

CABINET

19 DECEMBER 2017

GATEWAY 3 CONTRACT AWARD: ADULT SUBSTANCE MISUSE SPECIALIST TREATMENT SERVICES RECOMMISSIONING

Portfolio Holder: Councillor David Brake, Adults' Services

Report from: James Williams, Director of Public Health

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Sexual Health and Substance Misuse

SUMMARY

This report seeks permission, to award a contract to the supplier(s) as highlighted within section 3.2 of the Exempt Appendix.

The Cabinet approved the commencement of this requirement at Gateway 1 on the 5 July 2017.

This Gateway 3 Report has been approved for submission to the Cabinet after review and discussion at the Public Health Directorate Management Team Meeting on 21 November 2017 and was considered by the Procurement Board on 13 December 2017.

1. BACKGROUND INFORMATION

1.1 Budget & Policy Framework

1.1.1 Prior to 2012, Substance Misuse was the responsibility of the Primary Care Trust (PCT). When the PCTs were abolished, that statutory responsibility was transferred to Local Authorities (together with the associated budget).

1.1.2 It was the Health and Social Care Act that affected the transfer of responsibility from the NHS to Local Authorities. The Act is also the basis for the ring-fenced Public Health Grant to Local Authorities to meet the responsibilities under this Act. The grant is formulated to

spend one third on substance misuse services. If this was applied to Medway, it would equate to over £5m pa. The current substance misuse budget is in total £2m pa.

- 1.1.3 The new contract will enable efficiencies to be delivered whilst ensuring that performance against national Public Health Outcome Framework, local key performance indicators and the experience of local adults who want to recover from problematic substance misuse are all improved.
- 1.1.4 Efficiencies have been delivered during the current contract and a zero based budget has been used to estimate total funding for future service provision to be £2m per annum.
- 1.1.5 Effective delivery of specialist services and interventions for adults involved in problematic substance misuse contributes to a wide range of local and national policies and priorities including:
 - Medway Council Plan– Supporting Medway’s people to realise their potential, Maximising regeneration and economic growth.
 - Medway Safeguarding Children Board Plan - Priority One: To improve the life chances of children living with family members with mental health, substance misuse or disabilities.
 - The Medway Community Safety Plan.
 - Public Health England’s Public Health Outcome Framework.
 - National Crime Prevention Strategy.
 - National strategies in relation to alcohol misuse and drugs misuse, including the Government Recovery strategy.
 - The Kent Police and Crime Commissioner priorities.
- 1.1.6 By ensuring that treatment for adult substance misusers is available and effective, a significant contribution can be made to the reduction of offending in Medway, reducing anti social behaviour, supporting Medway Council early intervention services (including reducing numbers of children moving in to higher threshold care services) alongside directly supporting acute and community based health services in the management of a complex cohort of patients associated with long term health problems.
- 1.1.7 Furthermore, effective specialist treatment provision contributes to Medway Council and community members concerns in regard to domestic abuse, alongside street homeless and street drinker populations.

1.2 Background Information

1.2.1 Medway has an estimated 1,100 adults engaged in the use of opiates and crack cocaine alongside significant numbers of dependent and higher risk alcohol users (a projected 14,896 individuals).

1.2.2 Medway Council currently commissions an integrated specialist substance misuse treatment service for adults aged 18 years and above who live in the Medway area. The current contract was awarded to Turning Point Services Limited in 2014 following a robust tendering process; this contract is due to end on 31 March 2018. The current provider is delivering successful outcomes for opiate and alcohol users but performance could be further improved via recommissioning services and support that further engage adults involved in problematic drug and alcohol use in sustained recovery from dependency.

1.2.3 A robust and thorough needs assessment and review was completed to inform and support final treatment system design. This resulted in 2 Lots being defined as below:

- Lot 1 - Engagement, Assessment, Stabilisation and Treatment Service to deliver a range of interventions including: substitute prescribing for opiate users; community detoxification for dependent alcohol users; access to residential rehabilitation and in patient detoxification services; group-work and individual sessions to support and enable recovery from dependent drug and alcohol misuse; access to community based projects that enable recovery and access to Education, Training and Education programmes; needle and syringe exchange programmes.
- Lot 2 – Wellbeing and Recovery service to provide peer mentor training, supervision and mobilisation of volunteers alongside a range of activities to reduce the likelihood of lapse.

1.3 Funding/Engagement From External Sources

1.3.1 The Police and Crime Commissioner makes an annual direct contribution of £59,042 towards the cost of the specialist treatment service provision in Medway. NSH England cover the additional prescribing costs associated with pharmacy dispensing equivalent to approximately £210 000 per year.

1.3.2 A number of key stakeholders – including criminal justice services (Kent Police; SETEC), Medway social care services, acute and community based health services are engaged in supporting the delivery of the specialist service. Stakeholders are invited to attend Medway Drug and Alcohol Action Team meetings, chaired by Medway Public Health Department.

1.4 Reasons for Urgency

1.4.1 This report has been included on the Forward Plan in accordance with Sections 5 (procedures prior to private meetings and 8 (key decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and Rule 14 (publicity in connection with key decisions) of the Council's Access to Information Rules, as set out in the Constitution. However, this report has been circulated separately to the main agenda. Therefore, the Cabinet is asked to accept this report as urgent.

1.4.2 This is in order to implement the new service and associated savings for the Council identified from 1 April 2018 as identified in the Public Health medium term plan. The current contract ends 31 March 2018 and we require a minimum of a 3 month period to allow for contract issue and mobilisation which includes TUPE implications. Therefore, any delay however small could impact on the 1 April target.

2. PROCUREMENT PROCESS

2.1 Procurement Process Undertaken

2.1.1 In line with Medway Council's Contract Procedure Rules, this requirement was subject to a formal EU Open Procedure, whereby an OJEU notice was published within the Official Journal of the European Union, an advert was issued on Contracts Finder and the tender issued and administrated via the Kent Business Portal.

2.1.2 The Open Process for this procurement opportunity was utilised to accommodate the timelines (expiry of current contract) and in the knowledge that the market of providers who could provide the total requirement is limited.

2.1.3 The deadline for receipt of completed tenders was 3 October 2017. Seven bids were received. One bid failed to meet the full criteria required.

2.2 Evaluation Criteria

2.2.1 The evaluation criteria set within the Invitation to Tender document was Most Economically Advantageous Tender (MEAT) based upon a composite mixture of quality and price: 80% for quality and 20% price equating to 100% in total.

2.2.2 The paper evaluation was completed by 2 Council staff members and 1 substance misuse expert. The presentations were made to 2 council staff members, 1 substance misuse expert, Pharmacist from the CCG plus a panel of service users.

- 2.2.3 In order to qualify the Council fully assessed each provider's ability to deliver services in accordance with the service specification and contract terms and conditions.
- 2.2.4 The quality questions centred on each provider's ability to be able to mobilise the services required and manage the day to day/operational provision. Questions were scored on a scale of 0-5, however providers must achieve a minimum score of 3 or their bid would fail.
- 2.2.5 The questions focussed on the following and were weighted accordingly:

Lot 1 = Budget allowance £1,750,000 PA (3+1+1 £8,750,000)	
Substance Misuse: Engagement, Assessment, Stabilisation and Treatment Service	
Case Study	15 points
Method Statement 1	25 points
Method Statement 2	15 points
Method Statement 3	10 points
Method Statement 4	10 points
Method Statement 5	5 points
Method Statement 6	10 points
Method Statement 7	10 points
Method Statement 8	5 points
Quality score equated to:	60%
Presentation/Interview	20%
Price	20%
Total	100%

Lot 2= Budget allowance £250,000 PA (3+1+1 £1,250,000)	
Wellbeing and Recovery Support (For people recovering from Substance Misuse issues)	
Case Study	15 points
Method Statement 1	20 points
Method Statement 2	10 points
Method Statement 3	10 points
Method Statement 4	10 points
Method Statement 5	10 points
Method Statement 6	3 points
Method Statement 7	10 points
Method Statement 8	10 points
Method Statement 9	2 points
Quality score for above equates to:	60%
Presentation/Interview	20%
Price	20%
Total	100%

2.2.6 Once evaluated, scores were moderated and a consensus score agreed for each question.

2.2.7 The results of this evaluation process are set out in the Exempt Appendix.

3. BUSINESS CASE

3.1 Delivery of Procurement Project Outputs / Outcomes

3.1.1 The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement have been appraised in the table below to demonstrate how the recommended procurement contract award will deliver said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How will recommended procurement contract award deliver outputs/outcomes
<p>1. Number of successful completions of drug treatment</p>	<p>The number of individuals who have successfully completed specialist drug treatment, abstaining from class A drug use and/or reporting significant reduction in overall drug use.</p>	<p>National Drug Treatment Monitoring System (NDTMS) and Public Health.</p>	<p>Quarterly Monitoring Quarterly NDTMS reporting Providers monthly performance reporting.</p>	<p>Engagement, Assessment, Stabilisation and Treatment Service (Lot 1) will deliver a phased and layered approach to support those who are in contact with the service. Results of treatment will be uploaded to MDTMS</p>
<p>2. Number of successful completions of alcohol treatment</p>	<p>The number of individuals who have successfully completed specialist alcohol treatment, abstaining from alcohol use or reporting significant reduction in overall alcohol use.</p>	<p>National Drug Treatment Monitoring System and Public Health.</p>	<p>Quarterly Monitoring Quarterly NDTMS reporting Providers monthly performance reporting.</p>	<p>Engagement, Assessment, Stabilisation and Treatment Service (Lot 1) will deliver a phased and layered approach to support those who are in contact with the service. Results of treatment will be uploaded to MDTMS</p>

<p>3. Number of completions who re present for drug treatment</p>	<p>The number of adults who have successfully completed treatment and re present for specialist treatment within 6 months of treatment completion.</p>	<p>National Drug Treatment Monitoring System and Public Health.</p>	<p>Quarterly Monitoring Quarterly NDTMS reporting Providers monthly performance reporting.</p>	<p>The Wellbeing and Recovery Service (Lot 2) will provide a new service to reduce the likelihood of representation. Pathways will exist back into Engagement, Assessment, Stabilisation and Treatment Service (Lot 1) for those who do represent for additional treatment. Results of treatment will be uploaded to MDTMS.</p>
<p>4. Number of substance misusers accessing specialist treatment services</p>	<p>The number of individuals aged 18 years and above who access specialist treatment services.</p>	<p>National Drug Treatment Monitoring System and Public Health.</p>	<p>Quarterly Monitoring Quarterly NDTMS reporting Providers monthly performance reporting.</p>	<p>Services (Lot 1 & 2) will be accessible in time, location and method of delivery. Self care options will be available for lower risk service users thereby maximising numbers who are able to access services while minimising costs.</p>
<p>5. Number of individuals waiting over 2 weeks for initial intervention</p>	<p>The number of individuals that have to wait for 2 weeks or above between initial contact with specialist treatment services and the first intervention offered.</p>	<p>National Drug Treatment Monitoring System and Public Health.</p>	<p>Quarterly Monitoring Quarterly NDTMS reporting Providers monthly performance reporting.</p>	<p>Services (Lot 1 & 2) will be accessible in time, location and method of delivery. Self care options will be available for lower risk service users thereby maximising numbers who are able to access services while minimising costs.</p>

4. RISK MANAGEMENT

1. Risk Category: Procurement Process	Likelihood: Significant	Impact: Critical
<p>Outline Description: The commissioning timeline is not met, causing a delay in service implementation and possible service gaps as notice will have been served on current contracts, including gap in clinical provision for dependent opiate users.</p>		
<p>Plans to Mitigate: Regular communication, engagement and liaison between Public Health Programme Manager and lead Category Management officer to ensure timelines followed, issues/obstacles identified and mitigated prior to causing delays. Agree alternative commissioning timeline that follows standard open tendering process in case of significant timeline slip places new contract start date and service mobilisation at risk.</p>		
2. Risk Category: Procurement Process	Likelihood: Low	Impact: Critical
<p>Outline Description: There is a lack of applications from potential providers for the new service models during the procurement process.</p>		
<p>Plans to Mitigate: Public Health and Procurement delivered a series of marketplace engagement events, ensuring provider interest in the services.</p>		
3. Risk Category: Service Delivery	Likelihood: Significant	Impact: Critical
<p>Outline Description: The new services are not able to deliver services access, outputs and outcomes to the identified performance targets due to challenges that arise from initial implementation of a new treatment system.</p>		
<p>Plans to Mitigate: Establish a robust service delivery monitoring framework, including provider forum; stakeholder engagement forum; quarterly performance monitoring meetings with providers. These have been written into the Service Specification.</p>		

4. Risk Category: Reputation / Political	Likelihood: Low	Impact: Critical
<p>Outline Description: The new services fail to offer appropriate access, quality of service delivery and outcomes, affecting community and stakeholder perception of the Council as funders and commissioners of new specialist service provision.</p>		
<p>Plans to Mitigate: The new services will be monitored via regular performance monitoring meetings and reports; a client consultation forum will be established for the first year of the new treatment system contracts. Regular opportunities to engage with key stakeholders are in place.</p>		
5. Risk Category: Finance	Likelihood: Significant	Impact: Catastrophic
<p>Outline Description: Requirement to deliver efficiency savings from 2019 onwards may make continued delivery of commissioned services unsustainable.</p>		
<p>Plans to Mitigate: Zero based budget used to inform contract value. Public Health Department and partners will have ongoing focus on identifying future opportunities to deliver efficiencies within the contract alongside service providers; Public Health will work alongside partners to identify alternative revenue and funding streams.</p>		
6. Risk Category: Other/ICT	Likelihood: Low	Impact: Marginal
<p>Outline Description: Service transition between providers will involve transfer of individual client information between service providers; there may be technical or other difficulty that prevents and/or disrupts effective transfer. The potential to enable commissioned provider practitioners to have access to appropriate vulnerable adult records may affect the Wellbeing and Recovery (Lot 2) service.</p>		
<p>Plans to Mitigate: Robust and effective transition planning and process will be established. Required protocols and working arrangements will be resolved to support appropriate information sharing.</p>		

5. PROCUREMENT BOARD

5.1 The Procurement Board considered this report on 13 December 2017 and supported the recommendation set out in section 7 below.

6. SERVICE COMMENTS

6.1 Financial Comments

6.1.1 The procurement requirement and its associated delivery (as per the recommendations at Section 8, will be funded from existing revenue budgets.

6.1.2 Further detail is contained within Section 2.1 Financial Analysis of the Exempt Appendix.

6.2 Legal Comments

6.2.1 Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions.

6.2.2 The process described in this report complies with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

6.2.3 This is a level 4 high-risk category B procurement and therefore the decision to award is for Cabinet. Level 4 (High Risk) Procurement Processes are prescribed by the Monitoring Officer, in consultation with the Procurement Board with recommendations for the decision-making associated with the initial Gateway 1 Report and subsequent Gateway 3, 4 and 5 Reports being made to the Cabinet.

6.3 TUPE Comments

6.3.1 TUPE will apply to this contract but there are no implications for the Council

6.4 Procurement Comments

6.4.1 In accordance with Regulation 84 of the Public Contracts Regulations 2015, the following details will be provided in this report.

Regulation 84	Data	Included?
84(1)(a)	Name and address of contracting authority	Yes
84(1)(a)	Subject-matter and value of the contract	Yes
84(1)(b)	Names of candidates/tenderers passing any selection (SQ) stage and the reasons for their selection	
84(1)(b)	Names of candidates deselected following any selection (SQ) stage and the reasons for their deselection	Yes

84(1)(b)	Names of bidders selected (following a “reduction of numbers” under Regulation 66), to continue to take part in a competitive with negotiation or competitive dialogue process, and the reasons for their selection	
84(1)(b)	Names of bidders deselected (following a “reduction of numbers” under Regulation 66) from a competitive with negotiation or competitive dialogue process, and the reasons for their deselection	
84(1)(c)	Reasons for rejection of any tender found to be abnormally low	
84(1)(d)	Name(s) of successful bidder(s)	Yes
84(1)(d)	Reasons why successful bid(s) was/were selected	Yes
84(1)(d)	Share of the contract/framework agreement that the successful bidder intends to sub-contract	
84(1)(d)	Names of the main sub-contractors	
84(1)(e)	Justification for use of competition with negotiation process or competitive dialogue process (see Regulation 26)	
84(1)(f)	Justification for use of negotiated procedure without a notice (see Regulation 32)	
84(1)(g)	Reasons why the contracting authority decided not to award the contract/framework agreement	
84(1)(h)	Reasons why non-electronic means was used for submission of tenders	
84(1)(i)	Details of conflicts of interest detected and measures taken to nullify these	

6.5 ICT Comments

6.5.1 There are no implications arising from this report.

7. RECOMMENDATIONS

7.1 The Cabinet is asked to:

- a) Approve the award of Lot 1 (Substance Misuse: Engagement, Assessment, Stabilisation and Treatment Service) to the provider as outlined in section 3.2 of the Exempt Appendix; and
- b) Approve the award of Lot 2 (Wellbeing and Recovery Support (for people recovering from Substance Misuse issues)) to the provider as outlined in section 3.2 of the Exempt Appendix.

8. SUGGESTED REASONS FOR DECISION

8.1 The proposed procurement will provide the opportunity to deliver improved Substance Misuse services whilst performing against Council strategic objectives including local and national public health obligations.

LEAD OFFICER CONTACT

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APPENDICES

Exempt Appendix

BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Substance Misuse needs Assessment	Website: https://democracy.medway.gov.uk/mgConvert2PDF.aspx?ID=39329	Aug 2017
Public Health Outcomes Framework (November 2016 Update)	Website: https://www.gov.uk/government/publications/public-health-outcomes-framework-2016-to-2019	Nov 2016