

**REPORT TO:** Executive Board Sub Committee  
**DATE:** 22 September 2011  
**REPORTING OFFICER:** Strategic Director, Communities  
**SUBJECT:** Award of contract to provide substance misuse services  
**WARDS:** Borough wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To seek Executive Board Sub Committee approval to award a contract to deliver substance misuse (Drug & Alcohol) services to Provider A.
- 1.2 To seek authority to extend the contracts of ARCH Initiatives, Addaction & 5 Boroughs Partnership NHS Foundation Trust until December 31<sup>st</sup> 2011. Current contracting arrangements expire on August 31<sup>st</sup> 2011.

## **2.0 RECOMMENDATION: That**

- (1) in accordance with Standing Order 2.11b, Executive Board Sub Committee authorise the Operational Director Commissioning & Complex Care, to enter into a contract with Provider A, who through an open tender process have been assessed as being the most economically advantageous and effective organisation to deliver a substance misuse service;**
- (2) in the light of exceptional circumstances set out below, for the purpose of Standing Order 1.8.2b, procurement Standing Orders 2.0.1 and 2.1 – 2.6 be waived, and the Operational Director Commissioning & Complex Care be authorised to extend the following contracts direct and without competition for the current providers; ARCH initiatives, Addaction & 5 Boroughs Partnership NHS Foundation Trust, in order to ensure continuous care and support to those currently in receipt of drug treatment; and**
- (3) the contract extensions be for a period from 1<sup>st</sup> September 2011 to 31<sup>st</sup> December 2011.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 In February 2011, Executive Board Sub Committee granted authority to the Strategic Director, Communities, to carry out all necessary steps in relation to the open tendering and commissioning of a community based recovery oriented Drug & Alcohol substance misuse service.
- 3.2 The service has been jointly commissioned with Halton & St Helens PCT with the Authority being the commissioning body.

- 3.3 Following the PQQ stage, 7 submissions of ITT documentation were received. The top four applications scoring over 65% were invited to make a presentation and answer questions on key aspects of their service delivery model with a panel of commissioners, service users & carers. Overall, bids were assessed on the basis of quality (70%) and price (30%).
- 3.4 The top four bidders were;
- a. Provider A: contract value £3,322,716, scoring 94.36%
  - b. Provider B: contract value £3,142,604, scoring 93.63%
  - c. Provider C; contract value £3,402,453, scoring 62%.
  - d. Provider D: contract value £3,581,835, scoring 61%
- 3.5 Provider A achieved the highest score overall and though not the lowest price they are offering the most economically advantageous tender. This is mainly due to their providing an additional 194 staff hours per week and seeing 41 service users more than Provider B.
- 3.6 In November 2010, Executive Sub Committee granted authority to extend the contracts of ARCH Initiatives, Addaction & 5 Boroughs Partnership NHS Foundation Trust for a period 1<sup>st</sup> April 2011 to 31<sup>st</sup> August 2011 so as to prevent any gaps in service provision whilst the tendering of the new substance misuse service took place.
- 3.7 In progressing the tender, the Project Team identified a number of issues that caused a revision to the procurement timetable and subsequent postponement of the start date of the substance misuse service to 1<sup>st</sup> January 2012.
- 3.8 A further extension to current contracts for drugs services is being sort from 1<sup>st</sup> September 2011 up to 31<sup>st</sup> December 2011, to ensure continuity of care until the new joint substance misuse service commences on 1<sup>st</sup> January 2012.

#### **4.0 Business Case Supporting the Proposal to Waive**

##### **4.1 Value for Money & Competition**

Between April 2010 and March 2011 there were just over 1000 service users and 150 carers receiving support from the drug and alcohol services. A significant number will have a range of complex needs related to their health, offending or family relationships as a result of substance misuse. Maintaining a continuity of care with these individuals is an important aspect with regards to managing both their personal risks and risks to the wider community. Robust performance monitoring processes that include comparators with regional and national performance measures and feedback of service users & carers experiences of the service they receive are in place to ensure both value for money and achievement of standards.

#### 4.2 Transparency & Accountability

The choices regarding the extension of these contracts will be available for audit and inspection. Details of expenditure and performance are reported to the Safer Halton Partnership. The Officers supporting the award of these contracts will comply with the Public Contracts Regulations 2006. Functional accountability for the contract will be with the Operational Director, Commissioning & Complex Care, and the contract would be subject to internal and external audit & PPB scrutiny.

#### 4.3 Propriety & Security

The contract documents will include the council's standard integrity clauses and staff only with a need to know will have commercial information about the contracts.

#### 4.4 Position of the contract under the Public Contracts Regulations 2006

Under the Public Contracts Regulations 2006 Health and Social Services are a part-exempt service. It is in any event subject to fundamental transparency and non-distortion of competition requirements and the award of the contract must be advertised in the Official Journal within 42 days of the award of the contract.

### **5.0 POLICY IMPLICATIONS**

5.1 The award supports the local implementation of the national drug strategy 2010, Supporting People to Live a Drug Free Life and the National Treatment Agency guidance on drug treatment systems, Models of Care and Commissioning for Recovery.

5.2 The award also supports delivery of the statutory duties of the Authority under the Crime & Disorder Act to formulate and implement a strategy to combat the misuse of drugs.

### **6.0 OTHER IMPLICATIONS**

#### Finance

6.1 The value of the substance misuse service contract over the 2 year period is £3,322,716. This will be met through existing NTA Pooled Treatment and Halton & St Helens PCT budgets.

6.2 The cost to extend the contract of ARCH Initiatives, Addaction & 5 Boroughs Partnership NHS Trust from 1<sup>st</sup> September to 31<sup>st</sup> December 2011 is £339,316. This will be met through existing NTA Pooled Treatment budgets.

6.3 The current lease at Ashley House is due to expire in March 2015, although there is an option to extend for a further 10 year period if so

required. In the event of relinquishing the premises the Authority will be liable for reinstatement costs. These have been estimated at £152k and a contingency budget has been set aside to cover this from the NTA Pooled Treatment.

#### 6.4 TUPE

There are in the region of 35 individuals currently employed between the 3 provider agencies. TUPE will apply with regards to their transfer from the current to the new provider.

### 7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

#### 7.1 **Children and Young People in Halton**

The new recovery model of service delivery will adopt a Think Family approach which will continue work to reduce the impact of parental substance misuse.

#### 7.2 **Employment, Learning and Skills in Halton**

The new substance misuse service will work to reduce individuals, carers and families sense of social isolation and promote their social reintegration, particularly in relation to education, employment and training.

#### 7.3 **A Healthy Halton**

The new service will address the issues of health inequality as a result of substance misuse, providing a range of support and interventions to promote improved health, well being and independence.

#### 7.4 **A Safer Halton**

The new service will continue to identify individuals who are offending as a consequence of their substance misuse as well as maintaining the current effective partnership arrangements with the Integrated Offender Management Team

#### 7.5 **Halton's Urban Renewal**

None identified

### 8.0 **RISK ANALYSIS**

ITT documentation required all bidders to provide an implementation plan so as to ensure continuity of care and a managed transition to the new arrangements. Council Officers will meet regularly with Provider A

to provide support and assistance in delivering this plan.

## **9.0 EQUALITY AND DIVERSITY ISSUES**

None identified

## **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Executive Board Sub Committee Report in Feb 11	Commissioning, Runcorn Town Hall	Angela McNamara