

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

### Report to Director of Public Health

**Date: 16<sup>th</sup> February 2017**

**Subject: Tender evaluation and contract award for the Integrated Healthy Living Service – One You Leeds (AAWJ-CKE5RW)**

Appendix 2, 3 and 4 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, access to information procedure rule number: 10.4 (3)	
Appendix number: 2	

### Summary of main issues

1. Leeds City Council is procuring an Integrated Healthy Living Service (IHLS) to meet the needs of people in Leeds. Procurement commenced in August 2016. The Leeds Integrated Healthy Living Service consists of two contracts both of which will provide a range of healthy living activities and behaviour change interventions. - Contract One is called 'One You Leeds' (OYL) and will deliver adult healthy living activities. Contract two is called 'The Family Healthy Living Programme'(FHLP) and will deliver children and family healthy living activities. Both of these contracts will be procured simultaneously. This particular report refers to Contract 1 – 'One You Leeds'.
2. The outcome of the Pre-Qualification Questionnaire (PQQ) evaluations was presented to the Public Health Programme Board on 13<sup>th</sup> October 2016 and the Director of Public Health gave approval to proceed to the next stage of the procurement.
3. The tender stage of the procurement commenced and the shortlist of five providers were invited to a pre-tender meeting. They were asked to submit 8 questions across 5 topic areas:

- Service model
- Workforce
- Interfaces
- Leeds Integrated Healthy Living System
- Marketing and communication

All five of the shortlisted providers accepted the invitation. The submitted questions were reviewed prior to the pre tender meetings by the project team in consultation with PPPU Commercial and Legal team. The responses to the questions undertook a robust review and were used as a script during the pre-tender meetings, alongside clear information to the purpose of the meeting and a standard brief describing the type of service the Council wanted to procure and the context in which it would operate. Any further follow up questions were not responded to and providers were asked to submit clarifications in the usual way through YORTender.

4. The Pre-Tender meetings were undertaken week commencing 25<sup>th</sup> November. Following the Pre-Tender meetings the deadline for the return of Tender Submissions was by 12 noon on Wednesday, 16<sup>th</sup> November 2016. Five tender submissions were received.
5. Tender evaluations on the quality and price aspects of the submissions have been undertaken and the outcome of the evaluations is detailed within the report.
6. The procurement process has been designed to drive improvements in service quality and value for money. All tender submissions were within budget.
7. 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 one which will achieve resource efficiencies through contract management. The inclusion of key performance indicators into the terms and conditions should 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**

1. The Director of Public Health is recommended to note the evaluation process undertaken and approve the award of contract to Reed Momenta Ltd for 'One You Leeds'.
2. The Project Manager supports the implementation of the contract award to ensure mobilisation of the new service can commence on 1<sup>st</sup> April 2017 and that the new service is in place and operational from 1<sup>st</sup> October 2017.

## **1. Purpose of this report**

- 1.1. This report describes the procurement process undertaken for the delivery of the Integrated Healthy Living Service (Contract 1) – One You Leeds and the outcome of the tender evaluation.
- 1.2. This report seeks approval to award contracts to one recommended provider with the council.

## **2. Background information**

- 2.1 Leeds City Council is procuring an Integrated Healthy Living Service to meet the needs of people in Leeds. The Leeds Integrated Healthy Living Service consists of two contracts. Contract One is called 'One You Leeds' and will deliver adult healthy living activities and interventions. Contract two is called 'The Family Healthy Living Programme'(FHLP) and will deliver children and family healthy living activities and interventions. Both of these contracts will be procured simultaneously.
- 2.2 The report details the procurement process undertaken for 'One You Leeds', as current contracts delivering those services expire on 31<sup>st</sup> March 2017, with further provision to extend existing or offer new additional six month contracts to 1<sup>st</sup> October 2017 when the new service will commence.
- 2.3 Currently there are seven individual contracts in scope for Contract 1, the majority of which focus on single aspects of healthy living e.g. smoking and weight management. The services in scope are listed in the table below. .

One You Leeds (Contract 1)
• Stop Smoking Service
• Weigh Ahead (adult weight management service)
• Healthy Lifestyle Service
• Health Trainer Service
• Provision of NRT via the Pharmacy Access Scheme
• Enhance Service for Smoking Cessation in Primary Care
• Ministry of Food

The new service will be delivered to a revised service delivery model which brings together these contracts delivered across the city.

- 2.4 The new service is due to commence on 1<sup>st</sup> October 2017 and run until 31<sup>st</sup> March 2021 with a possible 2.5 year extension until 31<sup>st</sup> October 2023. The total value of the contract without extensions is £5,812,198.

- 2.5 The procurement was undertaken as a restricted (light touch) two stage procedure and commenced in August 2016. The PQQ evaluations were undertaken and reported to Public Health Programme Board in October 2016. The Director of Public Health gave approval to proceed to tender stage with five providers being shortlisted through the tender stage.

### **3. Summary of Main issues**

- 3.1. Tenders were returned on 16<sup>th</sup> November 2016 and checked for compliance against the Tender Instructions lead by the Project Manager. Following the checks, the tender submissions were issued to the evaluation panel and specific questions were provided to four Consultees who had expertise within those areas of questioning.

- 3.2. The Consultees were:

- Consultant in Public Health – Healthy living and health improvement
- Public Health - Advanced Health Improvement Specialist (x2)
- Ministry of Food Program & Food Training Manager UK - Jamie Oliver Food Foundation

Prior to the tender evaluation meetings being held, the Consultees provided their views on the relevant questions in the method statement submissions so these could be taken into account during the evaluation of quality submissions.

- 3.3. The evaluations were undertaken by an evaluation panel which included

- Head of Public Health (Health Improvement and Healthy Living )
- Health Improvement Principal – Obesity & healthy living
- Advanced Health Improvement Specialist – Children & families
- PPPU representatives were in attendance to provide support and rigour to the evaluation process

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

#### **3.5. Quality Evaluation**

- 3.5.1 The table at appendix one shows the quality criteria applied to the evaluation – this consisted of 9 mandatory questions and each had varying weightings. Minimum thresholds were applied to the mandatory questions – 50% pass rate per question.

- 3.5.2 The method statement questions were designed to explore key aspects of the service, particularly those that are unique to the new service model, for example, integration, added social value, emphasis on partnership working to address the broader determinants of health and barriers to behaviour change.

- 3.5.3 Compliance with the tender instructions was checked, three providers exceeded the allocated word limit and the additional words were removed prior to the submissions being evaluated. All other compliance checks were satisfactory.

- 3.5.4 The method statement tender submissions were evaluated out of 600 points using a consensus approach at evaluation meetings held on 5<sup>th</sup> December through to 9<sup>th</sup> December.

- 3.5.5 The Project Manager from PPPU chaired the meetings and provided support to record the evaluation and justifications on the tender evaluation scoring booklets.
- 3.5.6 The published service specification (part 2) provided potential bidders with a detailed description of the requirements and included:
- Equality
  - Employment and Skills Plan
  - Corporate and Social Responsibility
  - Environment and Sustainability
  - Quality Management
  - Working Practices
  - Information Governance
  - Safeguarding
  - Health & Safety
  - Leeds City Council Policies

3.6. Pricing evaluation

- 3.6.1 The pricing submissions returned were within the allocated budget for the contract and within the maximum 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 12<sup>th</sup> December 2016. The Project Manager from PPPU chaired the meeting.
- 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 provider and have a good understanding of the make-up of the costs of the services to be able to effectively manage the new contract. Where appropriate the clarifications will form part of the final contract document.
- 3.6.4 The total budget allocation for the contract without extensions was £5,812,198. The preferred bidder quoted a price of £5,666,892. This provides public health a saving of £145,306 over the life of the contract.

- 3.7. 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,
- 3.8. Social Value Act has been used throughout the service specification in implementing social value approaches, for example employing target groups in paid work, as volunteers or peer support/mentoring roles. Measuring and monitoring of social value is included in the key performance indicators.
- 3.9. The Safeguarding Policy of the preferred provider was reviewed by the project evaluation team with the PPPU Safeguarding Officer using the Council evaluation tool on 14<sup>th</sup> December 2016. Amends were suggested and following further review

by the Strategy and Commissioning Safeguarding Officer, proposed to the preferred provider who amended and returned the policy with the necessary changes.

#### **4. Corporate considerations**

##### **4.1. Consultation and engagement**

- 4.1.1 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. Wider stakeholders have had an opportunity to input into the service delivery approach. Consultation with stakeholders included service users and potential services users, current and potential providers, strategic city partners, health professionals, senior LCC officers and Elected Members including Locality Health and Wellbeing Champions.
- 4.1.2 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 communities 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, and communities living in the most deprived areas of the city. Specific geographic areas have been identified through the service review process and are detailed in the service specification.
- 4.2.2 A joint Equality, Diversity Cohesion and Integration Impact Assessment has been undertaken (across contracts 1 and 2) and has subsequently been reviewed at key stages of the project. The assessment was initially presented to Executive Board in March 2016 and has been updated with each stage in the process to inform the approach and development of contract documents (appendix 5)
- 4.2.3 Appropriate policies and procedures are in place with the recommended provider 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 including spending money wisely and being open, honest and trusted, and working with communities.
- 4.3.2 The services will contribute towards supporting people to engage in multiple unhealthy lifestyles in a single service, respond to barriers including broader factors influencing health and support people to change behaviour.
- 4.3.3. Tackling unhealthy lifestyles has been an important component of the Joint Health and Well Being Strategy (2013 – 2015) to improve health and reduce health inequalities and will continue to be so in the developing Health & Well Being Strategy (2016 – 2021). Ensuring healthier lifestyles is also part of the

ambitions set out in the Best Council Plan 2016 – 17 as well as contributing to the delivery of the NHS Five Year Forward View.

#### **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.
- 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 one contract 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 re-commissioning of the 'One You Leeds' service is being conducted in accordance with the Councils contract procedure rules and procurement law.
- 4.5.2 The decision maker's authority falls under Part 3 Section 3E (09) 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 from Executive Board of 9<sup>th</sup> March 2016 – minute number 147 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 Risks associated with the re-commissioning of One You Leeds have been and will continue to be identified, reviewed and managed through fortnightly Project Team meetings and through monthly Project Board meetings.
- 4.6.3 The identification of new and increasing risks has taken place on an on-going basis and will continue to through the mobilisation and management of the new contract.
- 4.6.4 As part of the review, an assessment of how the re-commissioning of services may impact on existing providers has been undertaken. This includes risks to the viability of these third sector organisations as a whole, risks associated with other services and to the use of assets by individual providers.

## **5. Conclusions**

- 5.1 The procurement has been undertaken in line with relevant procurement processes. The recommendation to award the contract follows the evaluation of the quality and price tenders submitted by a compliant provider.
- 5.2 Reed Momenta Ltd were found to meet the necessary criteria, reflecting the desired outcomes that Public Health would hope to achieve through delivery of the contract whilst achieving value for money.

## **6. Recommendations**

- 6.1 The Director of Public health is recommended to note the evaluation process undertaken and approve the award of contract to Reed Momenta Ltd for the Integrated Healthy Living Service – ‘One You Leeds’.
- 6.2 That the Project Manager in PPPU supports the implementation of contract award to ensure mobilisation of the new services can commence on 1<sup>st</sup> April 2017 and the new services are in place and operational from 1<sup>st</sup> October 2017.

## **7. Appendices**

- 7.1 Appendix 1 – Quality Evaluation Criteria
- 7.2 Appendix 2 – Tender Evaluation Summary
- 7.3 Appendix 3 – Outline of strengths of successful tenderer confidential
- 7.4 Appendix 4 – Summary of reasons for rejection of unsuccessful tenderers –
- 7.5 Appendix 5 – Equality Diversity Cohesion and Integration Impact Assessment – See separate report

Appendix 2, 3 and 4 of this report have been removed as they are exempt / confidential under Rule 10.4.(3); 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.



## Appendix 1 – Quality evaluation criteria

	<b>Method Statement</b>	<b>Assessment Method</b>	<b>Maximum Word Count Limit</b>
1	<p><b>Service set up</b></p> <p>Please describe the key steps you would put in place to set up this Service to ensure it is ready to deliver within the agreed timescale including:</p> <ul style="list-style-type: none"> <li>• Continuity of service provision and follow up of existing clients</li> <li>• Workforce,</li> <li>• Data collection and reporting system,</li> <li>• and</li> <li>• Securing appropriate venues/facilities.</li> </ul>	<p>Scoring</p> <p>100</p>	1750
2	<p><b>Service model delivery</b></p> <p>Please describe your model for service delivery, to achieve the Outcomes, as outlined in the Specification; your answers should include:</p> <ul style="list-style-type: none"> <li>• Locations and venues for service delivery, including the food centre</li> <li>• How will the service respond to differing and emergent client needs and goals</li> <li>• Workforce and skill mix</li> </ul>	<p>Scoring</p> <p>125</p>	2000
3	<p><b>Ministry of Food or equivalent</b></p> <p>Please describe how your service will undertake the requirements of the Ministry of Food methodology or an equivalent cooking skills intervention?</p> <p>Your answer should include:</p> <ul style="list-style-type: none"> <li>• The added value of the equivalent methodology that is comparable to Ministry of Food?</li> <li>• Outreach and food centre provision</li> </ul>	<p>Scoring</p> <p>50</p>	750
4	<p><b>Partnerships</b></p> <p>How will you strengthen and maintain existing partnerships and develop new relationships with key interdependencies to successfully deliver this Service?</p>	<p>Scoring</p> <p>75</p>	750

	<b>Method Statement</b>	<b>Assessment Method</b>	<b>Maximum Word Count Limit</b>
5	<p>Marketing &amp; communications</p> <p>Please describe how you would develop your communications and marketing plan for the first 18 months including throughout the 6 month Mobilisation Period.</p> <p>Your answer should include the One You Leeds website.</p>	<p>Scoring</p> <p>75</p>	750
6	<p>Engagement</p> <p>Please describe the outreach and engagement methods you would use to effectively engage and recruit key target groups into the Service.</p>	<p>Scoring</p> <p>50</p>	750
7	<p>Service Improvement</p> <p>Please describe how your Services will work with clients, potential clients, Staff and partners to continually Review service delivery to meet Outcomes and respond to changing need.</p>	<p>Scoring</p> <p>75</p>	750
8	<p>Peer mentors and Volunteers</p> <p>Please describe how the service would establish and support a network of peer mentors and volunteers to support clients.</p>	<p>Scoring</p> <p>25</p>	500
9	<p>Innovation</p> <p>What is unique about your Service that adds innovation to reduce health inequalities within the Integrated Healthy Living System?</p>	<p>Scoring</p> <p>25</p>	500

## **Appendix 5 – EQUALITY, DIVERSITY, COHESION AND INTEGRATION IMPACT ASSESSMENT**

**Please see separate document**