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**Report to:** Cabinet **Date of Meeting:** 18<sup>th</sup> July 2013

**Subject:** Adult Substance Misuse Treatment Service – Award of Contract

**Report of:** Director of Public Health **Wards Affected:** All

**Is this a Key Decision?** Yes **Is it included in the Forward Plan?** Yes

**Exempt/Confidential** No

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### **Purpose/Summary**

To report the outcome of the re-commissioning and tendering of an Adult Substance Misuse Treatment Service for Sefton.

To seek approval from Members to award a contract for the provision of an Adult Substance Misuse Treatment Service for a 2-year period, plus an option to extend annually for up to a further three years, commencing on the 1<sup>st</sup> October 2013.

### **Recommendation(s)**

That Cabinet:

Agrees to award a contract for the provision of an Adult Substance Misuse Treatment Service to the bidder with the highest score, namely Tenderer B, for a 2-year period, with an option to extend annually for up to a further three years, commencing on the 1<sup>st</sup> October 2013.

### **How does the decision contribute to the Council's Corporate Objectives?**

	<b><u>Corporate Objective</u></b>	<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community	√		
2	Jobs and Prosperity	√		
3	Environmental Sustainability		√	
4	Health and Well-Being	√		
5	Children and Young People	√		
6	Creating Safe Communities	√		
7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

**Reasons for the Recommendation:**

To secure integrated, recovery-orientated, treatment services for substance misusing adults in Sefton.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

Recognising the current cost of the separate existing services, the anticipated cost-efficiencies that might be gained from the commissioning of an integrated service and the ongoing budget pressures faced by the Council, a nominal “ceiling price” for the service was included within the Invitation to Tender document. All submitted bids were within that nominal “ceiling price”. The cost for providing this service will be approximately £3.6m per annum, a total of £7.214m over the first two years of the contract. This cost can be met within the budget allocated for this purpose. The proposed structure of the contract award, namely for 2-year period, plus an option to extend annually for up to a further three years, allows for variations in volume in recognition of the uncertainty over the Public Health budget allocation from central government beyond the second year.

**(B) Capital Costs**

None

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b>		
The National Health Service Act 2006, as amended by section 12 of the Health and Social Care Act 2012, provides that each local authority must take steps as it considers appropriate for improving the health of the people in its area. The commissioning of suitable recovery-orientated substance misuse treatment services is considered necessary to meet those responsibilities in Sefton.		
<b>Human Resources</b>		
None		
<b>Equality</b>		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact on Service Delivery:**

Implementing the new contract will enable the provision of a recovery-orientated and client-centric all-substance misuse treatment service for Adults in Sefton.

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance and ICT has been consulted and her comments have been incorporated into the report. Budget provision for the proposal exists within the ring-fenced Public Health budget (FD 2391/13)

Head of Corporate Legal Services has been consulted and any comments have been incorporated into the report (LD1706 ).

Consultation took place with Stakeholders, including Service Users and current and prospective service providers, at a Stakeholder Event held at Bootle Town Hall on 27th November 2012. This event presented the Commissioner's understanding of needs, current and emerging patterns of substance misuse, current service delivery models within the borough and vision for future substance misuse services in Sefton. The session also engaged stakeholders in Workshops to test the analysis/understanding and help develop/confirm the outcomes sought. Further specific consultation was undertaken with Service User Groups as the Service Specification was developed. Consultation was also undertaken with the shadow Sefton Health and Wellbeing Board and Sefton Strategic Integrated Commissioning Group prior to finalising the Service Specification and Tender Documents/assessment methodology.

Once the contract has been awarded specific consultation with service users and the new providers will take place to ensure smooth implementation of the new service and minimum disruption for service users.

**Are there any other options available for consideration?**

None

**Implementation Date for the Decision**

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting.

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**Background Papers:**

There are no background papers available for inspection.

## Introduction/Background

1. The current contracts for substance misuse services expired on or around 31st March 2013. As with other contracts transferring from the NHS, as part of the transfer of Public Health to the Local Authority, these contracts have been extended to ensure continuation of services until such time as they are re-commissioned, in this case until the new contract comes into force on 1st October 2013.
2. Currently different elements of the substance misuse treatment/recovery services in Sefton are delivered through separate contracts with a range of different service providers (e.g. the treatment services for drugs and for alcohol are delivered by different service providers through very different service specifications). Whilst there has been considerable modernisation and change within service delivery in Sefton, this model does not provide sufficiently for a joined-up and holistic approach to substance misuse and recovery.
3. In commissioning the new service the Council has sought to commission a recovery-orientated, evidence-based, and client-centric substance misuse treatment service for individuals and families in Sefton. The service will deliver personalised and structured support to help clients with their recovery, by addressing the reasons, consequences and harms that flow from all forms of substance misuse so as to allow people to regain control over their lives.
4. It is intended that the outcomes achieved by the new contract/service will include the following:
  - Substantially more opiate users moving from treatment to recovery;
  - Improved access and more people receiving treatment for alcohol, cannabis, steroids, prescription medication and other addictive substances causing harm;
  - Improved health and wellbeing, in individuals, their families and local communities;
  - More service users making a positive contribution to local communities and achieving their aspirations;
  - More voluntary sector/community support led by ex-service users;
  - Improved responses to safeguarding issues for adults and vulnerable children;
  - Reductions in anti-social disorder and crime hotspots;
  - Reductions in substance related domestic violence incidents;
  - Fewer hospital admissions and health problems.
5. It is intended that the improvements for Service users will include:
  - Tailored care with more focus on what service users want & need;
  - More opportunities for recovery & moving on in their journey (challenge & support);
  - More support groups led by service users (Recovery Champions);
  - More opportunities to volunteer and work in the voluntary sector;
  - More opportunities to access housing, training, employment - whatever service users need to rebuild their lives;
  - Better access to information, advice, guidance for all including those currently not accessing services.

## Process

6. A full open procurement process was engaged in order to award the contracts, with the contract being advertised using an e-procurement portal "The Chest". Submissions were invited from either Sole Contractors, Prime Contractors with sub-contracted third parties providing some of the service or consortia of agencies working in partnership and exercising effective "end-to-end" accountability for all elements of the treatment service.
7. Recognising the uncertainty of future funding, in particular the uncertainty over the Public Health budget allocation from central government beyond the second year, the Invitation to Tender made it clear that the price agreed for the contract is subject to the ongoing availability of sufficient funding and that in the event that during the contract period the Local Authority does not have sufficient funds to cover the price of the contract the Contractor will develop and agree a contract variation with the Commissioner such that the contract price remains within the funding available.
8. The formal procurement process has now been completed and resulted in the receipt and assessment of submissions from four prospective providers. The prospective providers, listed by prospective Prime Contractor but in no particular order, were as follows:
  - Lifeline Project Ltd.
  - Mersey Care NHS Trust
  - South Staffordshire & Shropshire Healthcare NHS Foundation Trust
  - Crime Reductions Initiatives (CRI)

It is important to note that the above order does not correspond with the order of tenders in paragraph 11.

9. Bids were evaluated according to a number of standard criteria, cost, quality measures and an interview. The Standard Criteria produced a Pass or Fail assessment, with only those passing being fully assessed. In the full assessment cost accounted for 30%, quality accounted for 60% and the Interview accounted for 10% of the overall score. Only those bidders within 10% of the leading bidder following the cost and quality assessment were taken forward to interview, this resulted in interviews for three of the four bidders.
10. The Standard Criteria and Quality Measures included:

### Standard criteria:

- Past experience / evidence of technical experience
- Financial viability
- Appropriate Insurance
- Equality submission
- Health and safety performance
- Evidence of professional conduct

### Quality measures:

- Nature of service model/service configuration proposed
- Engagement of service users with service/treatment

- Service user involvement in service design, delivery and performance monitoring
- Achievement of sustainable recovery for service users
- Engagement/integration with local agencies/stakeholders
- Service governance and leadership
- Planning & performance management
- Forecasted levels of service activity and outputs
- Workforce and peer mentor/recovery champion development
- Added Social Value
- Implementation plans

11. The evaluation was conducted by officers from: Commissioning, Public Health, Finance, Occupational Health and Safety, Equalities, and a local GP (representing the Sefton CCGs). A service user from a neighbouring Borough was also involved in the Interview process. Support and moderation was undertaken by officers in Corporate Procurement. The officers involved scored each section against agreed criteria, with scores then being added into the overall bid scoring.

12. Following evaluation, final scoring for the Tenders submitted is as follows:

	TENDER A	TENDER B	TENDER C	TENDER D
<b>% SCORES</b>				
PRICE (30%)	30.00	29.13	28.80	29.10
QUALITY (60%)	48.00	48.00	25.20	42.30
INTERVIEW (10%)	6.80	8.40	0.00	3.20
<b>TOTAL (%)</b>	84.80	<b>85.53</b>	54.00	74.60

As stated in paragraph 9 above, following the cost and quality assessment only those bidders within 10% of the leading bidder were taken forward to interview. Tender C was not within 10% of the leading bidder, was not therefore taken forward to interview and consequently has a zero Interview score in the table above.

13. Subject to approval by Cabinet, and at the expiration of the call-in period, the highest-scoring Tenderer will be selected as the contractor with whom the Council intends to contract.