

**NORTH SOMERSET COUNCIL
DECISION**

**DECISION OF: EXECUTIVE MEMBER FOR ADULT SOCIAL CARE
AND HEALTH
WITH ADVICE FROM: DIRECTOR OF PUBLIC HEALTH AND
HEAD OF STRATEGIC PROCUREMENT
DIRECTORATE: PEOPLE AND COMMUNITIES**



DECISION NO: PC43 2019 / 2020 Scheme

**SUBJECT: Procurement Plan for the Recommissioning of the Adult Community Based
Drug and Alcohol Treatment Service**

KEY DECISION: NO

BACKGROUND:

The reprocurement of this service will support the following North Somerset Council Corporate Plan outcomes:

- Enable residents to make healthy choices and promote active lifestyles which reduce ill-health and increase independence
- Support families to give their children the best start in life
- Commission or provide quality health and care services, which deliver dignity, safety and choice.

DECISION:

It is requested that this Procurement Plan be approved to proceed, to tender for a provider for the Adult Community Based Drug and Alcohol Treatment Service.

REASONS:

Introduction

The current contract for the adult, community-based drug and alcohol treatment services (called the Substance Misuse Service and provided by Addaction) has run from April 2015 and will end in March 2020. The current service is a combined drug and alcohol treatment and support service. The programmes currently available range from information and advice to medically assisted detoxification; from one-to-one sessions to structured day-programmes; from needle exchange services to prescribing programmes; and from volunteering opportunities to formal education sessions. The new service will encompass much of what is currently provided but, reflecting the reduced budget, the expectations of

the Provider in relation to several elements of the service (such as in-house mental health care; criminal justice interventions; and smoking cessation) have been reduced. The new service will increase the provision of early interventions through a programme of training and support for non-specialist agencies.

The current contract is a single provider contract with residential detoxification services sub-contracted on a spot-purchase basis. It is expected that the new service will be contracted in the same way.

TUPE will apply and we have received the relevant information from the incumbent.

Commissioning Plan

The Commissioning Plan for this re procurement was agreed at Full Council in May 2019 and is available upon request.

Requirement

The Service will provide both pharmacological and psychosocial programmes for the addiction and dependence to illicit substances and alcohol.

The Service will continue to have the overarching aim of reducing the harms caused by drug and alcohol use. More specifically it will; prevent early mortality caused by drug and alcohol use; reduce levels of dependence; reduce levels of drug and alcohol crime; reduce demand on social care; improve the lives of children of parents with drug or alcohol problems; reduce the spread of infections associated with drug use; reduce hospital admissions and increase the number of people entering employment and positively contributing to the community. The Service will be key in supporting the attainment of the Government's goals of eradicating homelessness and Hepatitis C.

The Service will target the full spectrum of substance use problems, from 'recreational' drug use and lower risk alcohol consumption to severe poly-substance dependence. This broad focus will be reflected in the Service adopting and combining both the harm reduction and recovery approaches to service delivery. It is expected that the new Service will increase the level of attention given to early interventions (i.e. primary prevention).

The Service will continue to provide, within the scope of available funds, a holistic programme of treatment and support, this will include such things as support for families and carers, physical health care, mental health support, and access to training and employment programmes.

The Contract Manager has been working closely with a significant number of stakeholders involved to create a specification that not only reflects the new budgetary requirements but allows the providers to consider how they might best meet the outcomes defined by the Contract Manager. The specification will therefore be a hybrid version of a requirement based specification and an outcome based specification.

The new contract will commence in April 2020, with an initial term of 60 months and an option to extend up to 24 months. In order for a provider to mobilise this contract an implementation phase of 3 months has been factored into the overall timeline.

The current contractual annual spend is in the region of £1,600,000. The proposed annual contract value will be set at £1,450,000.

Market

In February 2019 the Strategic Procurement Service placed an initial advert on the portal with a view to establishing the level of interest in the procurement of this service. Following receipt of these expressions of interest, in April 2019 four individual meetings with potential bidders took place. These sessions were held to share the Council's proposed commissioning plans and to collect ideas on how the delivery of primary prevention/early interventions could be improved and how service users in long term treatment could be worked with differently.

Since these sessions were held there has been a need to further reduce the available budget. An additional two sessions were held to discuss with the market the reduction in the budget and to establish the level of interest.

Feedback from the market suggested that it would be difficult to achieve the existing specification with the reduced budget available. To counteract this risk, we have adapted the existing input based specification to now be a mixture of an input and outcomes based specification. We will request the market to consider how best they might meet the outcomes laid out in the specification within the constraints of the defined budget.

Route to market

The procurement process will be run through the Council's procurement portal 'Supplying the South West', this will be advertised following an OJEU notice given the gross value over the seven year term is significantly above the services OJEU threshold. It is proposed to run an Open Tender process allowing all bidders the opportunity to submit a full tender.

Timescales

A detailed timetable has been produced by the Strategic Procurement Service and is available to view on request, however, a summary of anticipated key dates is as follows:

Action	Timescale
Full Council agreement for the Commissioning Plan	May 2019
Procurement Plan sign off	August 2019
OJEU advert	27 August 2019
Invitation to Tender process	28 August – 1 October 2019
Evaluation process and clarifications	October 2019
Executive sign off of contract award	4 December
Alcatel Period	December
Contract implementation	January – March 2020
New contract start date	1 April 2020

Governance

This tender is being managed by the Strategic Procurement Service and the lead internal client, the Contract Manager for the Substance Misuse Contract.

This Procurement Plan requires signoff from the Executive Member and the Contract Award report will require Executive sign off.

Social Value, Sustainability & VCSE

It is recommended that in line with the Guide to Social Value produced by the Strategic Procurement Service that we should build elements of social value into both the specification and 10% of the evaluation criteria should be given to ascertain what social value the contractor can offer to the council.

Any additional offerings from tenderers will improve their quality scores and therefore ability to win the contract and in turn will be added to their contractual KPIs to enable the Contract Manager to assess their progress in this area.

The following prompts will be highlighted within the tender documents for each contractor to consider within their quality response:

- ❖ Increased employment to local people
- ❖ Increased use of local supply chain
- ❖ Stronger local voluntary/community sector
- ❖ Recycling of materials
- ❖ Reducing negative and promoting positive environmental impacts

Evaluation Criteria

Pre-qualification stage

There are a number of pass/fail requirements as part of the pre-qualification assessment, Selection Questionnaire (SQ). These include:

- Financial viability
- Health & Safety
- Equalities & Diversity
- Insurances
- References from similar contracts

It is proposed that all suppliers that pass the initial pre-qualification checks will have their remaining tender evaluated for their qualitative assessment.

Qualitative and Pricing Evaluation

Pricing

The funding available for the contract will be £1,450,000 per annum. It is important to recognise that this is not a blanket payment to the provider, it is an overall budget within

which the provider and the Council will work together on an ongoing basis to agree how the funding should best be spent to meet the contract outcomes.

Tenderers are requested to set out how they would spend the budget in order to best deliver the contract outcomes. This will include:

- Describing how they will deliver the core requirements of the service within the specified budget, defining the opening hours of the service and the locations from which it will be delivered.
- Describing what other service elements can be delivered within the budget.
- Describing how the service will respond to concurrent mental health problems.
- Defining the training programme that will be delivered to staff working within non-substance misuse services.

Tenders will therefore be evaluated on a 100% quality basis because the price is fixed.

Quality Assessment – 100%

As we are stipulating the budget available for this contract, the evaluation of the tender automatically becomes 100% based on their quality submission. The intention of the quality assessment therefore, will be to tailor it around the outcomes laid out in the specification. With the specification becoming a hybrid input/outcome spec, the emphasis will be put on the providers to consider the extent to which they can meet the outcomes we have described with the budget we have stipulated.

As well as the outcomes we will also consider the implementation phase from contract award to contract start, their experience with TUPE and their considerations around Social value.

The scoring matrix used during the procurement process is likely to be the following:

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met, and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by

		sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

Evaluation Panel

The proposed evaluation panel will consist of:

- Procurement Manager
- Commissioning Manager (Substance Misuse)
- Project and Commissioning Support Officer
- Consultant in Public Health
- Operational Manager Impact/High Impact Families
- A representative from the CCG (either a medicines management officer or a mental health commissioner)
- A primary care representative

The responses to some of the questions contained with the bids will be considered by Service Users; these Service Users will not be part of the formal evaluation panel.

Contract Management

Once the contract is up and running it is natural that there will be changes to the originally planned expenditure, and the Council will work on a partnering basis with the Provider to agree the financial impact of change. For instance, if there is a delay to recruiting to a planned post, the money may be reallocated to other Services, or in some circumstances the Council may decide to reduce the Contract Value to claw back the money that has not been spent.

The profile of the way the money is spent is expected to change over time.

In some instances, there may be one-off set up costs that will only apply in Year One, and in those instances, services are expected to increase and expand over time.

Following the contract award a detailed Contract Management Plan will be produced jointly by the Procurement Manager and the assigned Contract Manager. It is proposed that initially, formal monthly performance meetings will be held with a view that they may revert to quarterly meetings once the contract has been embedded. The Provider, in preparation for these meetings will submit a fully completed report, in a format specified by the Council, no later than one week prior to the meeting. The Provider will supply all necessary information with which to provide a clear, robust understanding of the outcomes achieved through the service. This contract will form part of the quarterly contract performance monitoring presented at CMT.

OPTIONS CONSIDERED:

1. Continue with current contract – This is not a viable option as all the contract extensions have been utilised and the contract will terminate on 31 March 2020. There are no circumstances which would justify a procurement exception being sought.
2. Recommission the service with the existing specification and the reduced budget available. The market has already indicated during consultation that this would not be a viable option and would result in an outcome of no interest.
3. Do not recommit this service – This would result in an increase in the level of drug and alcohol related problems, it would also result in the Council failing to comply with the conditions of the Public Health Grant, as such this is not a viable option.
4. Commission a shorter term contract – It is felt that due to the complexity and size of this service it would be prudent to delay the next round of recommitment for as long as possible, there will, however, be mechanisms within the contract to allow for variations to both the content and price of the service to be made through its life.
5. Commission the service as set out in this plan – this is the preferred option.

FINANCIAL IMPLICATIONS:

Current and future estimated budget and expenditure is shown in the table below, and forms part of the Council's expenditure that is funded by the public health grant.

2018/19 Budget	2018/19 Spend	2019/20 budget	2019/20 est. spend	2020/21 est. budget	2020/21 est. spend	Difference from 2019/20 Spend
£000s	£000s	£000s	£000s	£000s	£000s	£000s
1,687	1,639	1,642	1,594	1,642	1,450	-144

The 2019/20 budget for these services is £1.642m, having been reduced from £1.867m in 2015/16. The current (2019/20) contract value is expected to be £1.594m.

The recommitment of the contract needs to be seen within the wider context of the overall Public Health budget and Medium Term Financial Plan. The Public Health Grant has seen sustained reductions over the past few years, with the £9.3m grant having been reduced by 2.5% in 2019/20.

2019/20 budget reductions amounted to £300,000 (including £45k for this contract), with a further £250,000 of spend planned to be funded from the public health reserve, which is expected to reduce to just £200,000 by the end of 2019/20.

In setting the 2019/20 budget, it was recognised that there were a number of risks associated with the medium-term position, including uncertainty in relation to the future value and

conditions associated with the public health grant, the sustainability of pharmacotherapy income, and the need to find additional sustainable savings of at least £250,000 to offset the temporary use of reserves.

At the time of budget setting, it was acknowledged that one of the opportunities that would exist in 2020/21 to address these risks and reduce costs, would be the recommissioning of the substance misuse contract.

At this initial stage, indications are that the Service will have a fixed annual cost £1.450m and that the contract will contain a clause which will permit contract value negotiations to occur at any point during the life of the contract.

This would produce a saving, when compared with the 2019/20 estimated cost, of £144k and this will be able to contribute to the overall Public Health savings targets for 2020/21, which are estimated to be in the region of £430k

Costs in excess of these estimates would likely mean that alternative savings would have to be found either by rescoping this service or by making reductions in other areas within the public health service, in order that overall spend could be contained within the public health grant.

LEGAL POWERS AND IMPLICATIONS

The service is a public health service; the responsibility to provide public health services was conferred to Local Authorities by the Health and Social Care Act 2012.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Require the Provider to recycle as much as possible

Require the Provider to have a sustainable travel policy

Where the Provider has to travel to deliver interventions to specific individuals or groups, recommend that the Provider uses digital means of delivery, where this is appropriate and safe to do so.

Require the use of low power light bulbs.

Require that all electronic appliances are switched off when not in use

Require the Provider to deliver a paperless service (where this is appropriate to do so).

CONSULTATION

In addition to the meetings that have been held with interested providers, an online consultation was completed, there were 10 stakeholder respondents and 38 service user respondents, these responses highlighted what areas of the current service were valued and worked well and where the areas requiring improvement are. The information from this consultation was considered during the development of the specification. A stakeholder engagement event was held on 31st July 2019. This event was attended by 24 individuals from various organisations and Council departments; the attendees also included 5 service users. During this session the attendees were provided with information about the current service and where asked to comment on their experience of this. They were then taken through the commissioning and procurement plans for the new service and were asked to comment on these. The attendees were very clear about the importance of substance misuse services; they

stated that it would remain essential to continue delivering treatment to dependent drug and alcohol users; the service users highlighted how they would like more support after completing treatment and they highlighted the importance of getting the necessary mental health support. The comments made by the attendees were fed into the specification and will shape the tender questions.

RISK MANAGEMENT

There are a number of risks that have been established and mitigated to the best of our abilities, they are:

- No or limited interest from the market
- Mobilisation of the contract and implications of TUPE
- Contract delivery is poor following award to a new provider

The Contract Manager has spent time with various providers in the market place during the pre-procurement phase to establish the interest in the contract and meet with those providers to discuss the proposed service and specification. Additional sessions have been held following the more recent budget reduction where concerns have been made at the lower end of the budget envelope initially discussed. With the reduction in the budget we have considered carefully the service that is now affordable. Rather than specify what we would like the service to look like, the Contract Manager has created a hybrid specification which allows the market to tell us what they are able to achieve against our pre-defined outcomes whilst we also outline clearly what must be achieved.

We have factored in a 3 month mobilisation period to allow any new provider the time to mobilise the contract and deal with the TUPE implications. We have already requested the TUPE information from the incumbent which will allow us to facilitate upfront the implications.

The quality assessment evaluation will ensure that any new provider is able to both mobilise and run the contract. Evidence of having run similar contracts elsewhere will also be requested and evaluated. The Contract Management plan will also be key to ensuring adherence to the specification and KPIs.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes.

An equalities impact assessment has been completed.

CORPORATE IMPLICATIONS

This Service will support the following North Somerset Council Corporate Plan outcomes:

- Enable residents to make healthy choices and promote active lifestyles which reduce ill-health and increase independence
- Support families to give their children the best start in life
- Commission or provide quality health and care services, which deliver dignity, safety and choice.

