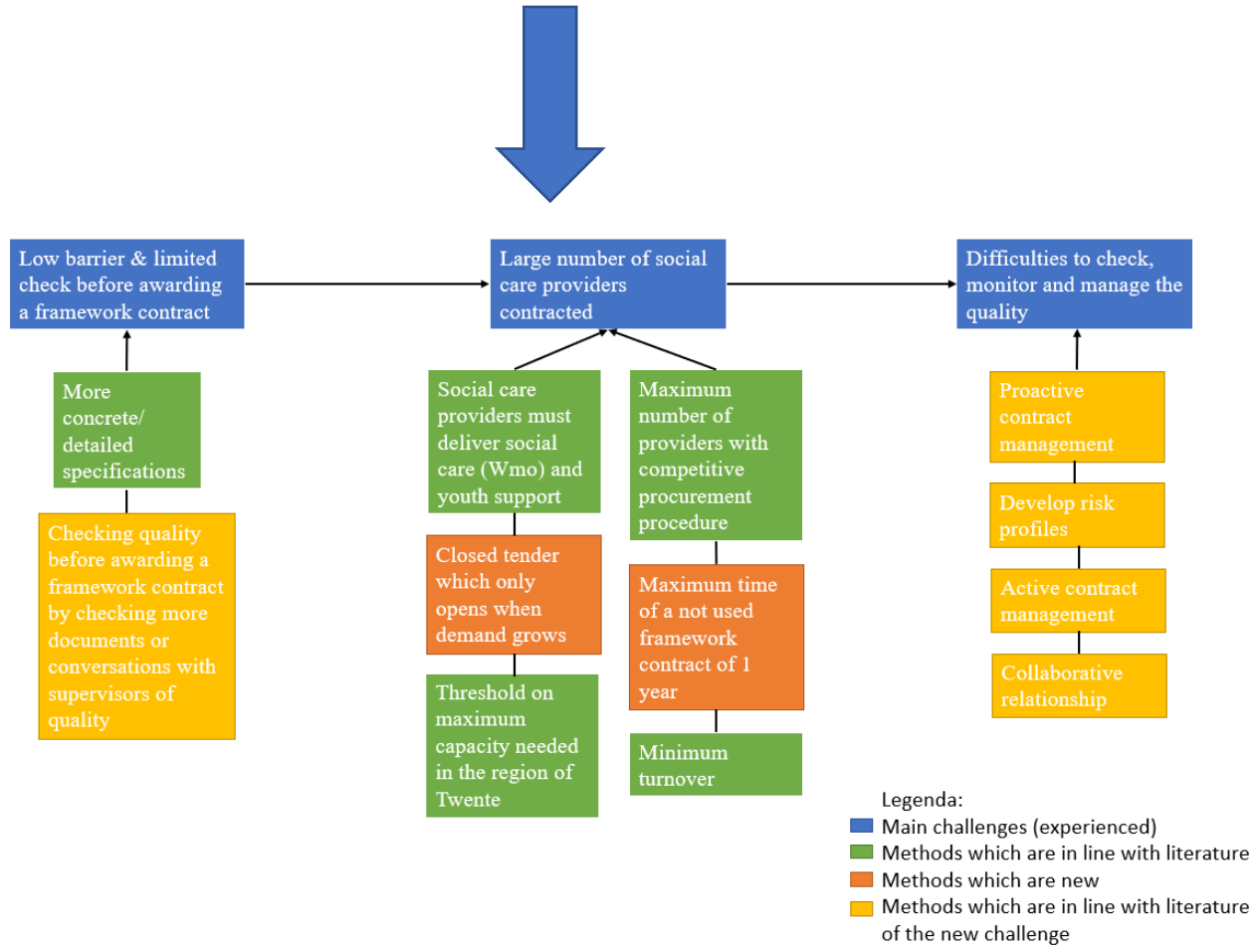

Figure 8. Similarities and differences in methods to manage the experienced challenges.

The methods to manage the challenge large number of social care providers contracted are, according to literature, maximize the number of providers by a competitive procurement procedure, fully integral purchasing or increase the quality of the standardized specifications. These methods are in line with this research. According to the interviewees, a maximum number of providers could be a method after performing a detailed social care landscape research. Moreover, fully integral purchasing and a minimum turnover as extra specification should decrease the number of providers according to the interviewees. So, proposition 1 and 2 can be confirmed. A closed tender and a maximum time to have an empty framework contracts are additional methods to manage the challenge large amount of social care providers (orange boxes). A more concrete specification is also a method to increase the barrier and limit the number of providers. This method to manage the experienced challenges is placed in the new model under the challenge low barrier. A higher barrier also means less providers contracted, so proposition 3 is also confirmed.

The differences in this model (yellow boxes of figure 7) are the result of the large differences in the expected and the experienced challenges. The methods to manage the additional experienced challenges are: checking the quality of the social care provider before awarding a framework more with additional documents, visits or conversations with a supervisor of quality, active contract management, proactive contract management, developing a risk profile and building a collaborative relationship. According to literature, early supplier involvement, higher degree of collaboration between buyer and service supplier, and active contract management are tools to manage the challenges with defining specifications and monitoring the suppliers. (Fitzsimmons et al., 1998, Jackson et al., 1995, Uenk & Telgen, 2019, Van der Valk & Rozemeijer, 2009) So, the methods active contract management and collaborative relationship are supported by literature.

8.3 Contribution to literature and practical purchasing situations for municipalities

In this section first the contribution to literature is discussed and thereafter the practical relevance is explained. This research aims to contribute to literature that monitoring suppliers is a challenge of the catalogue model. Monitoring suppliers should be strong according to literature, but this research claims that it is weak, because of the large number of social care providers and the high administrative burden on performance measuring. Moreover, the standardized quality and suitability criteria which are inherent to a framework

contract can lead to challenges, because this creates the large number of social care providers and the low barrier to get a framework contract. This research also aims to contribute to literature that there are two additional methods to manage the challenge large number of social care providers, namely a closed tender and a maximum time with an empty framework contract. There are also two additional methods to manage the challenge difficulties with checking, monitoring and managing the social care providers found which contributes the literature, namely proactive contract management and developing a detailed risk profile of each provider. Finally, this research contributes to literature because it is an empirical study and there is limited practical research available.

This leads to the practical relevance of this research. This research is based on a case which use the catalogue model, as 67% of the Dutch municipalities (Uenk & Wind, 2019). It is likely that these municipalities experience the same or almost the same practical issues despite the small differences in the details of the catalogue model. So, other municipalities outside the region of Twente can also use these methods to manage as they experience the same challenges as the region of Twente.

8.4 Limitations and further research

In this section first the limitations of this research are discussed. Thereafter, recommendation for further research are shown and explained in this section.

Limitations

Small differences in ideas and methods can occur, because the ideas can differ in a group of interviewees. Moreover, this research includes just 14 interviews. This does not seem to be a lot, but the number of officials of the municipalities who are working in the purchasing process and have a lot of knowledge about this topic is limited. Another limitation of this research is that this research is based on the view of the municipalities while the service triad consist of three groups, namely the municipalities, social care providers and the clients. The methods to manage the challenges also influence the social care providers and clients. For example, limiting the social care providers means less freedom of choice for clients and a smaller chance on a framework contract for providers. This bring us to the recommendation for further research.

Recommendations for further research

Further research on the commissioning models and the purchasing process in the social domain is recommended. Research about the effects of the methods to manage these challenges on social care providers and clients is one of the recommendations. With this research, the ability is created to develop methods to manage these challenges which fit to the preferences of the clients and the social care providers. Moreover, the commissioning model and the policy behind the commissioning model on social care providers and clients could provide information which helps the municipalities to make the best choices for all parties in the service triad of social care. Next to researches about the commissioning model and the policy of the municipalities, research to an optimal social care landscape in multiple different municipalities or region could be interesting to provide more grip on what they need. Then they can decide what they want based on their political opinion and policy.

9 Conclusion of the methods to manage the experienced challenges

The purchasing process of social care is very complex, because of the service triad (Van der Valk et al., 2009, Van der Valk & Wynstra, 2012 and Uenk, 2018), service purchasing (Van der Valk & Rozemeijer, 2009) and public purchasing (Telgen et al., 2007). Furthermore, in purchasing social care, quality is important, because the impact of mistakes or low-quality providers can be large on the vulnerable people who receive social care. An important point is that every choice in the purchasing process or method to optimize the process is a trade-off. Each decision leads to something which is desirable, but also to something which is undesirable.

So, to answer the research question: "*How can the commissioning model and purchasing process be shaped in order to minimize the challenges of a purchasing process of the social care in regions in the Netherlands?"* these notes should be taken into account. To answer the research question, a model with the three main challenges, and the methods to manage these challenges is developed, as shown in figure 9.

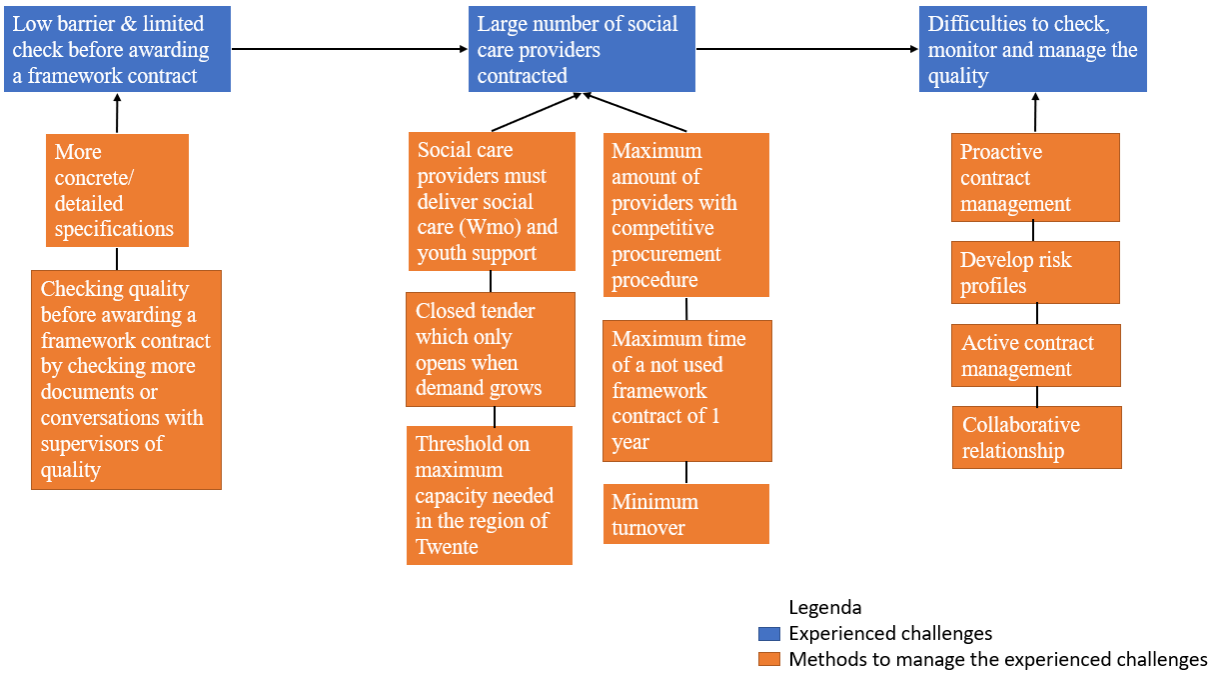

Figure 9. Methods to manage the practical challenges in a purchasing social care

These methods can optimize the purchasing process of municipalities. The method that fits the best is also depending on the policy and the politics behind the policy. There is not one way to optimize this purchasing process, because of the interaction between the methods to manage the results and the trade-off in policy which should be made; freedom of choice or more control. The policy makers or the councillors should choose what fits the best in their opinion for the region of Twente.

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10. Appendices

Appendix A: Extended explanation of the principles of the region of Twente

The Twents model and the purchasing of the support needs is based on the agreed principals of the municipalities. One of the most important principles is that an independent director will be responsible for achieving a certain result with his/her client. This makes the Twents model also a director model. Other agreed principals of the Twents model are: (OZJT, n.d.-b)

1. Support need(s) will be established by an independent director
2. 1 family, 1 plan and 1 director
3. Own strength (use of own social environment and local general facilities)
4. Freedom of choice for the client
5. Work with local providers (if possible)
6. Support so close as possible
7. Result-orientated work
8. High-quality care
9. Limiting the administrative burden

   For the relation between the healthcare provider and the municipalities
10. Business partnership (OZJT, n.d.-b)

1 Family, 1 plan and 1 director

In the region of Twente, it is important to work in a support need question-orientated and result-orientated way. This means that the healthcare provider and the client need the freedom to fill in the actual care within the support need. In the Twents model there are clusters (support needs 1-4, with levels A-C), but no products to support the freedom of the client and the healthcare provider. This means that the healthcare provider will be paid based on the support need of the client and the intensity (light, medium, heavy) of this support need. For each cluster, there is a fixed price. Furthermore, it is important that each director is independent.

Own strength

The client has the directing role in his or her support need(s). One of the conditions for the healthcare providers is that they need to involve the client with filling in their support need(s). If the client is unable to direct their support need(s), a chosen person from own social network will be indicated. If that is not possible a director of the municipalities will assume this directing role in the support need(s) of the client.

Freedom of choice

The municipalities think that it is important that a client can choose a support need which fits them as a person. As a result of this, there is a large offer of healthcare providers. For the client this could mean that they do not know which one to choose. To solve this problem, information of healthcare providers will be more transparent. Information will be given about specialisation, work field, and reviews and results achieved.

Work with local providers (if possible)

Purchasing the Twents model needs to facilitate the local transition of the decentralisation, for example modification in the access. Results of local transition could be that certain forms of indicated support will be less assigned because there are local initiatives with inhabitants created or alternatives on the current indicated support.

Support so close as possible

Creating a better fit of the support in the clients living environment with new forms of support needs and/or a new combination of support.

Result-orientated work

Working result-orientated gives the healthcare provider more space to give the best care for a client. This is necessary because the care should fit the client and to the living environment of the clients, so the care should be personalised. When the healthcare provider had to work with products it would be more difficult to personalise the support than when working in clusters which is done in the Twents model.

High-quality care

High quality care is important to create the best possible results. Furthermore, high quality care leads to more client satisfaction.

Limiting the administrative burden

Limiting the administrative burden is important because the administrative burden cost a lot of time, which means that it also costs a lot of money. With limiting the administrative burden, the time and money spending on this will decrease, which can be spent on real care or increasing the quality of care

Business partners

As business partners, the aim is to have a professional atmosphere. For the municipalities, this means that they have to make sure that there are well-established agreements within the municipalities and they need to act like the appointments, for example paying the invoices in time. Furthermore, the municipalities and the healthcare providers are together responsible for the transformation and take time for changes where needed. Next to that, the business partnership will last for multiple years (at this moment four years), to limit the administrative burden and to peace in the market. The municipalities strive to have contracts with a high diversity and high qualitative healthcare provider. The contracts with healthcare providers can be terminated if a healthcare provider shows that they do not have the intention to offer support from high quality.

Financial principals of the purchasing of the support needs

The financial principals are: (OZJT,2016)

- Steering on available budgets, not only on prices
  When there are realistic prices (second principal) the municipalities can be directing on other facets of the support needs than just the prices to stay within budget. The municipality can direct on a different design to the local access of support needs, strengthening of the cooperation of external referrers and incorporating incentives based on results instead of commitment.
- One realistic price in Twente
  The realistic price is established with the municipalities, OZJT and the healthcare providers. If a healthcare provider is contracted by the region of Twente it will get a

Samen14 contract. Samen14 contract is a contract which means that the healthcare provider can deliver care at the twelve municipalities of Twente, but also that all municipalities have the same prices for the same support needs.

- Financial sustainability
  For municipalities, it is hard to stay within budget. With the fixed prices and the result-orientated payment, there is more clarity of the cost at the beginning of the treatment, so this will help. Furthermore, the examples of facets of this which can help to stay within budget leads also to more financial sustainability.
- Limiting the administrative burden
  Less administrative burden leads to less costs for administration.
- Residence principal

Each municipality bears the cost of the use of the support needs by themselves. This also activates that each municipality has to work on financial sustainability.

Appendix B: Extended explanation of the barrier model

The municipalities of Twente have the joint goal to ensuring that the support need funds are spent in an efficient and legitimate manner, that high-quality care is provided and continued. Besides those goals, the municipalities of Twente want to protect the vulnerable group of residents with a support needs as good as possible. For these reasons the barrier model is developed. The aim of this model is to only close a framework contract with reliable, legitimate, high-quality healthcare providers. To reach this goal the developed barrier model is applied during the tender and duration of the framework contracts. (OZJT, 2018a) The barrier model is executed during the tendering process.

The barrier model consists of three phases.

1. Screening
2. Pre-monitoring
3. Monitoring

Screening

In this phase the tenderer is checked if he meets the earlier mentioned selection requirements. These requirements relate specifically to the qualitative assessment and selection of tenderers, and fall into (mandatory and optional) grounds for exclusion and suitability requirements. Tenderers who do not meet the selection requirements will be excluded from participating, unless exclusion is disproportionate or exclusion can be dispended due to urgent reasons in the public interest. In practice, the exclusion of participation turns out to be very hard. (OZJT, 2018a)

Pre-monitoring

This phase starts after the final award phase of the tender and before the commencement date of the framework contract. The aim of this phase is to make it possible for municipalities to estimate to what extent the tenderer is able to meet all requirements and whether the tenderer will be able to provide high-quality support and/or care to the client. This risk assessment will be based on pre-set risk indicator (see questionnaire below). These pre-set risk indicators are determined by the municipalities.

The information needed to do this risk assessment is created by the questionnaire (see Appendix G) in the main tender. This questionnaire needs to be filled in completely honest by the tenderer. Based on the answers from the questions in the questionnaire the points are given, which lead to a total score. The total score of a tenderer can fall in three categories: green, orange and red. A green score means that the tenderer has a low amount of points and has a low-risk factor. Orange means that the tenderer has some points, so has a medium risk factor and the category red means that the tenderer has a lot of points which refers to a high risk. Scoring a certain category based on the indicators has no direct consequences for the tenderer in this tender, but can be a reason for the municipalities to conduct a further investigation into the tenderer after the framework contract started. (OZJT, 2018a), (OZJT/Samen14, 2019)

Monitoring

The monitoring phase starts when the framework contracts start. In this phase the municipalities monitor if the tenderer meets all the awarding requirements set out in the tender. The information obtained from the questionnaire in the pre-monitoring phase can be used for the benefit of the monitoring. So, a tenderer in the category red has more chances to will be monitored more strictly, than tenderers which have a green risk estimation.

If during the monitoring phase it appears that the tenderer does not meet the awarding requirements, then a municipality (partly depending on the seriousness and severity of the facts and/or act or negligence of the tenderer) may decide to take one or more of the following sanctions: (OZJT,2018)

- A warning
- A client stop (no referral from clients to tenderer anymore)
- Stopping the referral of existing clients from reassessment; recovery of (part of) the amount of unlawful and/or inefficient labelled invoices, whether or not combined with settlement without outstanding or future invoices
- Filling a report with the public prosecution service
- Suspension of the payment obligation by the municipality
- Dissolution of the agreement or non-renewal of the agreement

Claiming compensation

Barrier model:

Naam aanbieder:		
Adres aanbieder:		
KvK nummer aanbieder:		
vraag	wegingsfactor	antwoord
Hebben eigenaar, bestuurders en/ of commissarissen van inschrijver eigen vermogen in de onderneming?	1	
Is eigenaar, bestuurders en/ of commissaris jonger dan 25 jaar?	1	
Hebben eigenaar, bestuurders en/ of commissarissen van inschrijver onroerend goed in privé bezit dat wordt verhuurd aan cliënten van inschrijver?	1	
Zijn eigenaar, bestuurders en/ of commissarissen als bestuurder betrokken bij rechtspersonen die onroerend goed verhuren aan cliënten van inschrijver?	1	
Is de verhouding tussen loonkosten en omzet in 2017 lager dan 70%? *Toelichting: Deel hiervoor de loonkosten door de bedrijfsopbrengsten. Bereken hierbij de loonkosten als alle personeelskosten (inclusief werkgeverslasten) en inhuur personeel als alle kosten verband houdend met de inhuur van personeel. De omzet is de gerealiseerde omzet over het gehele jaar.*	3	
Is de netto marge (in %) voor belastingen in 2017 hoger dan 8%? *Toelichting: Bereken hierbij de netto marge, door de netto winst te delen door de bedrijfsopbrengsten. De netto winst is de winst na aftrek van alle bedrijfskosten en voor het betalen van de belasting.*	2	
Staat inschrijver ingeschreven als ZZP'er? Zo ja, heeft inschrijver in 2017 een bedrijfsopbrengst gehad hoger dan € 121.000,-?	3	
Heeft inschrijver een BV met alleen de bestuurder als werknemer? Zo ja, heeft inschrijver in 2017 een bedrijfsopbrengst gehad hoger dan € 121.000,-?	3	
Staan of hebben eigenaar, bestuurders en/ of commissarissen van inschrijver de afgelopen twee (2) jaar ingeschreven gestaan bij de Kamer van Koophandel in een of meerdere van de volgende sectoren? 35 Productie en distributie van en handel in elektriciteit, aardgas, stoom en gekoelde lucht 38 Afvalinzameling en -behandeling; voorbereiding tot recycling 43 Gespecialiseerde werkzaamheden in de bouw 45 Handel in en reparatie van auto's, motorfietsen en aanhangers 47 Detailhandel (niet in auto's) 49 Vervoer over land 53 Post en koeriers 55 Logiesverstrekking 56 Eet- en drinkgelegenheden 64 Financiële instellingen (geen verzekeringen en pensioenfondsen) 66 Overige financiële dienstverlening 68 Verhuur van en handel in onroerend goed 69 Rechtskundige dienstverlening, accountancy, belastingadvisering en administratie 77 Verhuur en lease van auto's, consumentenartikelen, machines en overige roerende goederen 78 Arbeidsbemiddeling, uitzendbureaus en personeelsbeheer 80 Beveiliging en opsporing 82 Overige zakelijke dienstverlening 92 Loterijen en kansspelen 96 Wellness en overige dienstverlening; uitvaartbranche	3	
Hebben eigenaar, bestuurders en/ of commissarissen van inschrijver een relevante opleiding in zorg- en welzijn?	1	
Hebben eigenaar, bestuurders en/ of commissarissen van inschrijver relevante (werk)ervaring in de zorg- en welzijnssector?	1	
Hebben eigenaar, bestuurders en/ of commissarissen van inschrijver langer dan drie (3) jaar ervaring in de zorg- en welzijnssector?	1	

Appendix C: Explanation of the three phases of the tender

The three phases of the tenders:

Phase 1

The tenderers (healthcare providers) can ask questions in section Question and Answer.

Phase 2 (selection phase)

In the tender the tenderer needs to give information and supporting documents (later mentioned) of the concerning company. This information and data will be checked in this phase by the contracting authority (OZJT/Samen14). The contracting authority check the grounds of exclusion (see list below) and if the tenderer is suitable to deliver the healthcare they registered for. To check if there are no exclusion grounds, the registering party should upload a Uniform European Procurement document (UEA). In a Uniform European Procurement document, the tenderer explain that the exclusion ground does not apply to him and that he meets the eligibility requirements. If one or more of the exclusion grounds applies to the tenderer, exclusion from participation in the tender follows, unless exclusion is disproportionate or the contracting authority waives exclusion for the overriding reasons in the public interest. Where appropriate, the tenderer will be given the opportunity to prove that he has taken sufficient measures to prove his reliability. If the contracting authority considers that the evidence is sufficient, the tenderer is not excluded from the tender. If the tenderer does not meet all suitability requirements, the tenderer is unsuitable for the execution of the assignment and the tenderer's exclusion follows. (OZJT, 2018a)

After checking the exclusion grounds (UEA), an assessment is then made to check whether the tenderer meets all the requirements set out in the schedule of requirements (see appendix G). This also includes all additional requirements that have been set in the sub-tender, if applicable. (OZJT, 2018a)

The supporting documentation may not be older than six months from the date or registration unless explicitly otherwise stated in the tendering guide. (OZJT, 2018a)
The tenderer must have the UEA signed by a valid representative of the tenderer. This legal validity must be proven from an extract from the Chamber of Commerce's trade register or other valid signed authorization. (OZJT, 2018a)

An extract from the trade register of the Chamber of Commerce (or an equivalent document) can be submitted upon registration or will be requested from the tenderer before provisional award. Based on the extract from the Chamber of Commerce, the contracting authority checks whether the signatory is authorized to represent the tenderer.

Phase 3 (awarding of the framework phase)

After tenders and tenderers have been assessed in accordance with the above procedure, contracting authority takes a decision on award on behalf of participating municipalities. Furthermore, in the award phase, the contracting authority reserves the right to check the accuracy and completeness of the data and/or information as provided by the tenderer at the tender. If the tender contains uncertainties, the contracting authority may request a tenderer for a further explanation of the tender.

Tenderers will be informed of this decision via the Negometrix message module. Tenderers cannot derive any rights or claims from the contract, reimbursement of registration costs, loss of references, lost profit or other damage from this award decision. (OZJT, 2018a)

The framework agreement will be concluded 20 days (expiry period) after the award decision unless the tenderer objects to the award decision. The contracting authority notes that the notification of the award decision does not imply acceptance as referred to in article 6 paragraph 1 of the Dutch Civil Code of the tenderer's registration. A written agreement must, therefore, be explicitly concluded between the contracting authority and selected tenderers. (OZJT, 2018a)

Documents needed to meet the requirements of the main and sub tenders:

- Signed Uniform European Procurement document
- Tender code of conduct
- Extract Chamber of commerce trade registration
- Statement from the tax authorities
- Quality certificate or quality manual
- Posting statement

Checked on:

- Serious professional errors, errors during the contract time must also be reported
- Past performance
- Financial health of the tenderer
- Being no member of Outlaw Motorcycle Gang

Social requirements and award requirements

- Social return on investment obligation
- Quality requirements of efficiency, effectiveness, client focus, safety, physical environment and business operations
- Dutch language proficiency
- Privacy and general data protection regulations
- Available on phone by workdays by inhabitants

Appendix D Interview protocol purchasing advisor, supervisor of quality and contract managers

Interview vragen (Nederlands) Inkoop adviseurs/contract managers/ toezichthouder kwaliteit:

1. Introductie voor de geïnterviewde
   - Uitleg doel van dit onderzoek
   - Uitleg informed consent
   - Informed consent tekenen
2. Algemene informatie
   - Uitleg van de functie inkoopadviseur/ contract manager/ toezichthouder kwaliteit binnen het inkoopproces. Welke taken voert u uit?
3. Uitdagingen
   Tegen welke problemen loopt u aan tijdens uw werk met betrekking tot het inkoopproces?
   Optioneel uit te vragen bij weinig respons.

- Wat vindt u van het grote aantal aanbieders
- Wat vindt u van de manier waarop aanbieders nu gecontroleerd worden?
- Wat vindt u van de monitoring en management van de aanbieders?

4. Oplossingen
   Wat zou er verbeterd kunnen worden en hoe? Wat zou daarvoor nodig zijn?

- Bij weinig respons of ideeën, wijze op de uitdagingen die aangegeven zijn en specifiek vragen of zij daar een oplossing voor weten.

5. Huidige verbeteringen en situatie
   Wat wordt er tot nu toe gedaan aan het oplossen van de problemen?
6. Wat wordt er nu gedaan met betrekking op de methodes om de uitdagingen op te lossen volgens literatuur.

- Op het gebied van aanbieders vroeg betrekken bij het proces?
- Op het gebied van actief contractmanagement?
- Op het gebied van een relatie aangaan met de aanbieder?
- Zijn aanbieder vroeg betrokken bij het inkoopproces?
- Op het gebied van contact houden met de client?

7. Heeft u nog andere ideeën over hoe deze problemen aangepakt kunnen worden?
8. Afronden en bedanken voor het interview

Appendix E. interview protocol legal advisors

1. Introductie voor de geïnterviewde

- Uitleg doel van dit onderzoek
- Uitleg informed consent
- Informed consent tekenen

2. Algemene informatie

- Uitleg van de functie jurist binnen de inkoop van het Twents model. Welke taken voert u uit?

3. Tegen welke juridische problemen wordt aangelopen tijdens het inkoopproces?

4. Hoe worden deze problemen op dit moment opgelost?

5. Er zijn een aantal problemen in het inkoopproces van het Twents model benoemd tijdens andere interviews en hierbij zijn een aantal ideeën als oplossing naar voren gekomen. Wat zijn uw ideeën hierover? Zouden deze ideeën juridisch kunnen?

De tender is erg juridisch ingestoken, waardoor lastig leesbaar voor zorgaanbieders en hierdoor worden er veel fouten gemaakt.

Ideeën:

- Een Jip en Janneke verslag en daarnaast een begrippenlijst met wat dit in juridische termen betekend.
- De tender vooraf laten lezen en invullen door zorgaanbieders of andere leken
- Webinars maken met uitleg over wat de vraag precies inhoudt
- Algemene webinar maken over het invullen van de tender

Het is lastig om mensen uit te sluiten voor en tijdens de contractperiode: vooraf: omdat veel dingen niet heel concreet zijn.

- Concreet maken van de specificaties dus wat valt er onder goede dagbesteding.
- Waar een locatie precies aan moet voldoen etc.
- Tijdens het contract, elk jaar of elke 2 jaar de vragen in de tender herhalen als diploma's VOG, financieel gezond etc. → negatief dan contract ontbinden.
- Tijdens onderzoeksperiode/ verscherpt toezicht een cliënten stop.
- Er zijn een groot aantal aanbieders
- Vooraf alle aanbieders checken qua documenten zoals diploma's, VOG etc. niet op het moment dat zij cliënten krijgen of bij toezicht pas

- Maximum stellen van het aantal aanbieders per type zorg, Iedereen kan inschrijven, kwalitatief de beste worden uitgezocht.
- Maximum stellen, met opening bij minder dan het maximum of een hoger aantal nodig door groei van de vraag
- Minimale omzet of aantal cliënten anders mag je niet inschrijven

De tijd van een onderzoek duurt erg lang

- Onderzoek verkleinen, wat is er precies nodig om een ontbinding bij de rechtbank staande te houden?

6. Heeft u nog andere ideeën om deze problemen te verminderen of op te lossen?
7. Zijn er nog dingen waarvan u zegt hier moet juridisch gezien goed over nagedacht worden?

Appendix F Tender/municipality or function specific challenges and their methods to manage.

In this appendix the tender or region-specific challenges and the corresponding methods to manage these challenges are discussed. First an overview of the challenges will be shown in table 18. Below table 18, the challenges will be explained more in-depth.

Table 18. Overview of the experienced challenges which are specific for the region of Twente

Challenge	Experience by	Level of challenge
Use of data is not optimal	All	Region specific level
High percentage of incorrect tender registration	Purchasing advisors	Tender specific and context
Weights of the risk analysis are not optimal	Supervisors of quality	Tender specific
No risk adjustment for type of care	Supervisors of quality	Tender specific
Integrality between the sub tenders is not optimal	Contract managers	Tender specific

Use of data not optimal

This challenge does not have anything to do with the purchasing process or commissioning model, but is important because it effects the decisions made and the quality of the management and checking of the social care providers.

The first challenge is that there is no information about the landscape of social care. There is no data available on how many social care providers offer youth support, care from the social support act or both. Furthermore, it is not known how the distribution of the current providers is over the region. (interviewee 3, 7, 10, 11) Moreover, the data which is available about social care providers is not connected to each other which result in difficulties to get a good overview of a provider. A good overview of the data about a social care provider can help in the investigation of a supervisor of quality and in the preparations and the conversation with a social care provider for the contract managers.

Explanation of purchasing advisors' specific challenges

High percentage of incorrect tender registrations

In the first registration 100% of the providers submit an incorrect or incomplete registration. After the recovery option still 50% of the providers submit an incorrect or incomplete registration. This creates a high administrative burden for the purchasing advisors and the social care providers. (interview transcripts, interviewee 2, 3) I think that the problem is that the tender is a legal document which is really hard to read and to understand (interviewee 2, 3). Furthermore, the care professionals are no purchasers and this is also a relatively new task. (interviewee 3, 4)

Lack of national quality license or quality criteria

For purchasing social care, there is no national quality license or criteria. The lack of regulations especially for the social support act makes it hard to develop the tender but also to be sure about the quality of a social care provider (interviewee 3, 5)

Explanation of Supervisor of Quality specific challenges

Weight in risk analysis (barrier model) are not optimal

The commissioning model in combination with our choices lead to a model in which everyone can get a framework contract including parties who are not desired or even fraudulent. (interviewee 6, 8). When the tender started on 1 January 2019, we had many social care providers which were/are red in the risk analysis. This large number of red providers based on our risk analysis also showed that the weights of the risk analysis are not optimal. The weights for all social care providers are the same, but a large organization is really different then a self-employed social care provider, which means that the weight does not fit for all types of organizations. (interviewee 6, 7, 8)

No risk adjustment for type of care

There is no deviation made in type of care and targets groups who receive this kind of care in the risk analysis. For example, day care is mostly a less vulnerable group than really complex youth support. In combination with data this can tell a lot about the severity of a risk. (interviewee 7)

Explanation of the contract managers specific challenges

Integrality between the sub tenders is not optimal

In the sub tenders the integrality is not optimal. There were different subgroups for each sub tender in combination with the limited time to develop the sub tenders this has led to a lack of integrality. There is a difference in things who are arranged between the sub tenders and sometimes the sub tenders are even contradictory. (interviewee 9)

What improvements have already been made by the region of Twente to manage the challenges

High percentage of incorrect tender registrations

Multiple questions which were remarkably often answered incorrect are more extended explained. Furthermore, an extra note is added if a document needs to be handed in. Moreover, the unlimited recovery option is changed to a maximum of recovery options of two. If the tender registration is still incorrect or incomplete, the social care provider can submit a new registration in the next opening of the tender. (interviewee 3).

Method to manage challenges for all functions of the purchasing process

Better use of data

In the interviews it became clear that limited data is available. The interviewees said that the data can be of high value for almost every step in the purchasing process. Based on data, the supervisors of quality can develop a better risk indicator for each provider based on information of the barrier model, but also own data as financial data and number of clients. This data is available. (interviewee 7) Furthermore, data gives inside in challenges and the basics to improve contract management. Contract management can be improved by a database in which all data of the providers can be found, and the increase or decrease of number of clients, kind of indications given to clients, the duration time of a type of treatment etcetera, to see the development of the social care providers. Furthermore, it could be useful to have a tool which makes it possible to benchmark the providers to other comparable providers and to the average of all providers. (interviewee 9, 10) Furthermore, it is necessary to have data available about the social care landscape in the region of Twente. (interviewee 5, 9)

Methods to manage challenges of purchasing advisors

High percentage of incorrect tender registrations

For the purchasing advisors it is a challenge that the tender registrations are 100% incorrect or incomplete when the social care provider submits the registration for the first time. To make it easier or more understandable for the social care providers (who mostly have no purchasing or business background) there are multiple ideas. The ideas were to write the tender in really simple language (Jip en Janneke taal) and add a glossary with the legal concepts (interviewee 3, 4). This idea is, according to the legal advisor, not feasible and desirable because a contract and the tender act as a safeguard if something goes wrong. At that moment it could be that you need to go to court and if you have a tender written in simple language, the judge might not like it. The juridical concepts are clear and if you interpretate that to easy language there could be interpretation differences, which makes it hard if a municipality needs to go to court for termination of a contract. (interviewee, 12, 13, 14)

Furthermore, extra explanation and education through a webinar could be a way to reduce the incorrect or incomplete tender registration. (interviewee 5) An important note to make according to the legal advisors is that everything which is explained in the webinar can be used against you in court, but if this will be done in the right way it could be very useful. (interviewee 12, 14)

Another solution to make the tender more understandable for the social care providers is to involve the communication department of the municipalities. Furthermore, feedback about the tender text should be asked by people who do not work in the purchasing process. (interviewee 3, 5)

To decrease the number of incorrect tender registrations, the recovery options are limited to two. This should result in extra motivation to do it right, because otherwise they should wait six months. (interviewee 5).

Methods to manage challenges of supervisors of quality

Developing the risk analysis (barrier model) further

The region of Twente developed the barrier model, which is a risk indicator. This risk indicator is filled in by the social care providers and the answers are not checked by the municipalities. A solution is to make more use of the barrier model to check the social care providers if the risk indicator is filled in correctly, instead of trusting the social care providers. (interviewee 4, 6) Furthermore, it is important to ask percentages or numbers on multiple question instead of a limit. This gives more information about the severity of the answer. This idea of the solution will be implemented in the tender of September 2020. (documents, memo barrier model)

Striking, is the number of social care providers which are red or orange in the traffic light risk indicator. One of the reasons is that the barrier model does not make any difference in kinds of companies. But one of the challenges of the barrier model is that almost every self-employed provider is red in the risk indicator, because those kinds of companies have invested their own money in their business. A solution can be to make a differentiation in weights on particular answers for types of organisations. (interviewee 4, 6, 7, 8, 9) Moreover, more concrete questions can lead to more insight in the provider. (interviewee 6)

Furthermore, the type of care which the social care provider delivers is not taken into account in the risk analysis, so the prioritizing is not focussed on the vulnerability of the residents receiving the care. So, a solution for this can be categories with the vulnerability of the clients per type of care. (interviewee 7) Moreover, the internal data from the municipalities can be submitted in the risk profiles of the awarded contracts, such as the number of clients. (interviewee 7, 9)

Determinate contracted parties register in the tender with a new company

The social care providers whose contract is terminated, are protected by the business and procurement legislation. The board members of a terminated provider can start a new social care business and, according to the current past performance legislation in social care, there are no opportunities to not award a framework contract to these kinds of new providers. (interviewee 14). Therefore, new regulations or legislation for social care should be made

by the government. A solution can be to exclude not only the company for five years, but also the board member for two or five years.

Methods to manage challenges of contract managers

Discussions about which type of care belongs to a support need category

The specification of the support need categories can be more specific. This leads to less discussions but also to less space to provide care which is needed according to the care professionals. Another option is to give a webinar about the support need categories wherein social care providers will be trained to use the model. (interviewee 10).

Regional account managers system with feedback mechanism

To update the regional contract managers about the experiences from the case managers with the social care provider, a system of documents can be created wherein a case manager can place their experiences. This can be read by the contract managers and they can use it during the conversation with the social care providers.