

**Report of Health Improvement Principal - Emotional Health and Wellbeing Lead /
Commissioning and Contracts Officer**

Report to Director of Public Health

Date: 8th December 2017

**Subject: Tender evaluation and contract award of the Mentally Healthy Leeds
service (DN201751)**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The existing long-established arrangements to deliver community development mental health services were awarded interim 6 month contracts with effect from 1st April 2017, which were extended for a further 6 months (meaning they expire on 31st March 2018). These arrangements are based on historic requirements and needs, and cannot be continued in the long term. Therefore, the services have been reviewed and a new service model to be delivered by one contract, has been developed to focus on mental health inequality within local communities and the core public mental health prevention agenda.
2. The overall aim of the new Mentally Healthy Leeds service is to contribute to reducing health inequalities by focusing on wider determinants that can affect resilience and impact negatively on mental health. The new service will take an asset based development approach within at risk communities to help build community capital and capacity, and strengthen individual mental resilience. Good engagement with at risk groups is crucial, and targeted work within communities will be integral to deliver the intended outcomes. The secondary focus will contribute to the broader protecting health within the wider communities agenda and will link to the local evidence base including the mental health needs assessment (MHNA 2017) findings.

3. The procurement of the Mentally Healthy Leeds service commenced in July 2017 and the closing date for tenders to be submitted was 20th September 2017. Two tender submissions were received with both achieving the required marks to pass the technical questions contained in the Pre-Quality Questionnaire (PPQ) stage to proceed to the tender evaluation stage.
4. Evaluations of the quality and price aspects of the submissions have now been undertaken by the panel and the process and outcome is detailed within the report.
5. The procurement process has been designed to improve the service quality by focussing on the key current LCC public mental health priorities and deliver value for money. The service will operate on the existing budget allocated to the interim contracts, which have already been reduced as a consequence of the public health grant cuts. The reduction of the number of contracts from two to one will also achieve resource efficiencies through improved contract management. The inclusion of key performance indicators in the service specification should also drive up performance and provides a mechanism by which the council if necessary can withhold payment where the service is not being delivered in accordance with the service specification requirements, ensuring value for money.

Recommendations

6. The Director of Public Health is recommended to note the evaluation process undertaken and approve the award of the contract to Touchstone for the provision of the Mentally Healthy Leeds service (DN201751) in the sum of £881,923.06 for the initial three year contract period.
7. In addition, to approve the implementation of the contract award by Projects, Programmes and Procurement Unit (PPPU) to ensure that the mobilisation of the new service can commence on 2nd January 2018 and that the new service is in place and operational from 1st April 2018.

1. Purpose of this report

- 1.1 This report describes the procurement process undertaken for the delivery of Mentally Healthy Leeds.
- 1.2 This report seeks approval to award the contract to the recommended provider.

2. Background information

- 2.1 This report details the procurement process undertaken for Mentally Healthy Leeds. The new contract for the provision of this service needs to be in place by 1st April 2018 as the current interim contracts delivering these services expire on 31st March 2018 with no further provision to extend. The Mentally Healthy Leeds service has been developed to focus the service on mental health inequality within local communities and the core public mental health prevention agenda in one single contract.
- 2.2 The new service is due to commence on 1st April 2018 and run until 31st March 2021, with the option to extend for a further period of up to 24 months. The total estimated value of the service was £297,050 per annum.
- 2.3 The procurement was undertaken using the open procedure (a one stage process), with a requirement that potential providers must pass the technical questions included in the PQQ, to confirm that potential providers have the required experience to deliver this service. The procurement commenced in July 2017 and the submission deadline was extended until 20th September 2017 to allow time for potential providers to respond, taking account of the holiday period.

3. Main issues

- 3.1 Two PPQ and tender submissions were received via YORtender (the Council's electronic tendering system) on 20th September 2017 and these were checked for compliance against the Tender instructions by PPPU.
- 3.2 Both submissions passed the technical stage of the PQQ evaluation stage to proceed to the next stage of the tender evaluation process. Following which, the method statement responses were issued to the evaluation panel and the consultee – Volition Director. Prior to the evaluation meeting being held, the consultee provided her views on the method statement submissions so that they could be considered during the evaluation of the quality submissions.
- 3.3 The evaluation panel comprised Health Improvement Principal -Emotional Health and Wellbeing Lead (the chair), Health Improvement Principal (City Engagement and Delivery), Health Improvement Principal (Healthcare Equity & Effectiveness, Primary Care), Health Improvement Specialist (Emotional health and wellbeing) and a Commissioning and Contracts Officer. A PPPU representative and a Commissioning and Contracts Support Officer were in attendance to provide support to the evaluation processes.
- 3.4 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.

Quality evaluation.

- 3.5 The evaluation criteria used in the quality evaluation are presented in Appendix 1. A minimum threshold were applied to each question (50% pass rate per question) on the basis that if a tenderer scores less than this on a particular question, then it will be at the discretion of the decision maker as to whether they are accepted or not. A score less than 60% overall would mean that a tenderer would be disqualified.
- 3.6 The method statement responses were evaluated using the consensus basis at an evaluation meeting held on 11th October 2017.
- 3.7 As part of the process, an interview worth 30 points was undertaken with both tenderers on 18th October 2017. The interviews were attended by all the members of the panel and was sound recorded. The marks allocated in respect of the interview are included in Appendix 2.
- 3.8 The highest number of marks achieved in respect of the quality evaluation were obtained by Touchstone with a score of 409 marks.

Price evaluation

- 3.9 The price submissions returned were within the allocated budget for the contract.
- 3.10 The pricing schedules and pricing assumptions were reviewed by the Chair of the evaluation panel and the Commissioning and Contracts Officer. A number of clarifications were sought and responded to, to ensure that the officers were satisfied that the make-up of the costs of the services could effectively deliver the service. Where appropriate, the clarifications will form part of the final contract document.
- 3.11 The highest number of marks obtained in respect of price was 400, which was obtained by Touchstone, who submitted a bid of £881,923,06 in respect of the three year contract period
- 3.12 Due diligence checks of the PQQ and the tender submissions have been undertaken by PPPU and the project team. The vetting process of the successful tenderer's PQQ is being undertaken and will include the taking up of references, checking that the required insurance is in place and the checking of the Health & Safety and Safeguarding policies by the council's specialists in these areas.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Significant consultation has been undertaken during the development of the new service including with strategic partners, providers, LCC officers and relevant Executive Members.
- 4.1.2 Councillor Charlwood, Executive Member for Adults and Health has been briefed on the outcome of the tender evaluation on 29th November 2017.

4.2 Equality and diversity / cohesion and integration

4.2.1 An Equality, Diversity, Cohesion and Integration Impact Assessment has been completed for this project.

4.3 Council policies and best council plan

4.3.1 Our vision is for Leeds to be the best city in the UK: one that is compassionate with a strong economy, which tackles poverty and reduces the inequalities that still exist.

4.3.2 This contract supports the outcomes of the Best Council Plan 2017-18: Tackling poverty and reducing inequalities (outcomes, health and wellbeing, mental health).

4.3.3 One of the key priorities highlighted in the Leeds Health and Wellbeing Strategy 2016 – 2021 is to improve people's resilience and wellbeing. This commissioned work will help contribute towards achieving this and encompasses some of the wider priorities i.e. parity with physical health.

4.4 Resources and value for money

4.4.1 The funding (£297,050) for the new Mentally Healthy Leeds service will be allocated from the Public Health revenue grant. The funding envelope of the procured services has taken account the central Government's cuts to the council's public health grant.

4.4.2 The procurement process has been designed to improve service quality by focussing on the key current LCC public mental health priorities and deliver value for money. All tender submissions were within the budget and the prices submitted were lower than the pretender estimate. The submission received from the preferred provider, Touchstone, was in the sum of £881,923.06 which over the three year term of the contract this could generate potential cost savings of £9,227.

4.4.3 The reduction of the number of contracts from two to one will also achieve resource efficiencies through contract management. The inclusion of key performance indicators in the service specification should also drive up performance and provides a mechanism by which the council if necessary can withhold payment where the service is not being delivered in accordance with the service specification.

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 the Public Contract Regulations 2015.

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 The future decision is the implementation of a Key Decision of 3rd April 2017 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 and the Public Contract Regulations 2015.
- 4.6.2 Project risks were reviewed on a regular basis and the project team will continue this during the mobilisation phase of the project.

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 compliant providers.
- 5.2 Touchstone is found to meet the necessary criteria, reflecting the desired outcomes that Public Health would hope to achieve through the delivery of the contract whilst achieving value for money.
- 5.3 Touchstone will sub-contract some aspects of the service; Community Links for some of the training requirements, The Conservation Volunteers for the green space group work and the University of Sheffield – School of Health and Related Research (SchARR) for the academic evaluation.

6. Recommendations

- 6.1 The Director of Public Health is recommended to note the evaluation process undertaken and approve the award of the contract to Touchstone for the Mentally Healthy Leeds service (DN201751) in the sum of £881,923.06 for the initial three year contract period.
- 6.2 In addition, approves the implementation of the contract award by PPPU to ensure that the mobilisation of the new service can commence on 2nd January 2018 and that the new service is in place and operational from 1st April 2018.

7. Background documents¹

- 7.1 None

Appendices

Appendix 1 – Quality Evaluation Criteria

Appendix 2 – Tender Evaluation Summary

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.