
Executive Procurement Committee

TUESDAY, 13TH MARCH, 2007 at 18:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Mallett (Chair), Meehan, Diakides and Haley

AGENDA

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. Late items will be considered under the agenda item where they appear. New items will be dealt with at item 12 below. New items of exempt business will be dealt with at item 19 below.

3. DECLARATIONS OF INTEREST

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest.

4. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

5. MINUTES (PAGES 1 - 10)

To confirm and sign the minutes of the meeting of the Procurement Committee held on 13 February 2007.

6. PROCUREMENT OF AN ICT MANAGED SERVICES PROVIDER (MSP) FOR THE BUILDING SCHOOLS FOR THE FUTURE PROGRAMME (PAGES 11 - 18)

Report of the Director of the Children and Young People's Service – to inform members of the procurement procedure currently underway and progress made to date in the procurement of an ICT (Information and Communications Technology) Manager Service Provider (MSP) for the Building Schools for the Future (BSF) Programme.

7. OLDER PEOPLE NURSING CARE BEDS: AWARD OF CONTRACT - PART A (PAGES 19 - 24)

Report of Interim Director of Adult, Culture and Community Services – following agreement of the Procurement Committee on 14.11.06 to waive the requirement to tender for residential and nursing care provision until December 2007; this report seeks to award 2 contracts in order to secure value for money for the Council.

8. TIER 2/3 YOUNG PERSONS SUBSTANCE MISUSE: CONTRACT EXTENSION - PART A (PAGES 25 - 36)

Report of the Assistant Chief Executive, PPC – to seek agreement to extend the contract for the provision of the Tier 2/3 Young Persons Substance Misuse Service. *Please note this report should be read in conjunction with Item 9 on this Agenda: Tier 2/3 Young Persons Substance Misuse Service Contract Award.*

9. TIER 2/3 YOUNG PERSONS SUBSTANCE MISUSE: CONTRACT AWARD - PART A (PAGES 37 - 50)

Report of the Assistant Chief Executive (PPPC) – to seek agreement to award the contract for the provision of the Tier 2/3 Young Persons Substance Misuse Service. *Please also see item 8 on this agenda.*

10. TIER 2/3 STIMULANT/POLYDRUG TREATMENT SERVICE: AWARD OF CONTRACT - PART A (PAGES 51 - 62)

Report of the Assistant Chief Executive, PPC – to seek agreement to award the contract for the provision of the Stimulant/Polydrug Treatment Service

11. MEASURED TERM CONTRACT FOR THE REACTIVE BUILDING FABRIC REPAIRS AND MINOR MECHANICAL AND ELECTRICAL WORKS 2007/8 - PART A (PAGES 63 - 68)

Report of the Head of Corporate Property Services – to seek agreement to award the contract for the Measured Term Contract for the Reactive Building Fabric Repairs and Minor Mechanical and Electrical Works One Year Contract 2007/8.

12. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at 2 above

13. EXCLUSION OF THE PRESS AND PUBLIC

The following items are likely to be the subject of a motion to exclude the press and public as they contain exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).

Note from the Head of Local Democracy and Member Services

The following items allow for consideration of exempt information (if required) in relation to items 6-11 which appear earlier on this agenda

14. OLDER PEOPLE NURSING CARE BEDS: AWARD OF CONTRACT - PART B (PAGES 69 - 70)

Report of Interim Director of Adult, Culture and Community Services – following agreement of the Procurement Committee on 14.11.06 to waive the requirement to tender for residential and nursing care provision until December 2007, this report seeks to award 2 contracts in order to secure value for money for the Council.

15. TIER 2/3 YOUNG PERSONS SUBSTANCE MISUSE: CONTRACT EXTENSION - PART B (PAGES 71 - 72)

Report of the Assistant Chief Executive PPPC – to seek agreement to extend the contract for the provision of the Tier 2/3 Young Persons Substance Misuse Service. Please note this report should be read in conjunction with Item 9 on this Agenda: Tier 2/3 Young Persons Substance Misuse Service Contract Award.

16. TIER 2/3 YOUNG PERSONS SUBSTANCE MISUSE: CONTRACT AWARD - PART B (PAGES 73 - 74)

Report of the Assistant Chief Executive (PPPC) – to seek agreement to award the contract for the provision of the Tier 2/3 Young Persons Substance Misuse Service. Please also see item 8 on this agenda.

17. TIER 2/3 STIMULANT/POLYDRUG TREATMENT SERVICE: AWARD OF CONTRACT - PART B (PAGES 75 - 76)

Report of the Assistant Chief Executive, PPPC – to seek agreement to award the contract for the provision of the Stimulant/Polydrug Treatment Service

18. MEASURED TERM CONTRACT FOR THE REACTIVE BUILDING FABRIC REPAIRS AND MINOR MECHANICAL AND ELECTRICAL WORKS 2007/8 - PART B (PAGES 77 - 78)

Report of the Head of Corporate Property Services – to seek agreement to award the contract for the Measured Term Contract for the Reactive Building Fabric Repairs and Minor Mechanical and Electrical Works One Year Contract 2007/8.

19. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any new items admitted at item 2 above

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5 March 2007

**MINUTES OF THE EXECUTIVE PROCUREMENT COMMITTEE
TUESDAY, 13 FEBRUARY 2007**

Councillors *Mallett (Chair), *Diakides, Haley and *Meehan

*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC26.	<p>ADJOURNMENT OF MEETING</p> <p>RESOLVED:</p> <p>That the meeting be adjourned until 19.30 hours.</p>	
PROC27.	<p>APOLOGIES FOR ABSENCE (Agenda Item 1)</p> <p>An apology for absence was submitted on behalf of Councillor Haley.</p>	
PROC28.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED:</p> <p>That the minutes of the meetings held on 14 November and 7 December 2006 be approved and signed.</p>	HMS
PROC29.	<p>SUPPORTING PEOPLE PROGRAMME - STEADY STATE CONTRACTS (Report of the Interim Director of Adult, Culture and Community Services - Agenda Item 6)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>With our consent Recommendation 3.1 in the report was amended from Contract Standing Order '6.3' to '6.4'. The entry in the Appendix in relation to Hornsey Housing Trust – West Green Road was also amended.</p> <p>We were informed that the Supporting People Programme had recently been the subject of an inspection by the Audit Commission which had resulted in a favourable report. We asked that a copy of that report be supplied to the Leader of the Council.</p> <p>In response to a question about contracts covering supported housing services for older people, we were advised that the commissioning and procurement of services in this sector would take more than the life time of the Five Year Supporting People Strategy to complete and it was not possible at this stage to determine when the new short term contracts would expire. We noted that a senior project board had been set up with a membership that included senior managers from across Housing,</p>	DACC

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	<p>Social Services and the NHS TPCT. The project board was drawing up a long term commissioning plan for the older persons supported housing sector, which once in place would inform the length of the new short term contracts for the sector. This would be the subject of a further report to our Committee.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 7.03, approval be granted to a waiver of Contract Standing Order 6.4 (Requirement to Tender) in respect of the award of the short term contracts for Supporting People services detailed in the Appendix to the interleaved report. 2. That approval be granted to the award of new short term contracts to providers of existing Supporting People services, detailed in the Appendix to the interleaved report, who had met the Borough's quality, performance, cost and strategic thresholds and requirements, for a contract period commencing on 1 April 2007, and terminating on the respective expiry dates set out in the Appendix. 3. That authority to approve inflation rises, in relation to Supporting People contracts and services be delegated to the Director of Adult, Culture and Community Services where the Director, on the recommendation of the Supporting People Partnership Board, was satisfied that the providers had fully met the Council's Value for Money criteria. 	<p>DACC</p> <p>DACC</p> <p>DACC</p>
<p>PROC30.</p>	<p>PASSENGER TRANSPORT SERVICES - AWARD OF CONTRACT (Report of the Director of the Children and Young People's Service - Agenda Item 7)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>Our consent was sought to an amendment to paragraph 3.3 of the report to read 'That Members agree to delegate the allocation of routes to each provider to the Director of the Children and Young People's Service to enable provision to commence from 1 April 2007.' We agreed to the amendment subject to the words 'in consultation with the Executive Member for Children and Young People' being inserted between 'Service' and 'to'.</p> <p>We also consented to paragraph 20.1 of the report being amended to read 'The estimated value of the Contract is above the threshold for tendering in the EU under the Public Service Regulations 2006 (Regulations), the threshold for services is £144,459' and, subject to the amendment to paragraph 3.3 outlined above, to paragraph 20.4 being</p>	

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amended to read ' In accordance with the Regulations the selection of contractors to undertake individual transport contracts will be by call off, that is as and when the needs of the Council for a particular transport requirement arises, the Council will then request a contractor on the Framework to undertake the service via an individual agreement. Recommendation 3.3 of the report requests award of the individual call off contracts to be delegated to the Director of the Children and Young People's Service in consultation with the Executive Member for Children and Young People. The Committee under the Council's Constitution has power to delegate its powers to an officer; the power is derived from Section 15 of the Local Government Act'.

Concern having been expressed about the inclusion of one provider within the Framework Agreement which had not met the required minimum score, we were informed that the company had been selected to provide ad hoc coach services only to enable competitive quotations to be received. Officers would work with them to ensure improvements which fully met Council standards and requirements.

Disquiet was also voiced about the increased costs created by Social Services withdrawal from usage of the passenger transport service. In this respect we were advised that in line with national guidelines, Social Services would be delivering and managing their own service-based transport provision rather than the current centre based arrangement with the Joint Transport Planning Unit (JTPU). We were also advised that the Corporate overheads at the Ashley Road Depot were fixed and had to be met by the Council. If these were not met by the cost savings, then the remaining client department budgets would be under pressure and were likely to become overspent, as these extra costs would need to be recharged to them, based on their current percentage usage. Alternatively, Social Services would be expected to pay for the cost of their withdrawal. Having noted that the Children and Young People's Service and Social Services Transport Project Boards and the Procurement Project Board had already debated this issue and had concluded that savings from this re-tendering exercise should be used to meet these costs and ensure that client departments (mainly SEN, Catering and Social Services) could remain within their PBPR targets, we asked that the business case for Social Services withdrawal and its corporate implications be reported to the Executive.

Reference was made to a recent accident in Boundary Road N22 involving one of the providers recommended in the report for inclusion within the Framework Agreement and we noted that this was the subject of an on-going police investigation. Reference was also made to officer use of taxis and clarification sought of the mechanism used to apportion the costs to Directorates. We noted that while much of the use made of taxis was ad hoc it was proposed to establish a central booking system to try to ensure that only the companies within the contract were used post 1 April 2007 and to apportion costs as appropriate to Directorates. We asked that the Leader of the Council be supplied with a breakdown of the use made of taxis by Directorates.

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	<p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11, approval be granted to the award of contract Passenger Transport services to the 11 contractors shown shaded in the Appendix to the interleaved report for a period of 4 years. 2. That the allocation of routes to each provider be delegated to the Director of the Children and Young People's Service in consultation with the Executive Member for Children and Young People to enable provision to commence from 1 April 2007. 3. That a report be made to the Executive on the overall Transport Review including on the business case for Social Services withdrawal and its corporate implications. 	<p>DCYP</p> <p>DCYP</p> <p>DACC</p>
<p>PROC31.</p>	<p>CONSTRUCTION RELATED CONSULTANCY SERVICES - AWARD OF CONTRACT (Report of the Acting Director of Finance - Agenda Item 8)</p> <p>Concern was expressed that consultants within the Framework Agreement might be issuing variations and agreeing additional costs in particular in relation to primary school projects without first obtaining the client services' agreement which made control of expenditure more difficult. We asked that officers ensure that all variations and extra costs be agreed first with clients before orders were issued.</p> <p>Arising from a question in relation to the level of expertise within the Council to administer the current number of consultants, Councillor Diakides asked to be supplied with details of the decision to transfer Construction Procurement Group to the Corporate Procurement Unit.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 13.02, approval be granted to an extension of the contract for Construction Related Consultancy Services for a further 1 year period. 2. That in view of the risks involved in not having benchmarked the consultants' fees against the industry as it currently stood, a further report be made on the steps being taken to consider the market and propose the model for the next Framework Agreement. 	<p>HPr</p> <p>HMS</p> <p>HPr</p> <p>HPr</p>
<p>PROC32.</p>	<p>PROCUREMENT OF INTERNAL AUDIT SERVICES (Report of the Acting Director of Finance – Agenda Item 9)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the</p>	

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	<p>Authority holding that information).</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the provision of internal audit services to Deloitte and Touche Public Sector Internal Audit Services Ltd. with effect from 1 April 2007 for a period of 5 years with an option to extend for a further one year.</p>	DF
<p>PROC33.</p>	<p>EXTENSION OF CAPGEMINI AGREEMENT FOR DEVELOPMENT AND SUPPORT OF THE SIEBEL CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM (Report of the Director of Corporate Services - Agenda Item 10)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 13.02, approval be granted to the extension of the Capgemini Agreement for development and support of the Siebel CRM system, in the sum named in the Appendix to the interleaved report for a further 6 month period from January 2008 to June 2008.</p>	DCS
<p>PROC34.</p>	<p>AWARD OF FRAMEWORK AGREEMENTS TO FOUR DECENT HOMES CONSTRUCTOR PARTNERS (Report of the Interim Director of Adult, Culture and Community Services - Agenda Item 11)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information). With our consent revised comments of the Acting Director of Finance were tabled.</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Orders and as allowed under the European Union Directive on public procurement (the Consolidated Directive), as implemented in the UK by the Public Contracts Regulations 2006, approval be granted to the award of Framework Agreements for Decent Homes to the following Constructors for the contact areas noted –</p> <ul style="list-style-type: none"> • South Tottenham – Apollo London • Wood Green – Mulalley & Company Ltd. • North Tottenham – Lovell Partnership • Hornsey – Wates Construction 	DACC

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<p>PROC35.</p>	<p>APPOINTMENT OF CONTRACTOR PARTNERS TO BSF FRAMEWORK AGREEMENT (Report of the Acting Director of Finance - Agenda Item 12)</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That approval be granted to the process undertaken to date in connection with procurement activity which would eventually lead to the appointment of contractor partners to a framework agreement. 2. That it be noted that it was proposed that there should be regular reports about the procurement activity being undertaken through the Building Schools for the Future programme, and that the proposal be endorsed. 	<p>DCYP</p> <p>DCYP</p>
<p>PROC36.</p>	<p>AWARD OF FRAMEWORK AGREEMENTS TO FOUR COMPLIANCE TEAM (CONSULTANTS) PARTNERS (Report of the Interim Director of Adult, Culture and Community Services - Agenda Item 13)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>While we noted that the size and value of the Decent Homes programme was considered to warrant the appointment of professional consultants to undertake the management of contractors undertaking the work, we also noted the intention to establish an in-house compliance team and we asked that a further report be made to us on the proposed working relationship vis a vis the Homes for Haringey staff and the Consultant Partners.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with the Council Standing Orders and as allowed under the European Union Directive on public procurement (the Consolidated Directive) as implemented in the UK by the Public Contracts Regulations 2006, approval be to the award of Framework Agreements for Decent Homes to the following four Consultants - <ul style="list-style-type: none"> • South Tottenham – Potter Raper Partnership • Wood Green – Bucknall Austin • North Tottenham – John Rowan & Partners • Hornsey – Ridge & Partners 2. That it be noted that the award to the four consultants was based on the evaluation of the price/quality score and confirmation that the consultants would be able to deliver the Decent Homes Programme within the current forecasted 	<p>DACC</p> <p>DACC</p>

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	budget.	
PROC37.	<p>EXTENSION AND VARIATION OF THE CONTRACTS WITH PROSPECTS SERVICES LIMITED AND CAREERS ENTERPRISE (FUTURES) LIMITED FOR CONNEXIONS NORTH LONDON SERVCIES 2007- 08 (Report of the Director of the Children and Young People's Service - Agenda Item 14)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 13.02, approval be granted to the variation of the following contracts in the manner indicated -</p> <ol style="list-style-type: none"> 1. with Prospects by extending this contract by one year until 31 March 2008 for the additional contract value referred to in the appendix to the interleaved report and by making variations to the contract provisions relating to performance monitoring to be approved by the Head of Legal Services; 2. with Careers by extending this contract by one year until 31 March 2008 for the additional contract value referred to in the Appendix to the interleaved report and by making variations to the contract provisions relating to performance monitoring to be approved by the Head of Legal Services. 	DCYP
PROC38.	<p>MENTAL HEALTH SERVICES FOR CHILDREN IN THE CARE OF HARINGEY COUNCIL - REQUEST FOR WAIVER OF REQUIREMENT TO TENDER (Report of the Director of the Children and Young People's Service - Agenda Item 15)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>RESOLVED:</p> <p>That, in accordance with Contract Standing Order 7.03, approval be granted to a waiver of Contract Standing Order 6.04 (Requirement to Tender), in connection with the provision of mental health services for children in the care of the Council.</p>	
PROC39.	MENTAL HEALTH SERVICES FOR CHILDREN IN THE CARE OF	

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	<p>HARINGEY COUNCIL - AWARD OF CONTRACT (Report of the Director of the Children and Young People's Service - Agenda Item 16)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11 approval be granted to the award of the contract for mental health services for children in the care of Haringey Council to Tavistock and Portman Trust for a period of 1 year in the sum set out in the Appendix to the interleaved report. 2. That the contract be awarded for a period of 1 year on the basis detailed in the interleaved report. 	<p>DCYP</p> <p>DCYP</p>
<p>PROC40.</p>	<p>CHILDREN'S CENTRES – PHASE TWO, EARLSMEAD & WELBOURNE PRIMARY SCHOOLS: AWARD OF CONTRACT (Report of the Director of the Children and Young People's Service - Agenda Item 17)</p> <p>Details of the contracts which were set out in the Appendix to the interleaved report were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 11.03, approval be granted to the award of the contract for the development and construction of a Children's Centre at both Earlsmead and Welbourne Primary School sites to Hutton Construction Ltd. in the sum specified in the Appendix to the interleaved report 2. That it be noted that the contract awarded was for a period of 22 weeks. 	
<p>PROC41.</p>	<p>VARIATION TO THE SECONDARY SCHOOLS PFI AGREEMENT (Report of the Director of Corporate Services - Agenda Item 18)</p> <p>The interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p>	

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	<p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That, in accordance with Contract Standing Order 13.02, approval be granted to the variations to the existing Secondary Schools PFI contract as set out in paragraph 9 of the interleaved report and the appended draft Deed of Variation. 2. That the Acting Director of Finance be authorised to finalise negotiations with Haringey Schools Services Limited in respect of the proposed variations. 3. That it be noted that further reports on the implementation of the contract variation would be submitted in due course. 	<p>DCS</p> <p>DCS/ DF</p> <p>DCS</p>
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ANTONIA MALLET
Chair

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Report Title: **Procurement of an ICT Managed Service Provider for the Building Schools for the Future Programme**

Forward Plan reference number (if applicable): **v55**

Report of: **Director of Children and Young People's Service**

Ward(s) affected: **All**

Report for: **Information**

1. Purpose

1.1 This report is for information only and seeks to inform Members of the procurement procedure currently underway and progress made to date in the procurement of an ICT (Information and Communications Technology) Managed Service Provider (MSP) for the Building Schools for the Future (BSF) programme.

2. Introduction by Executive Member

2.1 This report is to inform the Committee of progress with this major procurement exercise and the intended use of the new competitive dialogue procedure. The award of the contract for an ICT MSP for the BSF programme with a total contract value of approximately £28 million over a 5 year contract term will be a key decision.

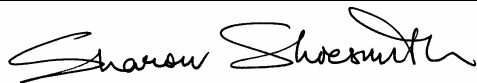
3. Recommendations

3.1 That Members note the procurement procedure currently underway and progress made to date as outlined in this report.

3.2 That Members note that this is the first of three reports (two for information and the third for award of contract) for presentation at Procurement Committee to be scheduled at key stages of this procurement to keep Members informed of progress.

3.3 That Members note this procurement will eventually lead to seek Members' agreement as a key decision to award the contract for an ICT MSP for the BSF programme with a total contract value of approximately £28 million over a 5 year contract term.

Report Authorised by:



Sharon Shoemith
Director
Children and Young People's Service

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4. Executive Summary

4.1 The BSF programme aims to enable every local authority in England to rebuild, renew or renovate every secondary school and Haringey Council has secured approximately £194 million of BSF funding to spend on maintaining and improving their secondary school buildings and to build a new Sixth Form Centre, the funding available for ICT investment is approximately £28 million.

4.2 This report aims to inform Members of the Procurement Committee of the procurement procedure currently underway for the ICT element of the BSF Programme and progress made to date.

4.3 The outcome of this procurement intends to provide the Council with an innovative managed services solution to promote a 21st century ICT-enabled learning environment in Haringey's secondary schools (including the Sixth Form Centre).

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6. Local Government (Access to Information) Act 1985

6.1 The following background documents were used in the preparation of this report:

- 'Partnership for Schools' (PfS) website
- Procuring ICT Services – A Pocket Guide for the Public Sector; DLA Piper LLP
- BSF Guidance Note – How to Conduct a Competitive Dialogue Procedure; PfS & Bevan Brittan LLP

7. Background

- 7.1 The BSF programme was launched by the Department for Education and Skills (DfES) in February 2003 and is the biggest single government investment in improving school buildings for over 50 years. The aim is to enable every local authority in England to rebuild, renew or renovate every secondary school over a 10-15 year period to bring the learning environment for Haringey's young people aged 11-19 into the 21st century.
- 7.2 Partnerships for Schools (PfS) is a Non-Departmental Public Body (NDPB), wholly owned by the DfES but jointly funded by DfES and Partnerships UK. PfS provide a range of specialists to work with local authorities to help develop the education vision and ensure that the BSF programme is delivered in the most cost-effective way for the taxpayer.
- 7.3 The investment is in the design and construction of school buildings and also in ICT to support the government's educational reform agenda. Haringey Council is a wave 2 local authority and has secured approximately £194 million of BSF funding to spend on maintaining and improving their secondary school buildings and to build a new Sixth Form Centre, the funding available for ICT investment is approximately £28 million.
- 7.4 The procurement of the construction and ICT elements are being managed as separate procurement projects under the BSF programme. This report aims to inform Members of the Procurement Committee of the procurement procedure for the ICT element only.

8. The ICT Managed Services

- 8.1 The procurement of an ICT MSP for the BSF programme will result in the award of contract to a single supplier engaged to provide an innovative ICT managed services solution to promote an ICT-enabled learning environment in Haringey's secondary schools (including the Sixth Form Centre).
- 8.2 The scope of the ICT managed services to be provided by the MSP over a 5 year contract term will broadly include:
- 8.2.1 support and integration of existing legacy hardware and software applications
 - 8.2.2 design, supply, installation and testing of new ICT infrastructure to include network, hardware and software. This includes the provision of a core enterprise educational Management Information System (MIS) and Managed Learning Environment (MLE)
 - 8.2.3 support and training to assist secondary schools with the management of the transition over from legacy systems and in the implementation of new processes, equipment, systems and applications
 - 8.2.4 support of the new ICT infrastructure including maintenance and engineering services, user account management, helpdesk services, virus protection, security, back-up, disaster recovery and other core network services

- 8.2.5 service management and participation in ongoing operational and strategic service reviews to measure, monitor and manage the ICT MSP's contract and performance.

9. The Procurement Procedure

- 9.1 The competitive dialogue procedure was selected as the appropriate procurement procedure in consultation with PfS and Eversheds, the BSF programme's external lawyers. Both PfS and Eversheds will continue to provide procurement and legal advice as appropriate throughout the procurement process.
- 9.2 The competitive dialogue procedure is a new procedure introduced by The Public Contracts Regulations 2006 (in compliance with EU public sector procurement directives) and came into effect in the UK from 31 January 2006. This procedure is designed for use in the procurement of 'particularly complex projects' and is particularly relevant for use in the procurement of complex ICT-enabled services and/or ICT systems.
- 9.3 The procurement of the ICT MSP for the BSF Programme is one of the first procurement projects to be conducted by the Council to use the competitive dialogue procedure.
- 9.4 Below is a brief overview of the competitive dialogue procedure:
- 9.4.1 Issue of the Contract Notice in the Official Journal of the European Union (OJEU)
- 9.4.2 Pre-qualification stage comprising evaluation of suppliers' Pre-Qualification Questionnaires (PQQs) based on pre-determined criteria and the selection of a longlist of bidders (normally 3 to 8) to invite to participate in dialogue (ITPD)
- 9.4.3 The aim of the dialogue stage is to "identify and define the means best suited of satisfying [the Council's] needs" and acknowledges the requirement in complex projects to discuss potential solutions, develop and refine ideas and options with bidders as part of the tender process.
- dialogue can be conducted in "successive stages" to reduce, in pre-defined stages the number of solutions/bidders involved in the tender process
 - dialogue offers the greatest flexibility in the procurement procedure and should continue until the Council is satisfied it has identified and defined its requirements sufficiently with bidders to enable Final Tenders to be submitted.
- 9.4.4 Those bidders remaining in the tender process (normally 2 to 3) are invited to submit their Final Tenders based on the solutions identified during dialogue. Final Tenders are assessed in order to select the Preferred Bidder who has submitted the most economically advantageous tender

(MEAT) prior to award of contract in accordance with the Council's Contract Standing Orders (CSOs).

10. Progress Made In the ICT MSP Procurement

- 10.1 The OJEU Contract Notice was dispatched for publication on 07 December 2006.
- 10.2 The deadline for submission of suppliers' PQQs was 19 January 2007.
- 10.3 The procurement is currently at the pre-qualification stage and PQQs have been received from 14 bidders and are currently being evaluated for:
 - 10.3.1 financial and contractual capability
 - 10.3.2 compliance with quality, health & safety, environmental protection & sustainability and equalities legislation
 - 10.3.3 track record in both project specific and partnering experience/technical capacity.
- 10.4 It is anticipated that a longlist of 3-8 suppliers will be selected and the first phase of a two phase dialogue stage will commence by mid-March 2007.
- 10.5 Dialogue is expected to continue until at least October 2007, with the evaluation of bidders' Final Tenders and selection of the preferred bidder made by December 2007.

11. Consultation

- 11.1 This is an item published on the Council's Forward Plan V55 (15 December 2006-14 April 2007).
- 11.2 Consultation will take place throughout the procurement process with stakeholders in the BSF programme, including but not limited to representatives from secondary schools, the Council, PfS, Eversheds and Members of the Procurement Committee.
- 11.3 Consultation with Members of the Procurement Committee will take place with the presentation of a second report (for information) at around completion of the dialogue phase (anticipated to be in October/November 2007), and the presentation of a third and final report (anticipated to be in January/February 2008) to recommend the award of contract to the Preferred Bidder.

12. Contract and Performance Management

- 12.1 The management of the ICT MSP's contract and performance will be fully prescribed during the dialogue phase of the procurement, but it is anticipated to be by means of regular service reviews to review performance against a Service Level Agreement (SLA) contractually agreed between the parties.

13. Summary and Conclusions

- 13.1 The BSF programme aims to enable every local authority in England to rebuild, renew or renovate every secondary school and the outcome of this procurement intends to provide the Council with an innovative managed services solution to

promote a 21st century ICT-enabled learning environment in Haringey's secondary schools (including the Sixth Form Centre).

14. Recommendations

- 14.1 That Members note the procurement procedure currently underway and progress made to date as outlined in this report.
- 14.2 That Members note that this is the first of three reports (two for information and the third for award of contract) for presentation at Procurement Committee to be scheduled at key stages of this procurement to keep Members informed of progress.
- 14.3 That Members note this procurement will eventually lead to seek Member agreement as a key decision to award the contract for an ICT MSP for the BSF programme with a total contract value of approximately £28 million over a 5 year contract term.

15. Equalities Implications

- 15.1 Bidders' compliance with Equalities legislation is assessed during the pre-qualification stage of the procurement process.

16. Health and Safety Implications

- 16.1 Bidders' compliance with Health & Safety legislation is assessed during the pre-qualification stage of the procurement process.

17. Sustainability Implications

- 17.1 Bidders' compliance with environmental legislation is assessed during the pre-qualification stage of the procurement process.

18. Financial Implications

- 18.1 There are no direct financial implications of this report.

19. Comments of the Director of Finance

- 19.1 The Director of Finance has been consulted on this report and has no specific comments to make at this point in the process.

20. Comments of the Head of Legal Services

- 20.1 The contract to which this report relates has been advertised in the Official Journal of the EU, using the competitive dialogue procedure – a new procedure introduced under the Public Contracts Regulations 2006 for use in the procurement of complex contracts, which allows a procuring authority enter into dialogue with interested contractors prior to awarding a contract.
- 20.2 The Head of Legal Services has light-touch monitored the work of the BSF team's external legal advisers (Eversheds) in respect of this procurement and confirms that there are no legal reasons preventing Members from approving the recommendations of this report.

21. Comments of the Head of Procurement

- 21.1 The Corporate Procurement Unit has worked closely with IT Services to ensure that the process undertaken is understood by all parties.
- 21.2 It is considered good practice to inform Members of the process undertaken and the progress to date, given the high profile nature and high market interest of BSF procurement activities, and because of the sums of expenditure involved.
- 21.3 The competitive dialogue process is untested by the Council but seems to be the most appropriate type of procurement.
- 21.4 Additionally, the procurement is being well-managed by IT services with the inclusion of internal consultant support. CPU have also been kept well-informed of progress.
- 21.5 The Head of Procurement notes the recommendations to Members and supports the recommendations.

22. Use of Appendices / Tables / Photographs

- 22.1 None

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Procurement Committee On 13/3/07

Report Title: **Older People Nursing Care Beds: Request for Award of Contract - Part A**

Report of **Interim Director of Adult, Culture and Community Services**

Ward(s) affected: **All**

Report for: **[Key / Non-Key Decision / Info']**

1. Purpose

1.1 Following agreement by Procurement Committee on 14/11/06 to waive the requirement to tender for residential and nursing care provision until December 2007, I write to request your approval to award two contracts on the following scheme in order to secure value for money for the Council.

2. Introduction by Executive Member

- 2.1 Due to demand that cannot be met within the Council's own provision it is necessary for the Council to source alternative provisions for Service Users requiring residential care within the locality.
- 2.2 Due to the nature of the market it is necessary to secure residential and nursing care beds and formalise contracts with Providers immediately beds become available.
- 2.3 To reduce the possibility of the Council incurring fines due to delays in discharge it is necessary to have care bed provision available to the Department.
- 2.4 A waiver of the requirement to tender also enables the Council to negotiate terms and develop close working partnerships with Providers to ensure that a high standard of care is available to Service Users.

3. Recommendations

- 3.1 That Members agree to award contracts to the two organisations named in Part B of this report.

Report Authorised by: Jim Crook
Interim Director of Adult, Culture and Community Services

.....

Contact Officer: Mary Hennigan, Assistant Director Adults
Telephone: 020 8489 2326
E Mail: mary.hennigan@haringey.gov.uk

4. Executive Summary

4.1 Due to the nature of the market it is necessary to formalise contracts with providers immediately as soon as beds become available

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 n/a

6. Local Government (Access to Information) Act 1985

6.1 List of background documents:

Report to Procurement Committee dated 14th November, entitled 'Older Peoples Services Residential Provision – waiver and award of contracts

6.2 This report contains exempt and non-exempt information. Exempt information is contained in Part B of this report and is **NOT FOR PUBLICATION**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information)

7. Background

7.1 Agreement to waive and award contracts was agreed at Procurement Committee on 14th November 2006.

7.2 In order to reduce the number of Service Users awaiting delayed hospital discharge it is being proposed by Social Services and Health to purchase nursing care provision. Beds have been identified at two homes and would initially be purchased for a period of two (2) years, with the option to extend for a further period of one (1) year. The bed price for both organisations is listed in Part B of this report. The beds of Provider A would be used in a flexible manner, ie permanent, respite and 'step down' in order to make best use of the beds and for dementia nursing care at the home of Provider B.

7.3 To purchase six (6) nursing care beds with Provider A and three (3) with Provider B. The reasons being the general shortage of nursing placements available to the Department and the urgency for obtaining 'step down' beds to alleviate any possible future delayed discharge problems from hospitals.

7.4 The contracting of permanent and 'step down' beds has over the past 3 years helped to manage delayed discharges in a consistent manner. The homes identified as having the beds available are Provider A and Provider B.

7.5 The department proposes to initially contract with the proposed providers homes for a period of up to three years (3). Haringey has contracted with Provider A over the last two years and feedback from Care Management has shown that the Provider offers value for money. There have not been any problems with achieving contractual compliance. The home has received favourable reports from the Commission for Social Care Inspection (C.S.C.I). The links forged with Care Managers and Health

professionals have been constructive and progressive. We have contracted beds with Provider B and to date they have provided value for money. The C.S.C.I report for Provider B is favourable.

7.6 Pending a final decision on the future of Osborne Grove, services there will not be available until the Autumn of this year. All indicators show future residential needs will be in the specialised area of dementia and nursing care with the need for low dependency residential care diminishing, competition of for such specialised provision will therefore increase. HPCT has also expressed a desire to jointly commission nursing care with the Council.

7.7 The Contracts Team in Social Services Directorate will continue to conduct frequent monitoring visits with the Providers and is satisfied that they can meet the demands expected by the Service Specification

8. Budget

8.1 The cost of the beds will be met from the Older People Commissioning budget, with the step down beds being coded against the delayed discharge grant. The costs of the contracts per annum are detailed in Part B of this report.

9. Description of Procurement Process

There is strong competition between local authorities when nursing care beds become available. Under the circumstances formal tendering exercises are not considered appropriate. As the Procurement Committee agreed at its meeting on 14 November to a waiver of tendering requirements in respect of nursing and residential care provision, it is recommended that Procurement Committee agree to award two contracts to the providers listed in Part B, in accordance with its powers under CSO 11.03 (contracts over £250,000).

9.1 There is an acute shortage of good quality nursing care beds. Within Haringey there is one nursing home. Of the 3 homes closest to Haringey in Islington one does not provide dementia care, one can only take mild dementia cases and one has a secure floor for dementia. Costs for the beds in these homes range from £630 to £1210 per week. One of the homes identified for the purchase of block beds is located in Barnet close to the Haringey border. It has received favourable reports from C.S.C.I and is used on a regular basis by Haringey. The home is able to accommodate Service Users with dementia and is flexible in the use of the beds i.e respite, 'step down' and permanent. The other, Provider B is located in the west of the borough and is able to accommodate Services Users with dementia.

10. Consultation

10.1 Consultation on the homes being considered for block contracting to provide the care required was undertaken between the Service Manager for Commissioning and the Contracts Section.

11. Key Benefits and Risks

11.1 The benefits to the Council will be financial security over a three year period, access to good quality care, and the availability of beds which will reduce the waiting time

for Service Users who require nursing care. The benefits for Service Users include access to good quality care within the locality of Haringey and a reduction in time spent in hospital awaiting discharge. The risks to the Council are the possibility of the homes closing due to financial pressures, and a drop in the quality of care being provided. These risks will be minimised by regular monitoring of the contract both for the quality of care and the homes financial viability.

12. Contract and Performance Management

12.1 The contracts will be monitored on a quarterly basis and the performance management regularly checked in consultation with the Commissioning Service on a monthly basis.

13. Summary and Conclusions

13.1 Following discussion with the Service Manager for the Commissioning Service it was agreed that the two homes identified in this report would be the most able to provide the high quality of care required. The proximity of the homes to Haringey was also a deciding factor

14. Recommendations

14.1 That Members approve the award of two contracts to the providers listed in Part B of this report from 1 March 2007 for a period of two years with an option to extend for further year.

15. Equalities Implications

15.1 Providers A and B are C.S.C.I registered and such registration requires compliance with all equalities legislation. Contracts will be monitored post-award to ensure continued compliance with legislation during the life of the contracts.

16. Health and Safety Implications

16.1 The contract terms include requirements to comply with all relevant legislation. Providers A and B are C.S.C.I registered and such registration requires compliance with all health and safety legislation

17. Sustainability Implications

N/A

18. Financial Implications

18.1 Purchasing beds with Providers A and B will provide both a fair price and financial security to the Council during the period of the contract.

19. Comments of the Director of Finance

19.1 The Director of Finance has been consulted in the preparation of this report. The service has identified a shortage of specialist beds in the market and by entering into a block contract with this Provider the council's position in the market will be more secure. The funding for the purchase of the nursing care beds will come from the Older People's budget.

20. Comments of the Head of Legal Services

- 20.1 TA waiver of Contract Standing Order 6.4. (requirement to tender) in respect of residential and nursing provision was approved by the Procurement Committee at its meeting on 14 November 2006.
- 20.2 The proposed contracts are not designated as priority services under the Public Contracts Regulations 2006 and therefore tendering is not required in Europe.
- 20.3 Because of the value of the proposed contract to Provider A, a decision in respect of award must be made by the Procurement Committee in accordance with Contract Standing Order 11.03 (contracts over £250,000). The value of the proposed contract to Provider B is under £250,000 but the Procurement Committee also has power to approve award of this contract.
- 20.4 The Head of Legal Services confirms that there is no legal reason preventing Procurement Committee from agreeing the recommendation at paragraph 14.

21. Comments of the Head of Procurement

- 21.1 The situation and options appraisal has been discussed with the Corporate Procurement Unit which has agreed that this is the most sensible approach in the circumstances. This approach will ensure that the council is best placed to take advantage of market conditions. CPU will work closely with colleagues to ensure that the contract is appropriate and represents best value for the authority.

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**REPORT TEMPLATE:
PROCUREMENT COMMITTEE**

*** HARINGEY COUNCIL ***

Agenda item: **[No.]**

Executive Procurement Committee on Tuesday 13th March 2007

Report Title: Tier 2/3 Young Persons Substance Misuse Service contract extension (Part A): contract extension	
Forward Plan reference number (if applicable): Version 57	
Report of: Assistant Chief Executive (PPPC)	
Ward(s) affected: All	Report for: Key decision
<p>1. Purpose</p> <p>1.1 To seek Members agreement to extend the contract for the provision of the Tier 2/3 Young Persons Substance Misuse Service.</p> <p>1.2 This report needs to be read in conjunction with the report titled: Tier 2/3 Young Persons Substance Misuse Service contract award.</p>	
<p>2. Introduction by Executive Member</p> <p>2.1 Haringey Drug and Alcohol Action Team (DAAT) are responsible for commissioning young persons substance misuse services in the borough. The DAAT is funded through the Young Persons Substance Misuse Grant (YPSMG) which is given straight to the DAAT from Government Office for London (GOL) and is 'banked' by the council. This extension will support incoming contractors to manage the change over process and ensure that young people in Haringey who are considered vulnerable continue to have access to a substance misuse service. I fully support the recommendation to extend the contract as outlined at paragraph 3.1 of this report.</p>	
<p>3. Recommendations</p> <p>3.1 That the Procurement Committee agrees to extend the Young Persons Substance Misuse Service contract to the recommended organisation (see Part B for exempt information) for a period of 3 months, commencing on 1st April 2007</p>	
Report Authorised by: Justin Holliday, Assistant Chief Executive (PPPC)	
Contact Officer: Peray Ahmet, Young Persons Substance Misuse Co ordinator tel: 020 8489 6961 email: peray.ahmet@haringey.gov.uk or Marion Morris, DAAT Strategy Manager 020 8 489 6909 email: marion.morris@haringey.gov.uk	

4. Executive Summary

4.1 Haringey's Drug and Alcohol Action Team seeks to extend the contract for the Tier 2/3 Young Persons Substance Misuse Service . The extension will be for 3 months and will be funded from the Young Persons Substance Misuse Grant.

4.2 This contract is currently going through a tendering process. In order to enable the successful contractor to fulfil the requirements of the new contract an extension of the current contract with the Mental Health Trust by a period of 3 months, is required. This contract has already been subject to a one year tender waiver, which was approved by the Executive Member for Crime and Community safety. This was to enable the DAAT team to undergo the process of tendering.

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6. Local Government (Access to Information) Act 1985

6.1 Procurement Committee Report – 13th March 2007

6.2 The following background papers were consulted in the preparation of this report:

- Contract specification and other contract documentation
- Young persons substance misuse commissioning review

This report contains exempt and non-exempt information. Exempt information is contained in Part B and is **not for publication**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

6.3 **See Part B for exempt information.**

7 Background

7.1 This contract is currently held by the Haringey, Enfield and Barnet Mental Health Trust. The service was first commissioned by the Haringey DAAT in the financial year 2002/03. It has been jointly commissioned by the Haringey and Enfield DAAT. This service was originally funded through the adult pooled treatment budget which is banked by the Primary Care Trust. In the financial year 2005/06 Central Government top sliced the adult pooled treatment budget and consolidated all monies for young persons substance misuse into one grant-the Young Persons Substance Misuse Grant. This budget is banked and administered by Haringey

Council on behalf of the Drug and Alcohol Partnership. This has meant that the commissioning responsibility for the Tier 2/3 Young Persons Substance Misuse Service contract now lies with the council as opposed to the TCPCT. Due to the councils procurement rules and the fact that this contract had never been put out to competitive tender it was deemed necessary to tender out this contract. This fitted in with plans to critically assess and rethink the ways in which we are currently commissioning young persons substance misuse services in the borough. The new plans have aimed to ensure that vital target groups that have been nationally and locally recognised as being vulnerable to substance misuse such as Looked After Children, Truants/Excludees, Young Offenders and Children of Misusing Parents directly benefit from services in the borough.

7.2 To date the DAAT have:

- a. Commissioned a Mapping Review into Young Persons Substance Misuse Services in Haringey
- b. Conducted a Young Persons Substance Misuse Commissioning Review
- c. Consulted young people, parents/carers and professionals on how best to deliver substance misuse services for young people in Haringey
- d. Identified through national and local research groups of 'vulnerable' young people who need to be targeted
- e. Identified areas of good practice;
- f. Developed a service specification based on findings of the Mapping Review and Commissioning Review.
- g. Identified £260k as maximum to come from the YPSMG per annum for the Tier 2/3 service.
- h. Secured agreement from the Mental Health Trust for a 3 month extension

8 Budget

8.1. The money will be available for the extension from the Young Persons Substance Misuse Grant (YPSMG). The YPSMG is an annual partnership budget made up of Department Of Health (National Treatment Agency), Youth Justice Board, Connexions, Department for Education and Skills and Home Office monies. The YPSMG total for 2006/7 was £510,970 (see Appendix 1)

8.2 The Young Persons Substance Misuse Commissioning Group (YPSMCG) brings together senior representatives of the statutory bodies, who are responsible for the commissioning of the YPSMG on substance misuse services and interventions for young people in Haringey.

8.3 Services are commissioned to meet the objectives of:

- Young Persons Substance Misuse Plan
- 'Changing Lives' Children and Young Peoples Plan
- Every Child matters: young people and drugs
- Community Safety Strategy
- Local Area Agreement

9 Reason for contract extension

9.1 The current contract for this service expires on the 31st March 2007. This contract was subject to a one year tender waiver

9.2 This extension will support the contract award and is necessary to enable a seamless transition period.

10 Consultation

10.1 For the purposes of the commissioning review a total of 9 focus groups were conducted with professionals from the following services: Connexions, Leaving Care Team, Youth Offending Service, Drug Education Team, Step Ahead, Pupil Support Centre, Youth Service, Cosmic and BUBIC. In total 27 professionals were consulted. In addition questionnaires were sent out to various organisations across the borough.

10.2 A total of 5 focus groups, consisting of 34 young people were carried out in a variety of settings. Every effort was made to target groups who have been deemed through national research as being 'vulnerable' to developing substance misuse problems. The focus groups took place at the following organisations: Leaving Care Team, Pupil Support Centre, Youth Offending Team, Wood Green Youth Project and Step Ahead.

10.3 A group of parents/carers were consulted. They are service users who attend Haringey' adult treatment services. In total 9 parents were consulted.

11 Key Benefits and Risks

11.1 To ensure that 'vulnerable' young people continue to receive a service and are not adversely affected by the contract change.

11.2 To support the incoming contractors through the takeover process

12 Contract and Performance Management

12.1 The service will be commissioned using a contract that will incorporate targets set by the National Treatment Agency and Government Office for London on a national level. There will be local targets set which will be relevant to the local Children and Young Persons Plan in Haringey.

12.2 The Mental Health Trust will provide monthly performance information to the DAAT and the National Drug Treatment Monitoring System (NDTMS) for the 3 months that the service is operational

13 Summary and Conclusions

13.1 That the current contract with the Mental Health Trust to provide the Tier 2/3 Young Persons Substance Misuse Service is extended for 3 months from the 1st April 2007. This will give the incoming contractors time to manage the takeover as effectively as possible.

14 Recommendations

- 14.1 That Members agree to extend the contract for the Tier 2/3 Young Persons Substance Misuse Service to the Mental Health Trust. This decision will be made in conjunction with the decision to award the contract for the Tier 2/3 Young Persons Substance Misuse Service.

15 Equalities Implications

- 15.1 The recommendation to extend the existing contract by 3 months will have the benefit of ensuring a seamless transition to a new provider and carries no potential adverse equalities implications

16 Health and Safety Implications

- 16.1 The organisation will continue to work to the standards that they have been with reagrds to health and safety. They will address the following:
- relevant health and safety training for all operatives in relation to the services to be delivered
 - a system of effective health and safety risk assessment
 - a pro-active organisational structure that ensures comprehensive health and safety communications at all levels
 - Any contractual arrangements that are commissioned should be subject to a defined programme of monitoring in relation to health and safety performance

17 Sustainability Implications

- 17.1 This extension is only for 3 months and thereafter a contract will be awarded to the successful Tenderer

18 Financial Implications

- 18.1 The cost of this contract will be met from available central Government funding as set out at point 8.

19 Comments of the Director of Finance

- 19.1 Grant funding, which covers the full cost of the proposed contract, has been confirmed for the financial year 2007/08 with Central Government commitment to continue funding at a similar level in 2008/09 and 2009/10.

20 Comments of the Head of Legal Services

- 20.1 The Tier 2/3 Young Persons Substance Misuse Service is not classed as a priority activity under the Public Contracts Regulations 2006 and is therefore not subject to the full EU procurement regime so there is no requirement to tender in Europe.

20.2 PPPC Directorate wishes to extend the contract from 1 April 2007 for a term of 3 months.

20.3 The Contract has already been extended once. Under CSO 13.02 a further extension needs to be approved by the Procurement Committee.

20.4 The Head of Legal Services confirms that there are no legal reasons preventing Members approving the recommendations in this report.

21 Comments of the Head of Procurement

21.1 This contract has been tendered in line with the Procurement Code of Practise. This extension is deemed necessary to enable the new contract to be set up appropriately

21.3 Contract monitoring against a service level agreement will ensure contract compliance and minimise any risk of service failure.

22 Use of Appendices / Tables / Photographs

22.1 Part B of this report contains exempt information.

22.2 Appendix 1 is a letter from the Home Office confirming funding



- To: Chairs, Drug Action Teams/Integrated Drug and Crime Partnerships
Directors of Children's Services
County Councils
Metropolitan District Councils
Shire Unitary Councils
London Borough Councils
- Cc: Chief Executive Primary Care Trusts
Manager, Youth Offending Teams
Chief Executive Connexions Partnerships
Drug Action Team Co-ordinators

February 16th 2007

YOUNG PEOPLE SUBSTANCE MISUSE PARTNERSHIP GRANT 2007/08: NOTIFICATION OF ALLOCATIONS

1. INTRODUCTION

- 1.1 This letter informs Drug Action Team Chairs and Directors of Children's Services (or equivalents) of the 2007/08 allocations from the Young People Substance Misuse Partnership Grant (at Annex G).
- 1.2 The YPSMPG is a ring-fenced grant to support the development and operation of responses to children and young people's drug use at local level in line with the *Every Child Matters Change for Children: Young People and Drugs* guidance published in March 2005.

- 1.3 The YPSMPG draws together a number of funding streams that were pooled in 2004/05. Allocations to local partnerships have been determined on the basis of existing departmental allocation formulas in relation to the various constituent funding streams.
- 1.4 Changes in levels of funding against 2006/07 allocations need to be placed in the context of record levels of investment over the last eight years. Where there is a local need, the Pooled Treatment Budget can be used to provide additional funding for young people's treatment.
- 1.5 YPSMPG spending plans will be subject to challenge by Joint Regional Teams in the Government Offices.

2. ACTION

- 2.1 Drug Action Teams (DAT) Chairs (or their equivalent in merged partnerships) and Directors of Children's Services are asked to take the following action:
 - Jointly agree priorities and targets for the development and operation of responses to children and young people's drug use and their YPSMPG expenditure plans for 2007/08 with the Government Office Joint Regional Team.
 - Complete and return **Annex A, B and D** to the relevant Government Office by **30th April 2007** for agreement by Government Office
 - Return the end-year expenditure report (**Annex E**) to the Government Office Joint Regional Team by **end of April 2008**
 - Agree progress ratings (**Annex H**) against the criteria in Annex F with the Government Office before the end of each quarter (June, September, December and March) during 2007/08.
 - Return a final expenditure report (**Annex C**) to the Crime and Drug Strategy Directorate by the end of June 2008.

3. PURPOSE OF THE GRANT

- 3.1 The Young People's Substance Misuse Partnership Grant must be used, along with other mainstream funding, for the local delivery of substance misuse universal and targeted interventions with vulnerable young people and specialist support young people drug services in line with guidance set out in Every Child Matters Change for Children: Young People and Drugs <http://www.everychildmatters.gov.uk/key-documents/>.
- 3.2 Expenditure of the grant must reflect the joint priorities and targets agreed by Drug Action Team Chairs and Directors of Children's Services or their equivalents in line with the Every

Child Matters Change for Children: Young People and Drugs guidance.

- 3.3 Partnerships are required to fund YOTs at least at the level indicated in the Named Drug Worker Fund as set out in Annex G. To ensure outputs while providing room for flexibility, any changes to the use of YPSMPG funds to YOTs must be agreed by the YOT Manager.
- 3.4 The 10 DAT Areas piloting arrest referral schemes for children and young people as part of the Drug Interventions Programme are required to use the dedicated funding within the YPSMPG for that purpose, in line with the model agreed with the Home Office (Drug Interventions Programme). A condition of this funding is that each pilot area must comply with the monitoring requirements set out by the Home Office (Drug Interventions Programme).
- 3.5 Grant conditions are set out at Annex B. The grant must not be used to fund any activity that is, or might be construed to be, political in nature.
- 3.6 Drug Action Team Chairs are responsible for ensuring that grant expenditure meets the highest standards of propriety and regularity, with clear accountability.

4. PERFORMANCE MANAGEMENT

- 4.1 Joint Regional Teams in the Government Offices will performance manage local delivery, using an assessment of progress against the criteria set out in Annex F
- 4.2 In areas where there is evidence of poor performance, Government Office staff, with regional partners, will negotiate with the partnership a plan of targeted support to improve delivery.
- 4.3 Where partnerships continuously fail to deliver the required outputs the Home Office Crime and Drug Strategy Directorate reserves the right to return funds to the direct management of lead agencies.

5. PAYMENT ARRANGEMENTS

- 5.1 The grant will be paid to the local authority, acting as the banker for the Drug Action Team. In two tier authorities the grant will be paid to the higher tier local authority.
- 5.2 The grant will not be subject to the relaxation of ring-fencing within High-Performing Councils i.e. Excellent Councils, because the YPSMPG is made to the local authority on behalf of a number of government departments.
- 5.3 Annex G sets out the allocation made to each partnership.
- 5.4 If the partnership fails to comply with any of the conditions set out in this document, or commits any other breach of faith such as misrepresentation or concealment of information, the Secretary of State for the Home Department may require the repayment of

all or part of the grant monies paid, as may be determined by the Secretary of State and notified in writing to the local authority. Failure to resolve an adverse audit report on the funds paid under this initiative may also lead to notification of the need to repay all or part of the grant. Such sum as has been notified shall immediately become payable to the Secretary of State.

- 5.5 The grant will not be made in advance of need and any grant paid during one financial year may not be carried over into the following financial year.

London Region	Region
Haringey	Partnership
15,415	DH Drug Education Funding (formerly part of SF 204)
22,002	DH Targeted Prevention
55,416	YOT funding
94,079	HO Substance Misuse Grant
62,444	SR2002 Prevention & Early Intervention (for 25 s)
£221,144	DH YP Share of Pooled Treatment Budget
	HO Arrest Referral for Young People (pilot areas only)*
10,964	DfES Connexions (split by FSS)
29,506	HO Uplift from 2004\05 split by FSS
510,970	Total

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**REPORT TEMPLATE:
PROCUREMENT COMMITTEE**

HARINGEY COUNCIL

Agenda item: **[No.]**

Executive Procurement Committee on Tuesday 13th March 2007

Report Title: **Award of Contract for the Tier 2/3 Young Persons Substance Misuse Service (Part A): Award of contract**

Forward Plan reference number (if applicable): Version 57

Report of: **Assistant Chief Executive (PPPC)**

Ward(s) affected: **All**

Report for: **Key decision**

1. Purpose

1.1 To seek Members agreement to award the contract for the provision of the Tier 2/3 Young Persons Substance Misuse Service.

2. Introduction by Executive Member

2.1 Haringey Drug and Alcohol Action Team (DAAT) are responsible for commissioning young persons substance misuse services in the borough. The DAAT commissions services through the Young Persons Substance Misuse Grant (YPSMG). This grant is given straight to the DAAT from Government Office for London (GOL) and is 'banked' by the council. This is an important service that will be supporting vulnerable young people in the borough from both a treatment and early intervention aspect. I fully support the recommendation to award the contract as outlined at paragraph 3.1 of this report.

3. Recommendations

3.1 That the Procurement Committee agrees to award the Young Persons Substance Misuse Service to contractor A, with the highest score identified in Part B of this report (see Part B) for a period of 33 months, commencing on 1st July 2007 with an option to extend for a further period of up to 12 months.

Report Authorised by: Justin Holliday, **Assistant Chief Executive (PPPC)**

Contact Officer: Peray Ahmet, Young Persons Substance Misuse Co ordinator
tel: 020 8489 6961 email: peray.ahmet@haringey.gov.uk or Marion Morris, DAAT
Strategy Manager 020 8 489 6909 email: marion.morris@haringey.gov.uk

4. Executive Summary

4.1 Haringey's Drug and Alcohol Action Team wish to commission a Tier 2/3 Young Persons Substance Misuse Service specifically for 13-21 year olds. The contract will be for 33 months and will be funded from the Young Persons Substance Misuse Grant (YPSMG) at a cost of 260k per annum.

4.2 A procurement exercise started in November 2006. There were thirty two expressions of interest and six organisations submitted formal bids.

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6. Local Government (Access to Information) Act 1985

6.1 Procurement Committee Report – 13th March 2007

6.2 The following background papers were consulted in the preparation of this report:

- Contract specification and other contract documentation
- Tender and tender support documents returned by the six Tenderer's
- Evaluation assessments and other relevant papers and files
- Young persons substance misuse commissioning review

This report contains exempt and non-exempt information. Exempt information is contained in Part B and is **not for publication**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

6.3 **See Part B for exempt information.**

7 Background

7.1 The contract for this service is currently held by the Haringey, Enfield and Barnet Mental Health Trust. The service was first commissioned by the Haringey DAAT in the financial year 2002/03. It has been jointly commissioned by the Haringey and Enfield DAAT. This service was originally funded through the adult pooled treatment budget which is banked by the Primary Care Trust. In the financial year 2005/06 Central Government top sliced the adult pooled treatment budget and consolidated all monies for young persons substance misuse into one grant-the Young Persons Substance Misuse Grant. This budget is banked and administered by Haringey Council on behalf of the Drug and Alcohol Partnership. This has

meant that the commissioning responsibility for the Tier 2/3 Young Persons Substance Misuse Service contract now lies with the council as opposed to the TCPCT. Due to the councils procurement rules and the fact that this contract had never been put out to competitive tender it was deemed necessary to tender out this contract. This fitted in with plans to critically assess and rethink the ways in which we are currently commissioning young persons substance misuse services in the borough. The new plans have aimed to ensure that vital target groups that have been nationally and locally recognised as being vulnerable to substance misuse, such as: Looked After Children, Truants/Excludees, Young Offenders and Children of Misusing Parents directly benefit from services in the borough.

7.2 To date the DAAT have:

- a. Commissioned a Mapping Review into Young Persons Substance Misuse Services in Haringey
- b. Conducted a Young Persons Substance Misuse Commissioning Review
- c. Consulted young people, parents/carers and professionals on how best to deliver substance misuse services for young people in Haringey
- d. Identified through national and local research, groups of 'vulnerable' young people who need to be targeted
- e. Identified areas of good practice;
- f. Developed a service specification based on findings of the Mapping Review and Commissioning Review.
- g. Identified £260k as maximum to come from the Young Persons Substance Misuse Grant per annum for the Tier 2/3 service.

8 Budget

- 8.1 There is £260k available for this service from the Young Persons Substance Misuse Grant (YPSMG). The YPSMG is an annual partnership budget made up of Department Of Health (National Treatment Agency), Youth Justice Board, Connexions, Department for Education and Skills and Home Office monies. The YPSMG total for 2007/8 is £510,970 (see Appendix 1)
- 8.2 The Young Persons Substance Misuse Commissioning Group (YPSMCG) brings together senior representatives of the statutory bodies, who are responsible for the commissioning of the YPSMG on substance misuse services and interventions for young people in Haringey.
- 8.3 Services are commissioned to meet the objectives of:
 - Young Persons Substance Misuse Plan
 - 'Changing Lives' Children and Young Peoples Plan
 - Every Child matters: young people and drugs
 - Community Safety Strategy
 - Local Area Agreement

9 Description of Procurement Process

- 9.1 The procurement process was an open tender procedure and was in accordance with Contract Standing Orders.

9.2 At the beginning of November 2006 the Drug and Alcohol Action Team placed advertisements in the national Guardian newspaper, Young People Now and on Harinet that sought 'Expressions of Interest' in relation to providing the Tier 2/3 Young Persons Substance Misuse Service contract.

9.3 By the closing date of 5th January 2007, there were thirty two expressions of interest.

9.4 Six complete bids were submitted to the Young Persons Co ordinator by the closing date.

9.5 Bids were sought on the basis of most economically advantageous tender rather than lowest tender.

9.6 The six bids have been subjected to a detailed evaluation under the Council's agreed tendering process and in compliance with Council Standing Orders. The criteria used for all the bids were :

Value for money

- Bid price
- Financial Soundness

Ability to meet the requirements of the specification and method statement

- Specification
- Overall Method Statement - including compliance with Specification & Legislation
- Leadership
- Policy & Strategy
- People Management
- Resources
- Customer Satisfaction
- People Satisfaction
- Quality
- Performance Management

Environmental sustainability

Impact on society

Equal opportunities

Equal opportunities proposals

Health & Safety

Health & Safety

9.7 Specialist evaluation of each bid was undertaken by Equalities on the 23rd and 29th January, Finance on the 25th January and Health and Safety on 24th and 28th January.

9.8 Evaluation by the specialist panel made up of the Head of Safer Communities, Drug Intervention Programme Manager, Contracts Manager for Social Services and the Young Persons Substance Misuse Co ordinator, took place on 30th January 2007.

9.9 All Tenderer's were informed early on in the process that they may have to give a formal presentation. Six Tenderer's made formal presentations on the 5th and 6th February 07.

9.10 The annual costs of the bids are detailed in Part B of the report.

9.11 The approximate total project cost for the 33 month contract period is £715, 000

9.12 Regular contract monitoring meetings will be carried out with the provider to ensure that all relevant Key Performance Indicators are met.

A summary of overall points is set out below:

Tenderer:	Points:	Possible:
A	676	1000
B	629.5	1000
C	578	1000
D	520	1000
E	388	1000
F	311	1000

9.13 The award of this contract is a Key Decision and has been placed on the Council's Forward Plan.

9.14 Staff employed under the current contract will transfer under TUPE to the new provider. All TUPE information was issued in the tender pack and the new contract for the service includes TUPE clauses

9.15 All tenderers were asked to consider the TUPE implications as part of their bid. They were sent out relevant documentation provided by the current contractors which they were asked to include in their submitted bids.

10 Consultation

10.1 Focus groups were carried out with various groups. A total of 9 focus groups were conducted with professionals from the following services: Connexions, Leaving Care Team, Youth Offending Service, Drug Education Team, Step Ahead, Pupil Support Centre, Youth Service, Cosmic and BUBIC. In total 27 professionals were consulted. In addition questionnaires were sent out to various organisations across the borough.

10.2 For the purposes of the Commissioning Review a total of 5 focus groups, consisting of 34 young people were carried out in a variety of settings. Every effort was made to target groups who have been deemed through national research as being 'vulnerable' to developing substance misuse problems. The focus groups took place at the following organisations: Leaving Care Team, Pupil Support Centre, Youth Offending Team, Wood Green Youth Project and Step Ahead.

10.3 A group of parents/carers were consulted. They are service users who attend Haringey' adult treatment services. In total 9 parents were consulted.

11 Key Benefits and Risks

11.1 Reaching, engaging and retaining young people in treatment with a substance misuse issue, therefore reducing the harm that the individuals are creating for themselves, their families and the community as a whole.

11.2 The service would help address the reduction of youth crime, as well as contributing towards targets of increasing numbers of young people in education, employment and training.

12 Contract and Performance Management

12.1 The service will be commissioned using a contract that will incorporate targets set by the National Treatment Agency and Government Office for London on a national level. There will be local targets set which will be relevant to the local Children and Young Persons Plan in Haringey.

12.2 The Young Persons Co ordinator will hold quarterly contract performance meetings to monitor the service in detail and report outcomes to the Haringey Young Persons Substance Misuse Commissioning Group

12.2 In order to assess that targets set by the National Treatment Agency are being achieved the service would be expected to provide monthly performance data to the DAAT and the National Drug Treatment Monitoring Service (NDTMS).

13 Summary and Conclusions

13.1 That the contract to provide the Tier 2/3 Young Persons Substance Misuse Service for the period of 1st July 07 – 31st March 2010 be awarded to the recommended organisation for a period of 33 months, commencing on the 1st July 07 with an option to extend for a further period of 12 months.

14 Recommendations

14.1 That Members agree to award the contract for the Tier 2/3 Young Persons Substance Misuse Service to the contractor with the highest score named in Part B of Appendix 1 for the sum named in Part B of Appendix 1 for a period of 33 months, commencing 1st July 2007, with an option to extend for a further period of up to 12 months.

15 Equalities Implications

15.1 The service will target and provide access for any young person aged between 13-21 who has a substance misuse problem in the borough. Outreach and satellite services will focus

on those groups of young people who have been identified by national guidance and research as being 'vulnerable' to developing substance misuse problems.

- 15.2 All equalities considerations have been addressed throughout this process. The Senior Equality and Diversity Officer was part of the tender evaluation process to ensure that equalities issues were robustly addressed and was satisfied that this was the case.
- 15.3 In the contract that will be drawn up the service will be required to adhere to and share our duties with respect to equalities which should be reflected in the way in which they deliver their service. Any issues in this regard will be taken up at the quarterly monitoring meetings.

16 Health and Safety Implications

- 16.1 Any organisation appointed to carry out the services defined above must identify and demonstrate effective health and safety policies and safe working procedures that address the following:
- relevant health and safety training for all operatives in relation to the services to be delivered
 - a system of effective health and safety risk assessment
 - a pro-active organisational structure that ensures comprehensive health and safety communications at all levels
 - Any contractual arrangements that are commissioned should be subject to a defined programme of monitoring in relation to health and safety performance

17 Sustainability Implications

- 17.1 Although the Governments ten year drug strategy comes to an end on the 31st March 2008 there is still clear commitment to target groups of young people who are considered 'vulnerable' to developing a substance misuse problem by providing them with drug treatment as an early intervention method. It is anticipated that there will a new drug strategy and Central Government funding will continue and be available beyond 2008.

18 Financial Implications

- 18.1 The cost of this contract will be met from available central Government funding as set out at point 8.

19 Comments of the Director of Finance

- 19.1 Grant funding, which covers the full cost of the proposed contract, has been confirmed for the financial year 2007/08 with Central Government commitment to continue funding at a similar level in 2008/09 and 2009/10.

20 Comments of the Head of Legal Services

- 20.1 The Tier 2/3 Young Persons Substance Misuse Service is not classed as a priority activity under the Public Contracts Regulations 2006 and is therefore not subject to the full EU procurement regime so there was no requirement to tender in Europe.
- 20.2 The then Chief Executive's Service (Strategy) Directorate undertook a domestic tender exercise using the restricted procedure in accordance with CSO 8.02 (b).
- 20.3 The tenders were evaluated on the basis of the most economically advantageous tender in accordance with Contracting Standing Orders 11.01 (b)
- 20.4 The newly restructured Policy, Performance, Partnerships and Communications Directorate now wishes to award the contract to the contractor identified in Part B of this report.
- 20.5 The award of this contract will be a 'key decision' because it will be significant in terms of its effect on two or more wards, and as such has been included in the Council's Forward Plan Version 57.
- 20.6 Due to the value of the contract it must be approved by the Procurement Committee in accordance with CSO 11.03.
- 20.7 The Head of Legal Services confirms that there are no legal reasons preventing Members approving the recommendations in this report.

21 Comments of the Head of Procurement

- 21.1 This contract has been tendered in line with the Procurement Code of Practise.
- 21.2 This award recommendation represents best value to the Council. Although the lowest bid has not been accepted this award recommendation represents best value to the Council. The difference is in terms of a quality service versus a service with the lowest bid price.
- 21.3 Contract monitoring against a service level agreement will ensure contract compliance and minimise any risk of service failure.

22 Use of Appendices / Tables / Photographs

- 22.1 Part B of this report contains exempt information.
- 22.2 Appendix 1 is a letter from the Home Office confirming funding (edited)



- To: Chairs, Drug Action Teams/Integrated Drug and Crime Partnerships
Directors of Children's Services
County Councils
Metropolitan District Councils
Shire Unitary Councils
London Borough Councils
- Cc: Chief Executive Primary Care Trusts
Manager, Youth Offending Teams
Chief Executive Connexions Partnerships
Drug Action Team Co-ordinators

February 16th 2007

YOUNG PEOPLE SUBSTANCE MISUSE PARTNERSHIP GRANT 2007/08: NOTIFICATION OF ALLOCATIONS

1. INTRODUCTION

- 1.1 This letter informs Drug Action Team Chairs and Directors of Children's Services (or equivalents) of the 2007/08 allocations from the Young People Substance Misuse Partnership Grant (at Annex G).
- 1.2 The YPSMPG is a ring-fenced grant to support the development and operation of responses to children and young people's drug use at local level in line with the *Every Child Matters Change for Children: Young People and Drugs* guidance published in March 2005.
- 1.3 The YPSMPG draws together a number of funding streams that were pooled in 2004/05. Allocations to local partnerships have been determined on the basis of existing departmental allocation formulas in relation to the various constituent funding streams.

- 1.4 Changes in levels of funding against 2006/07 allocations need to be placed in the context of record levels of investment over the last eight years. Where there is a local need, the Pooled Treatment Budget can be used to provide additional funding for young people's treatment.
- 1.5 YPSMPG spending plans will be subject to challenge by Joint Regional Teams in the Government Offices.

2. ACTION

- 2.1 Drug Action Teams (DAT) Chairs (or their equivalent in merged partnerships) and Directors of Children's Services are asked to take the following action:
 - Jointly agree priorities and targets for the development and operation of responses to children and young people's drug use and their YPSMPG expenditure plans for 2007/08 with the Government Office Joint Regional Team.
 - Complete and return **Annex A, B and D** to the relevant Government Office by **30th April 2007** for agreement by Government Office
 - Return the end-year expenditure report (**Annex E**) to the Government Office Joint Regional Team by **end of April 2008**
 - Agree progress ratings (**Annex H**) against the criteria in Annex F with the Government Office before the end of each quarter (June, September, December and March) during 2007/08.
 - Return a final expenditure report (**Annex C**) to the Crime and Drug Strategy Directorate by the end of June 2008.

3. PURPOSE OF THE GRANT

- 3.1 The Young People's Substance Misuse Partnership Grant must be used, along with other mainstream funding, for the local delivery of substance misuse universal and targeted interventions with vulnerable young people and specialist support young people drug services in line with guidance set out in Every Child Matters Change for Children: Young People and Drugs <http://www.everychildmatters.gov.uk/key-documents/>.
- 3.2 Expenditure of the grant must reflect the joint priorities and targets agreed by Drug Action Team Chairs and Directors of Children's Services or their equivalents in line with the Every Child Matters Change for Children: Young People and Drugs guidance.
- 3.3 Partnerships are required to fund YOTs at least at the level indicated in the Named Drug Worker Fund as set out in Annex G. To ensure outputs while providing room for flexibility,

any changes to the use of YPSMPG funds to YOTs must be agreed by the YOT Manager.

- 3.4 The 10 DAT Areas piloting arrest referral schemes for children and young people as part of the Drug Interventions Programme are required to use the dedicated funding within the YPSMPG for that purpose, in line with the model agreed with the Home Office (Drug Interventions Programme). A condition of this funding is that each pilot area must comply with the monitoring requirements set out by the Home Office (Drug Interventions Programme).
- 3.5 Grant conditions are set out at Annex B. The grant must not be used to fund any activity that is, or might be construed to be, political in nature.
- 3.6 Drug Action Team Chairs are responsible for ensuring that grant expenditure meets the highest standards of propriety and regularity, with clear accountability.

4. PERFORMANCE MANAGEMENT

- 4.1 Joint Regional Teams in the Government Offices will performance manage local delivery, using an assessment of progress against the criteria set out in Annex F
- 4.2 In areas where there is evidence of poor performance, Government Office staff, with regional partners, will negotiate with the partnership a plan of targeted support to improve delivery.
- 4.3 Where partnerships continuously fail to deliver the required outputs the Home Office Crime and Drug Strategy Directorate reserves the right to return funds to the direct management of lead agencies.

5. PAYMENT ARRANGEMENTS

- 5.1 The grant will be paid to the local authority, acting as the banker for the Drug Action Team. In two tier authorities the grant will be paid to the higher tier local authority.
- 5.2 The grant will not be subject to the relaxation of ring-fencing within High-Performing Councils i.e. Excellent Councils, because the YPSMPG is made to the local authority on behalf of a number of government departments.
- 5.3 Annex G sets out the allocation made to each partnership.
- 5.4 If the partnership fails to comply with any of the conditions set out in this document, or commits any other breach of faith such as misrepresentation or concealment of information, the Secretary of State for the Home Department may require the repayment of all or part of the grant monies paid, as may be determined by the Secretary of State and notified in writing to the local authority. Failure to resolve an adverse audit report on the funds paid under this initiative may also lead to notification of the need to repay all or part of the grant. Such sum as has been notified shall immediately become payable to the

Secretary of State.

- 5.5 The grant will not be made in advance of need and any grant paid during one financial year may not be carried over into the following financial year.

London Region	Region
Haringey	Partnership
15,415	DH Drug Education Funding (formerly part of SF 204)
22,002	DH Targeted Prevention
55,416	YOT funding
94,079	HO Substance Misuse Grant
62,444	SR2002 Prevention & Early Intervention (for 25 s)
£221,144	DH YP Share of Pooled Treatment Budget
	HO Arrest Referral for Young People (pilot areas only)*
10,964	DfES Connexions (split by FSS)
29,506	HO Uplift from 2004\05 split by FSS
510,970	Total

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Executive Procurement Committee on Tuesday 13th March 2007
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Report Title: Award of Contract for the Tier 2/3 Stimulant/ Polydrug Treatment Service (Part A): Award of contract

Forward Plan reference number (if applicable): Version 57
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Report of: Justin Holliday, Assistant Chief Executive (PPPC)

Ward(s) affected: All	Report for: Key decision
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1. Purpose

1.1 To seek Members agreement to award the contract for the provision of the Stimulant/Polydrug Treatment Service.
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2. Introduction by Executive Member
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2.1 Haringey Drug and Alcohol Action Team (DAAT) are responsible for commissioning services for adult drug and alcohol misusers in the borough. The DAAT is funded through the Department of Health (Pooled Treatment Budget) and mainstream Health (TPCT) and Social Service's (LBH) budgets. While there are a number of well-established treatments available for misusers of opiate-based drugs, e.g. Heroin, there is less available for treating individuals misusing Crack Cocaine and Polydrug misuse. The number of such individuals in the borough needing treatment has grown rapidly and as part of our response to the issues, this Stimulant /Polydrug use Treatment Service has been commissioned to work with some of the most vulnerable residents of the borough. I fully support the recommendation to award the contract as outlined at paragraph 3.1 of this report.

3. Recommendations

That Members agree to award the contract for the Stimulant/ Polydrug Treatment Service to contractor A, with the highest score identified in Part B of this report for the sum of £495,800 (see Part B) for a period of 34 months, commencing 1 st June 2007, with an option to extend for a further period of up to 24 months.
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Report Authorised by: Justin Holliday, Assistant Chief Executive (PPPC)
--

Contact Officer: Adrian Hosken, Joint Commissioning Manager for Adult Substance Misuse Services tel: 020 8489 6909 email: adrian.hosken@haringey.gov.uk or Marion Morris, DAAT Strategy Manager 020 8 489 6909 email: marion.morris@haringey.gov.uk

4. Executive Summary

4.1 Haringey's Drug and Alcohol Action Team seeks to commission a drug treatment service for crack cocaine and polydrug users. The contract will be for 34 months and will be funded from the Pooled Treatment Budget.

4.2 A procurement exercise started in October 2006. There were twenty five expressions of interest and nine organisations submitted formal bids. One organisation formally withdrew at presentation stage.

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6. Local Government (Access to Information) Act 1985

6.1 Procurement Committee Report – 13th March 2007

6.2 The following background papers were consulted in the preparation of this report:

- Contract specification and other contract documentation
- Tender and tender support documents returned by the nine Tenderers
- Evaluation assessments and other relevant papers and files
- Crack Needs Assessment
- National Crack Plan

This report contains exempt and non-exempt information. Exempt information is contained in Part B and is **not for publication**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

6.3 See Part B for exempt information.

7 Background

7.1 According to the National Crack Plan 2002, the supply and use of crack has increased rapidly in the last ten years. The price of crack and cocaine has halved in the early 1990s and has fallen since (GLADA 2004). Problematic crack use is often supported by means that cause harm, not only to the individual, but to the wider community. Haringey is one of the 35 high crack areas in the country. Local drug services report an increase in the number of people presenting with both primary crack problems and poly drug use. This is also evident in the data collected by the National Drug Treatment Monitoring System (NDTMS). In Haringey around 26% of those who presented for structured drug treatment reported crack as their primary drug in the last two financial years (2003/4 and 2004/5). This is higher than the London average of 15% in 2003-2004 (London

Health Observatory - LHO). In 2004-2005 stimulant use overall was at the same level as opiates with 38% for both. The majority of those in treatment whose main drug of choice is heroin also report crack use. High crack areas, like Haringey are expected to have a comprehensive range of services to tackle crack related problems. They should encompass; prevention and information; increase the capability of existing provision drug treatment services to meet the needs of crack users; develop programmes to meet the needs of special client groups affected by crack such as sex workers; and address the needs of most deprived areas as a priority. Haringey Drug and Alcohol Action Team (DAAT) needs to further develop services to meet the needs of stimulant users, especially those who are hard to engage or who do not necessarily engage until crisis point at present. In addition increased funding via the Pooled Treatment Budget makes it imperative that the DAAT increase both the quality and range of treatment available locally.

7.2 To date the DAAT has:

- a. Conducted a needs assessment/evidence base to establish if there is a need for an additional treatment service specialised in crack/polydrug users (inc. alcohol);
- b. Identified geographical areas and underserved groups most acutely in need of support – i.e. sex workers, individuals from Black or Minority Ethnic groups, age 18-24, those in contact with criminal justice system;
- c. Identified barriers and gaps for crack/polydrug users accessing current services across the treatment sector;
- d. Identified how best to reach, engage, and retain crack/polydrug users and underserved groups;
- e. Identified areas of good practice;
- f. Discussed and agreed with partner agencies the model of a potential service and developed a service specification based on findings.
- g. Identified £500k as maximum to come from the Pooled Treatment service per annum.

8 Budget

- 8.1 There is £500k available for this service from the Pooled Treatment Budget (PTB). The PTB is an annual partnership budget made up of Department Of Health (National Treatment Agency), mainstream Health and Social Services monies. The PTB total for 2006/7 £3,988,255 (see Appendix 1)
- 8.2 The Haringey Joint Commissioning Group (JCG) brings together senior representatives of the statutory bodies, which are responsible for the commissioning of the PTB on substance misuse treatment services and interventions for adults in Haringey.
- 8.3 Services are commissioned to meet the objectives of:
 - The Community Plan
 - Local Delivery Plan
 - Community Safety Strategy
 - Adult Treatment Plan
 - National Offenders Management Plan
 - Local Area Agreement

9 Description of Procurement Process

9.1 An open tender procedure was followed in accordance with Contract Standing Orders.

9.2 At the beginning of October 2006 the Drug and Alcohol Action Team placed advertisements in the national Guardian newspaper and on Harinet that sought 'Expressions of Interest' in relation to providing a Tier 2/3 Stimulant/ Polydrug Treatment Service. By the closing date of 24th October 2006, there were twenty five expressions of interest.

9.2 Nine complete bids were submitted to the Joint Commissioner by the closing date.

9.3 Bids were sought on the basis of most economically advantageous tender and not simply the lowest tender.

9.4 The nine bids received were subjected to a detailed evaluation under the Council's agreed tendering process and in compliance with Council Standing Orders. The criteria used for all the bids were :

Value for money – 30%, with a maximum score of 300 points

- Bid price
- Financial Soundness

Ability to meet the requirements of the specification and method statement – 45%, with a maximum score of 450 points

- Specification
- Overall Method Statement - including compliance with Specification & Legislation
- Leadership
- Policy & Strategy
- People Management
- Resources
- Customer Satisfaction
- People Satisfaction
- Quality
- Performance Management

Environmental sustainability – 5%, with a maximum score of 50 points

Impact on society

Equal opportunities – 10%, with a maximum score of 100 points

Equal opportunities proposals

Health & Safety – 10%, with a maximum score of 100 points

Health & Safety

9.5 Specialist evaluation of each bid was undertaken by Equalities, Finance on the 7th December and Health and Safety on 8th December.

9.6 Evaluation by the specialist panel made up of Senior Officers took place on 12th, 14th and 15th December 2006.

9.7 All Tenderer's were informed early on in the process that they may have to give a formal presentation. Eight Tenderer's made formal presentations on 18th and 19th December 06. One organisation withdrew formally on the 18th December just before their presentation date on the 19th December.

9.8 The annual costs of the bids are detailed in Part B of the report.

9.9 The approximate total project cost for the 34 month contract period is £1,500,000 (Based on the annual Pooled Treatment grant of around £3,900,000.)

9.9 Regular contract monitoring meetings will be carried out with the provider to ensure that all relevant Key Performance Indicators are met.

9.10 Bids were given points in relation to how well they met each evaluation criterion, the points were calculated and the bidder with the highest total was awarded the contract.

A summary of overall points is set out below:

Tenderer:	Points:	Possible:
A	696	1000
B	605	1000
C	600	1000
D	598	1000
E	506	1000
F	503	1000
G	373	1000
H	349	1000
I	0 <i>Formally withdrew</i>	1000

9.11 The award of this contract is a Key Decision and has been placed on the Council's Forward Plan.

10 Consultation

10.1 Interviews were conducted with Service Manager from drug and alcohol services. The intention was to speak with a manager and at least one practitioner from each service, but this was not always possible. In addition questionnaires were sent out to SHOC, Step Ahead and Drug Education Team.

10.2 Views of service users were gathered in four focus groups with the core members of BUBIC, BUBIC participants, DASH crack workshop participants and sex workers attending SHOC sessions.

11 Key Benefits and Risks

- 11.1 Reaching, engaging and retaining crack/Polydrug users and underserved groups therefore reducing the harm that the individuals are creating for themselves, their families and the community as a whole.
- 11.2 The service would help towards addressing the reduction of crime, particularly in the east of borough.
- 11.3 Finding a suitable building i.e. with D1 planning permission in the area identified by the needs assessment may be an issue as there are not many in Haringey.
- 11.4 The Governments ten year drug strategy '*tackling drugs to build a better Britain*' comes to an end on the 31st March 2008. This to date has been causing some uncertainty in the drugs field however there is a London conference on the 8th and 9th February where more detail will be given as so what the next drug strategy may look like.

12 Contract and Performance Management

- 12.1 The service will be commissioned using a contract that will incorporate voluntary sector compact, National Treatment Agency and Health Care Commission criteria. There will be a steering group that includes all stakeholders, as well as an operational group. The Joint Commissioner will hold quarterly contract performance meetings to monitor performance in detail and report to the Haringey Joint Commissioning Group whilst the service would also be expected to provide monthly performance data to the DAAT and the National Drug Treatment Monitoring service.

13 Summary and Conclusions

- 13.1 That the contract to provide the Stimulant/Polydrug Treatment Service for the period of 1st June 07 – 31st March 2010 be awarded to the recommended organisation for a period of 34 months, commencing on the 1st June 07 with an option to extend for a further period of 24 months.

14 Recommendations

- 6.3 That Members agree to award the contract for the Stimulant/ Polydrug Treatment Service to contractor A, with the highest score identified in Part B of this report for the sum of £495,800 (see Part B) for a period of 34 months, commencing 1st June 2007, with an option to extend for a further period of up to 24 months.

15 Equalities Implications

- 15.1 This client group is among the most disadvantaged of Haringey's communities and includes a high proportion of BME young men who do not readily access drug treatment services but are over represented in the criminal justice system. A relatively low proportion of women drug misusers access treatment services: the Drug and Alcohol Action Team (DAAT) aims to address these imbalances and to encourage as many drug misusing offenders as possible into treatment. All equalities considerations have been addressed throughout this process. The Senior Equality and Diversity Officer was part of the tender evaluation process to ensure that equalities issues were robustly addressed and was satisfied that this was the case.

16 Health and Safety Implications

- 16.1 Any organisation appointed to carry out the services defined above must identify and demonstrate effective health and safety policies and safe working procedures that address the following:
- relevant health and safety training for all operatives in relation to the services to be delivered
 - a system of effective health and safety risk assessment
 - a pro-active organisational structure that ensures comprehensive health and safety communications at all levels
 - Any contractual arrangements that are commissioned should be subject to a defined programme of monitoring in relation to health and safety performance

17 Sustainability Implications

- 17.1 Although the Governments ten year drug strategy comes to an end on the 31st March 2008 there is still clear commitment to reduce crime through drug treatment. It is anticipated that there will a new drug strategy and Central Government funding will continue and be available beyond 2008.

18 Financial Implications

- 18.1 The cost of this contract will be met from available central Government funding as set out at point 8.

19 Comments of the Director of Finance

- 19.1 Grant funding, which covers the full cost of the proposed contract, has been confirmed for the financial year 2006/07 with Central Government commitment to continue funding at similar levels in 2007/08, 2008/09 and 2009/10.

20 Comments of the Head of Legal Services

- 20.1 The Stimulant/Polydrug Treatment Service is not classed as a priority activity under the Public Contracts Regulations 2006 and is therefore not subject to the full EU procurement regime so there was no requirement to tender in Europe.
- 20.2 The then Chief Executive's Service (Strategy) Directorate undertook a domestic tender exercise using the restricted procedure in accordance with CSO 8.02 (b).
- 20.3 The tenders were evaluated on the basis of the most economically advantageous tender in accordance with Contracting Standing Orders 11.01 (b)
- 20.4 The newly restructured Policy, Performance, Partnerships and Communications Directorate now wishes to award the contract to the contractor identified in Part B of this report.

- 20.5 The award of this contract will be a 'key decision' because it will be significant in terms of its effect on two or more wards, and as such has been included in the Council's Forward Plan Version 57.
- 20.6 Due to the value of the contract it must be approved by the Procurement Committee in accordance with CSO 11.03.
- 20.7 The Head of Legal Services confirms that there are no legal reasons preventing Members approving the recommendations in this report.

21 Comments of the Head of Procurement

- 21.1 This contract has been tendered in line with the Procurement Code of Practice.
- 21.2 Although the lowest bid has not been accepted this award recommendation represents best value to the Council. The difference is in terms of a quality service versus a service with the lowest bid price.
- 21.3 Contract monitoring against a service level agreement will ensure contract compliance and minimise any risk of service failure.

22 Use of Appendices / Tables / Photographs

- 22.1 Part B of this report contains exempt information.
- 22.2 Appendix 1 is a letter from the NTA Letter confirming funding



**National Treatment Agency
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21 June 2006

Dear Colleagues

PTB Allocation 2006/7

Please find attached as Annex A notification of the Pooled Treatment Budget allocation for your partnership for 2006/7. The national Pooled Treatment Budget allocation for 2006/7 will be £384.6m a 28% increase over 2005/6. This includes a £10m allocation for capital identified through Treatment Plans and 24.6m which will be distributed through the Young Peoples Partnership Grant paid to local authorities. The increase in the allocation to partnerships routed through PCTs is 30%.

For the first time capital allocations have been made available by Department of Health to support PTB revenue funding. £10m capital will be allocated to PCTs via SHAs in support of capital spend identified in Treatment Plans, and to enable a small capital allocation to be made to each partnership (Annex A). A further £10m will be available to partnerships to draw down from SHAs against plans agreed with NTA Regional Teams during 2006/7.

In addition capital resources will be made available to support expansion of residential provision in the period 2007/08-2008/09 and the Department of Health will be notifying partnerships of the amount available and the process for accessing the resources shortly.

This substantial uplift in funding is taking place against a backdrop of severe financial restrictions in many parts of the NHS and reflects the continuing high political significance attached to the delivery of drug treatment targets by the Prime Minister, the Secretary of State for Health and the Home Secretary.

Based on 2005/6 spend funding increases will be sufficient to increase treatment numbers by 25,000 and achieve a 5% improvement in retention

Rationale

In reviewing this years allocation Ministers reflected not only their continuing commitment to the delivery of the drug strategy, but also the experience of what has been achieved since 2001/2. Over that period central funding for drug treatment has grown threefold and this investment has enabled local partnerships and service providers to deliver the targeted improvements in treatment access, and availability two years earlier than had been planned.

NTA

More treatment, better treatment, fairer treatment

- 2 -

PTB Announcement

21 June 2006

Ministers were also aware that many partnerships had consistently failed to spend their full allocation in previous years and that the cost of delivering treatment varies dramatically between different partnership areas. (Annex B)

Taken together these factors indicated to Ministers that the drug treatment sector did not require the full 41.5% uplift originally indicated for 2006/7 in order to deliver the continued expansion in treatment capacity and planned improvement in treatment quality envisaged in this year's Partnership Treatment Plans. Ministers have determined that an increase of 28% in the PTB will be adequate to deliver these outcomes.

Priorities

The NTA's view is that most partnerships will be able to identify efficiencies and savings within their treatment system which will enable them to deliver their treatment plan as agreed with the PTB resource indicated here. An uplift of 28% in the PTB will leave Partnerships with more than 90% of the funding they were expecting and few areas will not be able to identify the efficiency savings required to deliver their treatment plan in full.

Those areas who do not feel able to deliver against the agreed plan will need to prioritise as follows:

Firstly, this level of funding will enable PCTs and SHAs to deliver the current Local Delivery Plan targets for retention and the locally agreed stretch targets for increasing the numbers in treatment from both the community and the criminal justice system.

The second priority will be to ensure that each partnership is able to meet the legitimate expectation of the criminal justice system to refer individuals into treatment via the Drug Intervention Programme and Drug Rehabilitation Requirement so as to enable the treatment system as a whole to be able to absorb 750 such referrals each week.

Thirdly, partnerships will need to expand services for Class A drug users referred via non-criminal justice routes to match the expansion of access for offenders to ensure that criminal justice routes into treatment do not become the only or predominant way to access treatment.

As indicated above the NTA is confident that key aspects of service delivery: services/interventions for young people, harm reduction interventions, accessing hard to reach groups, services targeting dual diagnosis, improving engagement of service users and carers, services for non Class A drug users etc, will be able to be met in most areas by making more effective use of available resources to match local assessments of need, but it is acknowledged that in a small number of areas this may not be possible and service delivery may suffer. NTA Regional Teams will work closely with partnerships to minimise the impact of service reductions.

- 3 -

PTB Allocations

21 June 2006

Young People

Every Child Matters: Change for Children – Young People and Drugs provides strategic guidance for the provision of universal, targeted and specialist provision. Specialist children and young people drug services play a vital role where children and young people have developed drug misuse problems and in providing support to mainstream children's services professionals in addressing drugs issues in their work with vulnerable young people. The Young People Substance Misuse Partnership Grant includes funds for specialist drugs treatment but where services for young people are underdeveloped partnerships may redirect more resources to provision for young people from the Pooled Treatment Budget funding allocated to PCTs provided this can be achieved in addition to the priorities identified above.

Future Allocations

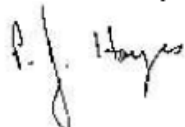
As part of the current review of Government spending the NTA is working with Department of Health, Home Office and Treasury to identify appropriate unit costs for each type of treatment episode and provide benchmark costs to enable partnerships to compare the cost of individual engagement in effective treatment in different treatment systems. It is likely that from 2007/8 partnerships will receive allocations based on an agreed understanding of what it should cost their providers to deliver a high quality efficient and effective drug treatment service to those they successfully attract and retain in treatment, rather than the current formula based allocation. This will enable a level playing field to be established between providers from different sectors. Partnerships therefore need to use 2006/7 to review their current cost structures to ensure the continuity of delivery into 2007/8. Partnerships and service providers from all sectors will be kept informed of this work as it develops.

To assist partnerships with this process average cost per person treated in 2005/6 is set out at Annex B together with the per capita allocation made for 2006/7 based on local stretch targets.

Conclusion

The improvements in the delivery of drug treatment in England achieved over the past five years reflect the hard work of partnerships, commissioners, and service providers. The very significant additional resource provided to the sector to continue to improve delivery during 2006/7 in the face of other pressing needs for the available resource is a vote of confidence in the sectors track record of delivery and an acknowledgement of how much remains to be achieved in what is still a very challenging environment.

Yours sincerely



Paul Hayes
Chief Executive

ANNEX A

Region	DAT Code	DAT	SHA	Total PTB 2006/07	Total PTB 2005/06	Overall increase	PTB channelled through PCT 2006/07	PTB Capital	PTB channelled through YP partnership grant 2006/07
EA	G01B	Bedfordshire	Bedfordshire and Hertfordshire	1,859,611	1,448,686	128%	1,690,725	43,937	124,948
EA	G03B	Cambridgeshire	Norfolk, Suffolk and Cambridgesh	2,727,426	2,122,495	129%	2,366,762	190,442	170,223
EA	G05B	Essex	Essex	6,076,175	4,721,272	129%	5,583,480	155,540	337,155
EA	G08B	Hertfordshire	Bedfordshire and Hertfordshire	5,288,793	4,120,026	128%	4,794,280	139,639	354,875
EA	G02B	Luton	Bedfordshire and Hertfordshire	1,712,734	1,325,508	129%	1,630,740	17,837	64,157
EA	G09B	Norfolk	Norfolk, Suffolk and Cambridgesh	4,622,714	3,612,977	128%	4,199,065	44,646	379,002
EA	G04B	Peterborough	Norfolk, Suffolk and Cambridgesh	1,402,294	1,106,607	127%	1,195,081	30,510	176,703
EA	G06B	Southend-on-Sea	Essex	1,247,910	987,460	126%	1,035,701	39,353	172,856
EA	G10B	Suffolk	Norfolk, Suffolk and Cambridgesh	3,573,507	2,780,981	128%	3,091,336	258,783	223,389
EA	G07B	Thurrock	Essex	996,874	789,215	126%	789,010	67,471	140,393
EM	E05B	Derby	Trent	2,100,823	1,633,125	129%	1,914,109	65,745	120,969
EM	E04B	Derbyshire	Trent	4,196,328	3,285,513	128%	3,787,185	31,451	377,692
EM	E02B	Leicester	Leicestershire, Northamptonshire	3,443,710	2,674,139	129%	3,201,533	60,810	181,367
EM	E01B	Leicestershire	Leicestershire, Northamptonshire	2,621,244	2,035,504	129%	2,403,356	79,646	138,242
EM	E08B	Lincolnshire	Trent	3,381,024	2,625,777	129%	2,514,788	686,340	179,895
EM	E09B	Northamptonshire	Leicestershire, Northamptonshire	3,540,221	2,751,479	129%	3,240,307	99,533	200,381
EM	E07B	Nottingham	Trent	3,994,841	3,120,997	128%	3,644,663	29,941	320,237
EM	E06B	Nottinghamshire	Trent	4,533,305	3,517,933	129%	4,274,000	33,976	225,328
EM	E03B	Rutland	Leicestershire, Northamptonshire	64,400	50,009	129%	55,526	5,483	3,391
LO	H01B	Barking and Dagenham	North East London	1,849,375	1,430,327	129%	1,571,646	213,861	63,869
LO	H12B	Barnet	North Central London	2,029,670	1,575,575	129%	1,900,598	25,212	103,860
LO	H13B	Bexley	South East London	1,286,648	997,236	129%	1,165,192	64,643	56,812
LO	H14B	Brent	North West London	3,604,641	2,795,383	129%	3,300,438	136,016	168,187
LO	H15B	Bromley	South East London	1,510,295	1,175,210	129%	1,405,345	11,319	93,630
LO	H03B	Camden	North Central London	3,914,108	3,033,459	129%	3,593,278	149,336	171,495
LO	H05B	City of London	North East London	57,750	44,322	130%	57,317	433	0
LO	H16B	Croydon	South West London	2,752,548	2,135,057	129%	2,600,768	20,630	131,151
LO	H17B	Ealing	North West London	3,194,619	2,479,971	129%	3,006,747	23,943	163,929
LO	H18B	Enfield	North Central London	2,703,795	2,104,425	128%	2,512,926	20,264	170,605
LO	H19B	Greenwich	South East London	3,261,136	2,538,323	128%	2,866,297	188,442	206,398
LO	H06B	Hackney	North East London	4,920,307	3,806,196	129%	4,703,987	41,877	174,443
LO	H20B	Hammersmith and Fulham	North West London	2,499,516	1,931,108	129%	2,356,354	68,733	74,428
LO	H21B	Haringey	North Central London	3,988,255	3,098,787	129%	3,671,890	95,891	220,473
LO	H31B	Harrow	North West London	1,184,676	914,439	130%	1,115,367	38,879	30,430
LO	H02B	Havering	North East London	1,192,054	924,020	129%	1,119,895	18,934	53,224
LO	H32B	Hillingdon	North West London	1,493,643	1,157,447	129%	1,417,793	11,195	64,655
LO	H33B	Hounslow	North West London	1,612,009	1,250,003	129%	1,500,309	37,082	74,618
LO	H04B	Islington	North Central London	4,506,988	3,510,907	128%	4,136,427	68,629	301,931
LO	H22B	Kensington and Chelsea	North West London	2,698,746	2,098,635	129%	2,519,051	20,227	159,469
LO	H23B	Kingston upon Thames	South West London	977,373	761,089	128%	893,679	19,825	63,869
LO	H07B	Lambeth	South East London	6,083,002	4,738,977	128%	5,487,766	185,591	409,644
LO	H08B	Lewisham	South East London	4,469,253	3,467,621	129%	4,217,134	33,496	218,622
LO	H24B	Merton	South West London	1,388,942	1,080,982	128%	1,291,259	10,410	87,273
LO	H25B	Newham	North East London	5,800,550	4,529,072	128%	5,172,481	178,474	449,594
LO	H10B	Redbridge	North East London	1,797,539	1,397,885	129%	1,604,249	86,734	106,556
LO	H26B	Richmond upon Thames	South West London	1,020,715	793,485	129%	919,246	42,650	58,819
LO	H09B	Southwark	South East London	5,738,534	4,445,711	129%	5,453,924	43,009	241,601
LO	H27B	Sutton	South West London	940,064	733,443	128%	856,408	14,046	69,610
LO	H28B	Tower Hamlets	North East London	5,272,485	4,123,631	128%	4,584,339	239,516	448,629
LO	H11B	Waltham Forest	North East London	2,732,541	2,140,960	128%	2,457,285	20,480	254,776
LO	H29B	Wandsworth	South West London	3,063,498	2,377,948	129%	2,884,696	22,660	155,841
LO	H30B	Westminster	North West London	4,041,613	3,151,995	128%	3,719,568	30,291	291,754
NE	A02B	County Durham	County Durham and Tees Valley	3,878,505	3,018,078	129%	3,608,493	29,069	240,944
NE	A01B	Darlington	County Durham and Tees Valley	878,129	685,288	128%	805,550	6,581	65,998
NE	A09B	Gateshead	Northumberland, Tyne & Wear	1,637,797	1,274,111	129%	1,520,801	17,275	99,720
NE	A03B	Hartlepool	County Durham and Tees Valley	994,528	774,613	128%	921,121	7,454	65,953
NE	A05B	Middlesbrough	County Durham and Tees Valley	2,108,989	1,641,640	128%	1,959,141	15,806	134,041
NE	A07B	Newcastle upon Tyne	Northumberland, Tyne & Wear	3,309,028	2,574,938	129%	3,078,651	24,801	205,577
NE	A08B	North Tyneside	Northumberland, Tyne & Wear	1,741,956	1,356,044	128%	1,617,587	13,056	111,313
NE	A10B	Northumberland	Northumberland, Tyne & Wear	2,154,339	1,675,162	129%	2,011,613	16,146	126,580
NE	A04B	Redcar and Cleveland	County Durham and Tees Valley	1,487,298	1,159,764	128%	1,369,703	11,147	106,448
NE	A11B	South Tyneside	Northumberland, Tyne & Wear	2,098,137	1,632,680	129%	1,947,400	20,725	130,372
NE	A06B	Stockton-on-Tees	County Durham and Tees Valley	1,869,260	1,454,580	129%	1,739,089	14,010	116,161
NE	A12B	Sunderland	Northumberland, Tyne & Wear	3,145,740	2,455,947	128%	2,879,787	23,577	242,377
NW	B03B	Blackburn with Darwen	Cumbria and Lancashire	1,294,012	1,026,972	126%	1,087,442	9,698	196,872
NW	B04B	Blackpool	Cumbria and Lancashire	1,186,760	928,012	128%	1,077,805	8,895	100,061
NW	B14B	Bolton	Greater Manchester	1,905,573	1,537,609	124%	1,454,353	14,282	436,939
NW	B15B	Bury	Greater Manchester	901,339	711,832	127%	777,816	6,755	116,768
NW	B20B	Cheshire	Cheshire & Merseyside	3,128,912	2,441,623	128%	2,821,277	73,451	234,185
NW	B16B	Cumbria	Cumbria and Lancashire	2,995,922	2,326,598	129%	2,814,650	22,454	158,819
NW	B08B	Halton	Cheshire & Merseyside	1,288,471	1,002,878	128%	1,167,327	39,657	81,487
NW	B11B	Knowsley	Cheshire & Merseyside	2,395,809	1,862,513	129%	2,224,471	32,956	138,382
NW	B05B	Lancashire	Cumbria and Lancashire	6,632,557	5,161,142	129%	6,170,895	49,710	411,952

Not for Publication


HARINGEY COUNCIL

Agenda Item

Report to Procurement Committee
13th March 2007

<p>Report Title: Measured Term Contract for the Reactive Building Fabric Repairs and Minor Mechanical & Electrical Works 2007/08 (Part A)</p>
<p>Report of: Head of Corporate Property Services (Dinesh Kotecha)</p>
<p>1.0 Purpose:</p> <p>1.1 To seek Members agreement to award the contract for the Measured Term Contract for the Reactive Building Fabric Repairs and Minor Mechanical & Electrical Works One Year Contract 2007/08.</p> <p>Introduction by Executive Member:</p> <p>1.2 The placing of this contract will enable Corporate Property Services to provide a co-ordinated, quality reactive building maintenance service which is value for money. I recommend this report to the committee.</p>
<p>2.0 Recommendations:</p> <p>2.1 That the Procurement Committee agrees to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 7 of this report.</p> <p>2.2 That the contract be awarded for a period of one year.</p>
<p>Report authorised by:</p> <p>Signed: Date:</p>
<p>Contact Officer: John Barnett</p> <p>Telephone: 020 8489 4498</p>
<p>3 Access to information:</p> <p>Local Government (Access to Information) Act 1985</p> <p>3.1 List of background documents:</p>

The following background documents were used in production of this report:

- Tender Document for the "Measured Term Contract Reactive Building Fabric Repairs and Minor Mechanical & Electrical Works" produced by John Rowan and Partners on behalf of Haringey Council.

- The service level agreement "Landlord & Tenant" Handbook produced by Corporate Property Services which has been reviewed and agreed with stakeholders.

3.2 This report contains exempt and non-exempt information. Exempt information is contained in Part B and is **not for publication**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972).

3.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

3.4 See Part B for exempt information

4.0 Background

4.1 The Council has approved a policy of "Corporate Management of Property (CMP)" from the 1st April 2007 with the transfer of the management responsibility for the operational property assets from Directorates to Corporate Property Services. This will centralise the responsibility for the hard building services maintenance under one department and provides the opportunity to improve our procurement procedures (as detailed in paragraph. 5.3)

4.2 A strategic review of the operational building portfolio at Haringey identified that the current building maintenance systems are very fragmented, with each Directorate managing their own portfolio in isolation to the next. The maintenance support is being provided in a variety of methods, through Homes for Haringey (HfH), in-house staff and locally procured contracts. In many cases contracts have not been formalised or let via full competition in compliance with the Council's Standing Order procedures. This is high risk position for the Council should it be challenged by other suppliers.

4.3 There would be cost savings and efficiency improvements in operating a more integrated procurement process resulting from the improved economies of scale. Meetings with other London Councils that have completed similar studies demonstrate that savings in the order of 10% have easily been achieved by improved methods of contracting out their building services maintenance.

4.4 The operational property portfolio is in excess of 100 buildings which are split under the following categories:-

- Administration
- Social Services
- Libraries, Museum & Archives

- Recreation Facilities
- Depots
- Children's Homes

(The portfolio excludes Educational buildings, domestic homes and leisure centres)

4.5 The maintenance services to be delivered by Corporate Property Services can be summarised into three categories:-

a) Reactive Maintenance Works

Maintenance undertaken in response to breakdown reports which will normally be managed through a central "Helpdesk" system with a formalised service level agreement

b) Planned Maintenance Support

Maintenance work designed to prevent crucial plant or equipment failures, extend the life of an asset and ensure that safety compliances are met

c) Condition Surveys

Building surveys undertaken on a 5 year cycle to identify fabric and service dilapidations (i.e. typically 20% of building portfolio completed each year).

This report relates to the "**Reactive Maintenance Works**" only, which have been estimated to be in order of £500,000 per annum.

4.6 From April 2008 it is proposed that the delivery of both reactive and planned maintenance works will be integrated under one contract. This would be procured through the "Official Journal of the European Union" and is likely to be based on the ethos of a partnering approach. At this stage it is not practical to consider combining these two work elements due to the time scales required and works that still need to be undertaken to deliver such a proposal.

5.0 Report

5.1 In conjunction with CPU/CPG the consultant John Rowan & Partners were selected from the CRCS framework agreement to produce a tender specification for the provision of a "Measured Term Contract for the Reactive Building Fabric Repairs and Minor Mechanical & Electrical Works for the Financial Year 2007/08".

5.2 This specification was then used to invite tenders for the provision of labour, materials and transport to provide a reactive maintenance service to support the Haringey operational building portfolio. The contract was based on the "National Schedule of Rates" combined with some "day works" to price the works. It is estimated that the total value of reactive works is in the order of £500,000 per annum. Each order would be capped at a maximum order value of £5,000 and minimum of £20.

5.3 The typical reactive repair and maintenance works cover the:-

- External Building Fabric
- Internal Building Fabric
- Heating, Ventilation & Air Conditioning

- Electrical Systems
- Piped Services
- Security
- Fire Systems

5.4 The reactive maintenance will be undertaken in response to breakdown reports which are normally managed through the Corporate Property Services "Helpdesk", which operates from 0800 hours to 1800 hours Monday to Friday with an out of hours call out system in place.

5.5 Expressions of interest in this contract were advertised in late December 2006 and all the interested parties were invited to complete a "Pre-Qualification Questionnaire (PQQ)". Following review seven contractors were then invited to formally tender for the work and bids were received from four contractors by the closing date of the 5th February 2007.

5.6 The tender bids were rigorously evaluated on the basis of the contractors' cost and the quality of their submission, which accounted for 70% of the final tender evaluation score. The top three contractors from the four tenders received were then invited to formal interviews at Hornsey Town Hall on the 12th February 2007. At these interviews a further review of the tender proposals took place which accounted for a further 30% of the final score. The scores are tabled in Part B, paragraph 2.1.

5.7 The contract will be mobilised from the beginning of April 2007 with a full induction programme for all parties. The contract is based on an agreed "Service Level Agreement" with defined "key Performance Indicators KPI". These KPI are based on work completion to target, customer satisfaction, health and safety and financial management. These will be reported and reviewed monthly to ensure that the contract is delivering a value for money service.

6.0 Budget

6.1 The budget estimate for the reactive maintenance repairs is estimated at some £500,000 p.a, through an analysis of 2004/05 & 2005/06 actual and 06/07 YTD. The 2007/08 funding will be provided through the amalgamation of Repairs & Maintenance monies from the respective Directorates into a central Repairs & Maintenance budget managed through Corporate Property Services. These have been discussed with the relevant Directorates and the formalisation of the virement of these monies is currently being finalised.

7.0 Recommendations

7.1 That Members agree to award the contract for the above project, as allowed under Contract Standing Order (CSO) 11, in accordance with the recommendations in paragraph 7 of this report.

7.2 That the contract be awarded for a period of one year.

8.0 Equal Opportunities Implications

8.1 The Councils "Equal Opportunities" policies have been embedded into the tender specification and have been fully reviewed during both the PQQ and evaluation stages.

9.0 Health & Safety Implications

9.1 The Councils "Health and Safety" policies have been embedded into the tender specification and fully reviewed during both the PQQ and evaluation stages. Formalised systems of work have been defined with systems such as "Permit to Work" on specific types of works (e.g. Hot Works). During the mobilisation of the contract a detailed health and safety induction programme will be implemented and the contract will be performance monitored through the helpdesk.

10.0 Financial Implications

10.1 The funding will be provided through the amalgamation of R&M monies from the respective Directorates into a central R&M budget managed through Corporate Property Services.

11.0 Comments of the Head of Legal Services

11.1 In accordance with order 6.5 of the Contract Standing Order the contract was tendered domestically as the estimated value of the contract was in excess of the sum £25,000.

11.2 The Public Contract Regulations 2006 are not applicable as the estimated value of the contract is less than the current works threshold of the sum of £3,611,474.

11.3 As the contract value exceeds the sum of £250,000 the proposed award must be approved by the Procurement Committee pursuant to Contract Standing Order 11.3.

11.4 It is proposed that the 1st ranking Contractor will be awarded the contract on the basis that they submitted the most economically advantageous tender in accordance with Contract Standing Order 11.1(b).

11.5 In accordance with order 12.01 of the Contract Standing Order the contract must be in writing and by way of a document prepared by or on a basis approved by the Head of Legal Services.

11.6 The Head of Legal Services confirms that there are no legal reasons preventing members from approving the recommendation of this report.

12.0 Comments of the Head of Procurement

12.1 The majority of work under this contract falls under the remit of works, rather than services, and did not therefore need to follow a full EU tender.

12.2 Use of the existing construction framework agreements was not possible, as the type of reactive work to be undertaken did not form part of the initial specification for the framework agreements.

- 12.3 A thorough evaluation under the principles of the most economically advantageous tender (MEAT) has been undertaken, and involved an evaluation panel with a strong mixture of skills (including facilities management, property management and construction procurement).
- 12.5 This procurement follows the Procurement Code of Practice and complies with the Council's CSOs.
- 12.6 The Head of Procurement supports the recommendation to Members made at paragraph 7.

13.0 Comments of the Director of Finance

- 13.1 The Director of Finance supports this award of contract as it should provide improved value for money in how resources are used for Reactive maintenance works and notes that a new contract will be put in place from April 2008 covering both reactive and planned maintenance support.

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