

**Report of Chief Officer, Projects Programmes and Procurement Unit (PPPU)**

**Report to Director of Public Health**

**Date: 5<sup>th</sup> September 2016**

**Subject: Tender evaluation and contract award for the Locality Community Health Development and Improvement Services (A6TL-B8RESB)**

Appendix 2 of this report is exempt / confidential under Rule 10.4 (3) as publication of the information contained therein at this time could prejudice the council's commercial interests where the public interest in maintaining the exemption at this time outweighs the public interest in disclosing the information.

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Electoral wards affected: Armley, Alwoodley, Beeston and Holbeck, Bramley and Stanningley, Burmantofts and Richmond Hill, Chapel Allerton, City and Hunslet, Cross Gates and Whinmoor, Farnley and Wortley, Gipton and Harehills, Hyde Park and Woodhouse, Killingbeck and Seacroft, Kirkstall, Middleton Park, Moortown, Pudsey, Roundhay, Temple Newsom and Weetwood.		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 10.4 (3) Appendix 2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Summary of main issues**

1. The procurement for the Locality Community Health Development and Improvement Services commenced in April 2016. The outcome of the Pre-Qualification Questionnaire (PQQ) evaluations was presented to Public Health Programme Board on 6<sup>th</sup> June 2016 and the Director of Public Health gave approval to proceed to the next stage of the procurement.
2. The tender stage of the procurement commenced and the shortlist of providers were invited to submit tenders by noon on 6<sup>th</sup> July 2016. Four tender submissions were received from the market, with competition within the East North East Leeds lot and single submissions for the South and East and West North West Leeds lots.
3. Tender evaluations on the quality and price aspects of the submissions have now been undertaken and the outcome of the evaluations is detailed within the report.

4. The procurement process has been designed to drive improvements in service quality and value for money. All tender submissions were within budget and for two lots the price submitted was lower than the pre-tender estimate. Over the potential five year term of the contract this could generate potential cost savings of £9,886.20.
5. The new service will operate on a reduced budget compared to the current service provision and has been made more efficient by merging a number of individual contracts into three key contracts which will achieve resource efficiencies through contract management. The inclusion of key performance indicators into the terms and conditions should also drive up performance and provides a mechanism by which the council if necessary can withhold payment where service may not be in line with the service specification requirements, ensuring value for money.

### **Recommendations**

6. The Director is recommended to note the evaluation process undertaken and approve the award of contracts to Feel Good Factor (Leeds) for Lot 1 East North East Leeds, Health for All (Leeds) Ltd for Lot 2 South and East Leeds and BARCA Leeds for Lot 3 West North West Leeds for the Locality Community Health Development and Improvement Services.
7. That the Senior Projects Officer supports the implementation of contract award to ensure mobilisation of the new services can commence on 1<sup>st</sup> October 2016 and that the new services are in place and operational from 1<sup>st</sup> April 2017.

## **1 Purpose of this report**

- 1.1 This report describes the procurement process undertaken for the delivery of Locality Community Health Development and Improvement Services and the outcome of the tender evaluations.
- 1.2 This report seeks approval to award contracts to three recommended providers, one for each of the three lots, and each will hold a separate contract with the council.

## **2 Background information**

- 2.1 The report details the procurement process undertaken for the Locality Community Health Development and Improvement Services, as current contracts delivering those services expire on 31 March 2017 with no further provision to extend. The new services will be delivered to a revised service delivery model which brings together 14 contracts delivered across the city, into three key contracts based across defined geographical areas of the city. The three defined geographical areas of the city form the three lots: East North East (Lot 1), South and East Leeds (Lot 2) and West North West (Lot 3).
- 2.2 The services are due to commence on 1st April 2017 and run until 31st March 2020, with the option to extend for a further 24 months. The total estimated value of the services was £722,554 per annum, which was allocated between the lots as follows: Lot 1 East North East £349,706, Lot 2 South and East Leeds £229,732 and Lot 3 West North West Leeds £143,116.
- 2.3 The procurement was undertaken as a restricted (two stage) procedure. The procurement commenced in April 2016 and the PQQ evaluations were undertaken and reported to Public Health Programme Board in June 2016. The Director of Public Health gave approval to proceed to tender stage with six providers being shortlisted through to tender stage.

## **3 Summary of Main Issues**

- 3.2 Tenders were returned on 6<sup>th</sup> July 2016 and these were downloaded from YORtender and checked for compliance against the Tender Instructions lead by the Senior Projects Officer. Following the checks, the tender submissions were issued to the evaluation panel and two consultees. It was disappointing to note that two of the six providers invited to tender did not submit a tender and this somewhat limited competition.
- 3.3 The consultees were the Consultant in Public Health (Project Director for the project) and the Health and Wellbeing Improvement Manager (West North West Leeds). Prior to the tender evaluation meetings being held, the consultees provided their views on the method statement submissions so these could be taken into account during the evaluation of quality submissions.
- 3.4 The evaluations were undertaken by an evaluation panel which included a Health and Wellbeing Improvement Manager (East North East Leeds) and three Advanced Health Improvement Specialists who have knowledge and experience

of the services and represent the three geographical areas of the city. A Contracts Officer from the directorate's business support service was also in attendance. PPPU representatives were in attendance to provide support to the evaluation process.

3.5 The evaluation was based on a 60/40 quality/price split. There were a maximum of 1,000 points available overall, 600 for quality and 400 for price.

### 3.6 Quality evaluation

3.6.1 The table at appendix 1 shows the quality criteria applied to the evaluation - this consisted of 4 mandatory questions and 4 lot specific questions and each had varying weightings. Minimum thresholds were applied to mandatory questions 1, 2 and 4 (50% pass rate per question) and for the lot specific questions providers must score 50% overall.

3.6.2 In terms of compliance with the Tender Instructions, two providers exceeded the allocated word limit. The mandatory questions (1-4) had an overall word limit of 6,500 – in both cases the additional words were removed prior to the submissions being evaluated. All other compliance checks were satisfactory.

3.6.3 The method statement tender submissions were evaluated out of 600 points using a consensus approach at evaluation meetings held on 19<sup>th</sup> and 20<sup>th</sup> July 2016. Please refer to appendix 2 which provides a tender evaluation summary.

3.6.4 The Senior Projects Officer from PPPU chaired the meetings and the Project Support Officer from PPPU provided secretariat support to record the evaluation scores and justifications on the tender evaluation scoring booklets.

### 3.7 Price evaluation

3.6.1 The price submissions returned were within the allocated budget for the specified lots and within the 15% stated allowance for management and overhead costs.

3.6.2 The price submissions were evaluated out of 400 points at an evaluation meeting held on 4<sup>th</sup> August 2016. The Senior Projects Officer from PPPU chaired the meeting. Please refer to appendix 2 which provides a tender evaluation summary.

3.6.3 The pricing schedules and pricing assumptions were reviewed by the evaluation team. A number of clarifications were sought and responded to following the meeting. The evaluation panel confirmed via email they are satisfied with the content and level of detail submitted by providers and have a sound understanding of the make-up of the costs of the services to be able to effectively manage the new contracts. Where appropriate the clarifications will form part of the final contract document.

3.6.4 Due diligence checks of the PQQ and tender submissions have been undertaken by PPPU. This process includes (but is not limited to) taking up technical references, checking appropriate insurance is in place and financial accounts meet the council's requirements. Health and safety policies were checked by the H&S Business Partner supporting Strategy & Resources and Public Health and safeguarding policies by the Commissioning Support Officer/Lead Officer in

Safeguarding Strategy and Commissioning and the Health and Wellbeing Improvement Manager.

## **4 Corporate considerations**

### **4.1 Consultation and engagement**

4.1.5 Significant consultation has been undertaken during the service review and development of the service specification to ensure needs were accurately identified and taken into account and wider stakeholders have had an opportunity to input into the service delivery approach. Consultation with stakeholders includes service users and potential service users, current and potential providers, strategic city partners, health professionals, senior LCC officers and Elected Members including Health Leads. The contract documents have been developed to reflect current and anticipated need for the services over the whole life of the contract and have purposely been given a degree of flexibility to accommodate the current, new and emerging needs of local communities, groups and individuals.

### **4.2 Equality and diversity / cohesion and integration**

4.2.1 The new services to be delivered are focussed on providing services to individuals, groups and communities living in the 10% most deprived areas of the city. The targeted wards and MSOAs have been identified through the service review process and are detailed in the service specification. Therefore, given the nature of the services, specific electoral wards are affected by the new contracts.

4.2.2 An Equality Diversity Cohesion and Integration Impact Assessment has been undertaken and has subsequently been reviewed at key stages of the project. The assessment was presented to Executive Board in March 2016 and informed the project approach and development of contract documents (appendix 3).

4.2.3 Appropriate policies and procedures are in place with the recommended providers and were reviewed and assessed as part of the procurement process.

### **4.3 Council policies and best council plan**

4.3.1 The procurement supports the council's values of spending money wisely and being open, honest and trusted.

4.3.2 The services will contribute towards the principle outcome to reduce the difference in healthy life expectancy between communities through tackling the wider determinants of health and supporting people to live healthier lifestyles, focusing especially on those that are most vulnerable and / or live in the more deprived areas of the city

4.3.3 The vision of the Leeds Health and Wellbeing Strategy 2016-2021 is that Leeds will be a healthy and caring city for all ages, where people who are the poorest will improve their health the fastest.

4.3.4 The Best Council Plan 2015-2020 includes a strategic priority of supporting communities and tackling poverty, and a breakthrough project has a focus on

early intervention and reducing health inequalities. The service will contribute towards both of these.

- 4.3.5 The Vision for Leeds 2011 to 2030 is to be the best city in the UK. By 2030 all Leeds' communities will be successful, and Leeds will be a city where healthy life choices are easier to make, our children choose healthy lifestyles, and inequalities in health are reduced. We will create an environment and culture where all people of Leeds have the opportunity to choose to live a healthy and active lifestyle.

#### **4.4 Resources and value for money**

- 4.4.1 The procurement process has been designed to drive improvements in service quality and value for money. All tender submissions were within budget and for two lots the price submitted was lower than the pre-tender estimate. Over the potential five year term of the contract this could generate potential cost savings of £9,886.20.

- 4.4.2 The new service will operate on a reduced budget compared to the current service provision and has been made more efficient by merging a number of individual contracts into three key contracts which will achieve resource efficiencies through contract management. The inclusion of key performance indicators into the terms and conditions should also drive up performance and provides a mechanism by which the council if necessary can withhold payment where service may not be in line with the service specification requirements, ensuring value for money.

#### **4.5 Legal Implications, access to information and call In**

- 4.5.1 The procurement has been undertaken in accordance with the council's Contract Procedure Rules and procurement law.
- 4.5.2 The decision maker's authority falls under Section 3E (08) of the Council Constitution, Officer Delegation Scheme (Executive Functions) – Director of Public Health.
- 4.5.3 This decision is the implementation of a Key Decision of 9 March 2016 and as such is not a key decision or subject to call-in. Due to the value and impact of this decision it is considered that this is a significant operational decision.

#### **4.6 Risk management**

- 4.6.1 The procurement process has been undertaken in a fair, open and transparent way and in adherence with the council's Contract Procedure Rules.
- 4.6.2 Project risks will continue to be reviewed on a regular basis and managed by the project team through the use of a risk register and are presented to Public Health Programme Board on a monthly basis.

### **5 Conclusions**

- 5.1 The procurement has been undertaken in line with relevant procurement processes. The recommendation to award the contracts follows the evaluation of the quality and price tenders submitted by compliant providers.
- 5.2 BARCA Leeds, Feel Good Factor (Leeds) and Health for All (Leeds) Ltd were found to meet the necessary criteria, reflecting the desired outcomes that Public Health would hope to achieve through delivery of the contracts whilst achieving value for money.

## **6 Recommendations**

- 6.1 The Director is recommended to note the evaluation process undertaken and approve the award of contracts to Feel Good Factor (Leeds) for Lot 1 East North East Leeds, Health for All (Leeds) Ltd for Lot 2 South and East Leeds and BARCA Leeds for Lot 3 West North West Leeds for the Locality Community Health Development and Improvement Services.
- 6.2 That the Senior Projects Officer supports the implementation of contract award to ensure mobilisation of the new services can commence on 1st October 2016 and that the new services are in place and operational from 1st April 2017.

## **7 Appendices**

- 7.1 Appendix 1 – Quality Evaluation Criteria
- 7.2 Appendix 2 – Tender Evaluation Summary
- 7.3 Appendix 3 – Equality Diversity Cohesion and Integration Impact Assessment

## Appendix 1 – Quality Evaluation Criteria

Method Statement Questions	Weighted score
<b>Mandatory questions</b>	
<p><b>1) Service model</b> - Please describe how you propose to deliver this service in line with the service specification over the duration of the contract. Your response should include key milestones for the service, a detailed plan which includes the mobilisation period, staffing and delivery model, referral / signposting opportunities and contingency planning</p>	175 points
<p><b>2) Outputs and outcomes</b> - Please describe how your service would empower service users, build social capital and increase resilience of individuals, groups and communities</p>	125 points
<p><b>3) Communication and marketing</b> - Please outline how you propose to brand, market and promote the service. Please include in your response the following (this is not an exhaustive list):</p> <ul style="list-style-type: none"> <li>• key messages for target groups (including how you will attract people who traditionally do not seek help);</li> <li>• how you will use innovative methods (such as social media) to maximise access;</li> <li>• how you ensure that different elements of the service are clearly understood, and attractive to the intended client groups;</li> <li>• how you will measure success.</li> </ul>	50 points
<p><b>4) Partnership working</b> - What will you do to make sure that your work adds value, strengthens capacity and aligns with the full range of other health improvement activities and services?</p>	50 points
<b>Lot specific questions – Lot 1 East North East Leeds</b>	
<p><b>5)</b> How would you assess and evidence that the services you provide effectively meet the needs of the diverse population of priority neighbourhoods in deprived East North East Leeds?</p>	50 points
<p><b>6)</b> How will you identify and use the places where geographical and communities of interest in deprived East North East Leeds congregate so they become and remain well connected within their neighbourhoods?</p>	50 points
<p><b>7)</b> Please describe how your organisation will identify and respond to the needs of newly emerging communities in East North East Leeds and those with multiple health and social issues.</p>	50 points
<p><b>8)</b> How will your organisation provide a service which is easily accessible, welcoming and culturally competent in direct response to the needs of the diverse communities in East North East Leeds?</p>	50 points



**Lot specific questions – Lot 2 South and East Leeds**

<b>9)</b> What challenges might you expect to face working with people living in the 10% most deprived communities in South Leeds and how would you overcome these challenges?	50 points
<b>10)</b> How will you identify and use the places where geographical and communities of interest in deprived South and East Leeds congregate so they become and remain well connected within their neighbourhoods?	50 points
<b>11)</b> Please describe how your organisation will identify and respond to the needs of newly emerging communities in South and East Leeds and those with multiple health and social issues.	50 points
<b>12)</b> How will your organisation provide a service which is easily accessible, welcoming and culturally competent in direct response to the needs of the diverse communities in South and East Leeds?	50 points
<b>Lot specific questions – Lot 3 West North West Leeds</b>	
<b>13)</b> How would you address the Health and Well Being needs of the growing Eastern European Community in the West North West Leeds?	50 points
<b>14)</b> One of the West's priority neighbourhoods has some of the highest levels of child poverty anywhere in the city. What would your approach be to tackling the serious health issues that result from children living in impoverished households?	50 points
<b>15)</b> Please describe how your organisation will identify and respond to the needs of newly emerging communities in West North West and those with multiple health and social issues.	50 points
<b>16)</b> How will your organisation provide a service which is easily accessible, welcoming and culturally competent in direct response to the needs of the diverse communities in West North West Leeds?	50 points