

Report Title: **Approval to award contracts for Supporting People Mental Health Services**

Forward Plan reference number (if applicable): **[add reference]**

Report of: **Director of Adults, Culture and Community Services**

Wards(s) affected: **All**

Report for: **Key**

1. Purpose (That is, the decision required)

- 1.1 To seek Committee agreement to award contracts for Supporting People Mental Health Services following a tendering exercise
- 1.2 The report sets out the background of the commissioning process and the tender exercise itself as well as the outcomes of the tender evaluations.

2. Introduction by Cabinet Member (if necessary)

- 2.1 It is evident that floating support and accommodation based support services for people with mental health issues play a vital role in enabling and sustaining the independence of service users in the borough.
- 2.2 The contracts offered will deliver more flexibility in the way such support is provided and will enable individuals to maintain good mental health, live independently and support access to benefits, education, training and employment.
- 2.3 The contracts will support the delivery of the emerging personalisation agenda, which gives residents far greater control over the resources used to provide care.
- 2.4 The council is committed to this ambitious agenda and is anxious to ensure that a key contribution is made in terms of the support services provided in mental health.
- 2.5 For these reason, I am happy with and support the approach detailed in this report, in order to ensure a quality flexible service with providers that offer quality and value for money

3. Recommendations

3.1 To award three contracts to deliver housing and community based support services (Supporting People funded) for residents with significant mental health needs in line with the findings and recommendations on award of contracts set out in section 13 and Appendix A (Exempt Information) of this report.

3.2 The contracts to be awarded for the period of 5 years, with the option of extension for a further 2 years. The contracts are due to start on the 1st November 2008.

Report Authorised by: **Mun Thong Phung, Director of Adult, Culture and Community Services**

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4. Director of Finance Comments

4.1 This report seeks agreement to award 3 contracts for Supporting People Mental Health Services following a successful tender exercise carried out in accordance with Contract Standing Orders.

4.2 The total value of the 3 contracts is approximately £3.3m based on the anticipated number of support hours per annum. The Supporting People Programme currently funds support for people with significant mental health needs totalling £4.2m. These contracts will replace this existing support and funding will transfer accordingly. The number of hours purchased from each supplier may vary, but the total value of the contracts must not exceed £4.2m.

4.3 It should be noted that indicative allocations of the Supporting People Welfare Grant allocation (within ABG) show that funding will reduce by 5% per annum for 2009/10 and 2010/11. Plans are in place to ensure that committed expenditure for the whole grant does not exceed the reduced grant.

4.4 These contracts are due to commence on 1st November 2008 for 5 years, with a possible extension to 7 years. There has been no indication for CLG regarding grant allocation beyond 2010/11. However these contracts allow for a reduction in service level in line with the available grant

5. Head of Legal Services Comments

5.1 See Appendix A.

6. Head of Procurement Comments

6.1 The Councils intention is to award three separate contracts across the borough (East, Central and West) and tenders were invited on this basis.

6.2 Each contract has been evaluated individually, with the majority of suppliers bidding for all three contracts.

6.3 These Supporting People Mental Health contracts are critical to the Well Being of residents who depend upon these services.

6.4 The Council therefore needs to base its contract award decisions on overall Best Value and having regard to ensuring consistent service delivery and effective risk management.

6.5 The contracts have therefore been allocated in descending order of size and to the three bidders that offered overall best value.

6.6 Also see Appendix A for further comments

7. Local Government (Access to Information) Act 1985

7.1 Supporting People Grant Directions 2008/09 (issued by CLG)

7.2 Supporting People Grant Conditions 2008/09 (issued by CLG)

7.3 Supporting People Five Year Strategy 2005 – 2010 (approved by Council Executive on 22 March 2005)

7.4 Haringey Supporting People Value for Money Policy (Approved by Haringey's Supporting People Partnership Board on 12 September 2006)

7.5 Health, Social and Quality of Life Needs in People with Mental Health Problems: Matching Housing Related Support to Need in Haringey (report commissioned by Haringey Supporting People, completed in 2005)

7.6 Procurement Committee Report 13 February 2007 – Supporting People Steady State Contracts

7.7 Please refer to Appendix A for exempt items

8. Strategic Implications

8.1 In 2006 the Government launched its key policy initiative to radically reform the way health and social care services are designed, developed and delivered to those that need them. Its ambitious agenda was set out in 'Our Health, Our Care, Our Say', which was then followed by the Government's proposed Commissioning Framework for Health and Well being that was launched in 2007.

8.2 Both documents pointed to a fundamental shift away from centrally commissioned services, where patients and users of services are offered limited choice and control, towards provision more specifically tailored to meet individual aspirations and needs. A key component in this shift is the strong

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emphasis on people needing support and care being directly in control of the resources used to design and purchase what they need.

8.3 Another key feature of these reforms is the shift away from the 'cost and volume' approach to commissioning and purchasing, where the emphasis is on the volume of services provided at the most economic price, towards determining the success of provision against the achievement of demonstrable quality outcomes. For example many existing contracts might emphasis an increase in the number of residents supported as a mark of success, whereas the Government's new emphasis is on whether services can demonstrate that they have achieved a tangible improvement in a person's quality of life, health and ability to participate fully in society.

8.4 To help strengthen this approach a broad partnership of Government Departments, including Health, Communities and Local Government and Work and Pensions and both statutory and non statutory agencies, including the National Health Service, Commission for Social Care Inspection and the Local Government Association, committed themselves to a long term strategy of giving people needing support and care direct control of the budgets and other resources used to provide their services. This commitment was expressed in 'Putting People First – A Shared Vision and Commitment to the Transformation of Adult Social Care'.

8.5 Much of the debate and proposed changes around this commitment has centred on users of services being given Individualised Budgets (IBs), where someone needing services would have a much greater control over the public funding used to purchase the support and care they need. However, it also extends to NHS Primary Care Trusts and Local Authorities coming up with more innovative approaches to the development of and access to services, which offer local residents greater flexibility and choice.

8.6 At the heart of these reforms is the Government's challenge to public bodies and the provider sector to develop services based on the more robust understanding of the long term need and demand for services and that can evidence real positive outcomes for individual users of services. This aim is expressed through the requirement on local NHS services, local authorities and their statutory and non statutory partners to develop a long term Joint Strategic Needs Assessment (JSNA) and to assess the success of public investment against Local Area Agreement Targets.

8.7 The Government is committed to supporting public bodies and local authorities in particular, in taking this agenda forward over the next three years and the Council is currently working up it's plans in relation to personalisation and individual budgets.

8.8 It is within this context that the services and proposed contracts covered by the tender detailed in this report have been developed. The new services represent a significant departure in how the Council and its partners commission services for people with significant and enduring mental health

needs. They represent a shift away from support that simply maintains independence; to more targeted help that enables local residents achieve their life goals and aspirations. They also represent a stepping stone from bulk purchased services to services that are arranged by the service user based on their specific requirements and wants. They offer a useful platform to support personalisation and individual budgets. The new contracts will offer great flexibility through the provision of hourly purchasing and service providers being required to offer more specific skills to meet need e.g. a business advisor to help a service user set up their own business or social enterprise.

8.9 The proposed services will be required to deliver and evidence positive outcomes against at least three targets in Haringey's Local Area Agreement:

- NI 141 – number of vulnerable people achieving independent living
- NI 149 – number of adults in secondary mental health services in settled accommodation
- NI 156 – Number of Households in Temporary Accommodation

8.10 In addition the services success will also be monitored against a framework of nationally determined quality and outcome measures that aim to support improvements in independence, social mobility, social inclusion, economic well being, health and equalities. Against both these outcomes and LAA measures, the contracts will allow the Council to set annual targets that will be linked to financial and service delivery incentives.

8.11 A key consideration to the development of the proposed contracts and services was the results of a need survey jointly commissioned by the Council and Haringey NHS TPCT in 2005. This survey looked at both the met and unmet support needs of residents with significant mental health needs living in support housing in the Borough and those using intensive rehabilitative services. Overall the findings pointed to the need to provide more intensive support, with a greater level of involvement and intervention from services. Residents receiving lower support were found to be coping far less well than those receiving medium to high support. The findings also pointed to the need for more targeted and specialist interventions to address the following significant areas of unmet need:

- Over-representation of individuals from the following ethnic groups: Black British, Black African and Black Caribbean, with these groups representing 60% of people using supported housing services for people with mental health needs
- The majority had children under 18 but the majority either had limited or no access to their children
- The majority had no qualifications
- 80% of participants were unemployed
- Only 24% in low level support services identified their food and hygiene needs being met

- 43% admitted to some form of drug use and 20% had significant histories of drug and alcohol misuse
- A large number of residents reported serious physical problems, the most prevalent being obesity (29%), cardiovascular problems (15.4%), mobility (12%) and gastrointestinal problems (9.1%)

8.12 A key conclusion arising from the report findings was that the majority felt that they had little prospects in life; that not much was going on for them and that they were very lonely. The key themes for unmet need for each level of need were:

High	Day-time Activities Company Intimate Relationships	26.7% 20.0% 6.9%
Medium	Intimate Relationships Company Day-time Activities Child Care Food Money	34.6% 21.2% 17.3% 13.5% 9.6% 9.5%
Low	Company Intimate Relationships Child Care Daytime Activities Physical Health Sexual expression	31.3% 25.0% 18.6% 12.5% 12.5% 12.5%

8.13 These facts offered clear evidence of the need to provide a better and comprehensive range of community based packages of services and initiatives that are designed to provide improved choice and better outcomes.

8.14 The research confirmed assumptions that the majority of residents using and needing these services had active and chronic mental health conditions linked to challenging and complex needs. Given that the Borough has one of the highest populations of people with significant mental health conditions in London and a high level of admissions to acute wards, there is an evident need to provide well resourced specialist housing and community support services to residents living with poor mental health. This is why the Supporting People Partnership Board has prioritised funding for these services.

8.15 If the requirements and performance outcomes detailed above are achieved, then the new services are anticipated to significantly relieve the pressure on statutory community mental health services through improved

service delivery, throughputs and targeted improvements in resident's health and well being. The pressure on acute mental health services will be decreased through the requirement on new services to measurably prevent hospital admissions.

9. Financial Implications

9.1 Haringey's Supporting People Partnership Board has already committed Haringey's SP programme to funding the services covered by this report over the next 5 to 7 years. The current spend on Supporting People funded support for people with significant mental health needs is £4.2 million per annum and this is the level of annual spend committed to the new services under this tender. It is a Government requirement that all key strategic and funding decision on Supporting People funded services are made through the Partnership Board with a voting membership comprising the Council, Haringey NHS TPCT and London Probation.

9.2 It should be noted that Haringey's Supporting People grant allocated by the Government, which currently stands at £20.6 million per annum, will be reduced by 5% per annum over the next two years. This will require a two year expenditure reduction amounting to £2.0 million. The programme has been very successful in achieving past significant Government grant reductions, through the effective applications of its value for money policies and tools and its robust approach to service review and performance monitoring.

9.3 The Council has also been successful in working effectively with statutory and non statutory partners in determining the strategic priorities for the Borough's SP programme and using this to determine where service reductions can be achieved, without affecting key services. These frameworks are being applied to achieve the further expenditure reductions needed. The Supporting People Partnership Board is already developing a long term funding plan for 2009 onwards, in consultation with all relevant statutory and non statutory partners and based on further more detailed examination of service performance and needs data. There is already evidence of the over supply of services in some sectors of the programme and action is already being taken to reduce capacity in these sectors to achieve the savings needed. However, for the reasons referred to in paragraphs 7.11 to 7.14 the SP Partnership Board has agreed to continue funding mental health services within the Supporting People programme at their current level for at least the next 5 years.

9.4 Therefore, the Council is in the financial position to award 5 year contracts with the option to extend for a further two years.

9.5 Five year contracts are being recommended to offer local residents stability in service delivery but with the aim built into the contract to move to Individual Budgets. This is partly driven by the fact that a key element of these contracts will be the delivery of intensively supported housing, where the resident's accommodation will be linked to the support service. Apart from not

wanting to disrupt these arrangements for people who have long term complex needs, potential providers may be required to invest capital in developing these projects making shorter term contract more risky and less attractive to the best providers. New systems are also required to deliver the support services in addition to considerable flexibility being built into the contract specification related to future development. Again this level of investment may be potentially very risky when linked to much shorter contract terms.

9.6 Overall this investment will be split between 3 contracts, which are geographically co-terminus with statutory community mental health services. This is designed to offer local residents seamless and joined up services. The actual amount spent on each contract will be pro rata according to the number of support hours purchased and delivered. The current proposed hours to be purchased are stated in the Table 1 below.

Table 1

	Number of Support Hours to be Purchased each year	Approximate Number of Support Hours per quarter
East	60300	15075
West	34560	8640
Central	47040	11760
	141900	35475

9.7 Based on Table 1 and the hourly rates submitted by the successful bidders (as proposed in appendix A), the proposed annual contract values for each contract are as follows – See Table 2 below:

Table 2

	Proposed Provider (as detailed in Appendix A)	Proposed Price Per Support Hour	Number of Support Hours to be Purchased each year	Proposed Minimum Annual Contract Price
East	Bid B	£22.13	60300	£1,334,439
Central	Bid A	£24.10	47040	£1,113,664
West	Bid D	£24.93	34560	£831,580
Total			141900	£3,279,683

9.8 Additional investment will be met from NHS TPCT and Health budgets where the support and care needs of residents using these services are substantial. The contracts allow for the spot purchase of additional support hours over an above those specified in Table 1. The contracts require that these additional hours are delivered by appropriately recruited, experienced and qualified sessional and bank staff and not through agency staff. However, the maximum upper Supporting People spend covering all three contracts will be limited to no more than £4.2 million per annum.

9.9 It should be noted that once the new contracts and services are up and running with the emphasis on achieving significant positive outcomes on preventing hospital admission, it is anticipated that by year 2 of their operation they will start relieving pressure on acute inpatient services. It should also be noted that as the focus of the new contracts is on offering intensive rehabilitative support, designed to enable residents with complex needs to become significantly more independent and involved in their communities, the services will allow step down for many residents in long term residential care. It is planned that this will release resources for investment in other community statutory and non statutory mental health services.

9.10 This dovetails with the plans of Haringey NHS TPCT and BEH Mental Health Trust to shift resources towards community based treatment and care. However, it should be noted that further discussions are needed with BEH Mental Health Trust on the implementation of these contracts and new services alongside it's plans to close the Finsbury Ward at St Ann's Hospital. These discussions will proceed with the new providers, once the award of contracts is concluded.

9.11 This tender evidently represents a major change in contracting and service arrangements reducing 13 contracts down to three and changing the emphasis and focus of what services deliver. This will affect both how current staffing arrangements are managed and the focus of what staff do, including the skills and aptitude required. There are also implications in terms of relationships and arrangements with landlords, as many existing providers offer both accommodation and support.

9.12 These issues are fully covered by the specification in terms of the provider's requirements and obligations both to address TUPE issues, relationship with existing landlords and other transitional arrangements.

9.13 It should be noted that the existing bridging contracts with existing providers will expire by the time the new contracts and services are up and running.

10. Legal Implications

10.1 See Appendix A.

11. Equalities Implications

11.1 Paragraph 8.11 of this report details the comprehensive needs assessment that was used to inform the development and commissioning of the services covered by this tender. This research extensively considered the ethnicity, cultural background, languages spoken, faith gender and sexuality of residents with mental health needs who require specialist housing and community support services. The research also considered the met and unmet needs identified by residents and the professionals working with them and the barriers that prevent residents with mental health needs from achieving improved health, economic and social outcomes.

11.2 The findings of the research are fully explored and catered for in the contract service specification. It is worth noting that in comparison to the demographic make up of Haringey there is currently an over-representation of service users of African and Caribbean origin. There are also more male than female service users. Amongst the many requirements in the specification designed to meet the requirements identified by the research, is that the services must provide support workers who can cover all the principle languages spoken in the Borough.

11.3 It should be noted that the tender evaluation placed considerable emphasis on providers being able to demonstrate and ability to innovative provide services to a diverse community.

12. Consultation

- 12.1 Residents using existing services, their Support Workers, providers and statutory partners were extensively consulted during 2006 and 2007 on what they would like the new services to do and how they should be delivered. Both Service Users and Providers were invited to a series of consultation sessions where they were given the opportunity to contribute directly to the development of proposed service specifications and also to tell us what they would like the new services to look like. The outcomes of these consultations formed the basis for new service specifications and contract requirements.
- 12.2 Haringey's Corporate Voluntary Sector Team provided extensive support to small providers wishing to engage in the tendering exercise. They were given information, intensive support and advice on forming consortia and partnerships to help them effectively respond to the tender. This framework was also used to assist the Council in developing its approach to the procurement so that it was in line with the requirements of Haringey's Compact and which would enable local providers to bid.
- 12.3 Existing forums were also used to keep both providers and other stakeholders informed of developments and progress.
- 12.4 Statutory stakeholders were consulted alongside providers and services users and it was as a result of these consultations that it was suggested that we have geographically divided contracts which would correspond with the geographical division of the Community Mental Health Teams. This arrangement was approved by the Supporting People Partnership Body.

13. Background

- 13.1 The Supporting People Programme is designed to offer specialist housing and community support services to a wide range of vulnerable residents. These services are designed to prevent homelessness, admission to institutions and to promote their social inclusion and well being. The Borough receives a central Government grant to fund these services, which is governed by a strict set of Government grant requirements, guidance and quality and performance frameworks. Haringey's Council has the statutory responsibility to manage the local programme, which includes contracting and performance management. The Council is also responsible for supporting the strategic commissioning function of Haringey's Supporting People Partnership Board (described in 9.1 above). Overall Haringey's SP programme provides 141 services, managed by over 80 providers supporting over 9,000 vulnerable households in Haringey. These services are currently worth just over £20 million per annum.

- 13.2 The services are funded from an SP grant allocated by the CLG in accordance with their distribution formula. In Haringey, mental health is funded by £4.2 million out of the total of £20 million allocated to LB Haringey. There are currently around 300 service users with mental health issues in receipt of services funded through the Supporting People Programme. Currently there are 23 services targeted at mental health service users in the programme, provided by 13 providers. The providers are a mixture of third sector and voluntary providers and private sector providers.
- 13.3 The original interim SP contracts were set up in accordance with Government requirements, covering all services that transferred into the SP programme in April 2003. Most services had previously been funded through a variety of public funding sources and had not been specifically commissioned by the Council. Under the same Government grant requirements all these services were reviewed according to nationally determined quality and performance frameworks. The reviews revealed that with the exception of perhaps two or three, most services represented poor value for money in terms of quality and meeting service users' needs. Two providers have already had their services decommissioned, due to quality concerns and the remaining services are covered by two year bridging contracts approved by the Procurement Committee in February 2007.
- 13.4 In 2005 the Council and NHS TPCT commissioned a Needs Mapping Study into the needs of people living with severe and enduring mental illness. Overall the study concluded that current provision does not meet service users' needs to a satisfactory level.
- 13.5 The new services are designed to support service users both in accommodation based projects, with staff on site 24 hours a day, and in their own homes, in form of floating support. Some of the existing shared accommodation units are currently being redeveloped into self contained flats or studios. The emphasis is on supporting residents in achieving their own defined goals and aspirations, while at the same time ensuring that they receive the highest quality support designed to maintain their independence and admission to hospital.
- 13.6 The new contracts will have built in flexibility, allowing the Council to purchase additional support hours but also to reduce the number of contracted hours purchased by up to 30%. This will allow the services to respond to the emergence of individual budgets and any increased demand caused by changes in inpatient mental health services. This will be of great benefit should there be any changes to inpatient service provision. In summary the specification aims are as follows:
- Meeting the needs of service users as highlighted in Needs Mapping Study

- Sustaining tenancy, preventing homelessness and admission to hospital
- Services that are able to demonstrably achieve good quality outcomes for local residents and which significantly contribute to Local Area Agreement and other targets of the Borough, with robust monitoring systems agreed with the Council to measure these
- Promotion of healthy lifestyles, social and civic involvement, improved education and employment prospects etc..
- Ability to deliver services to people with complex needs, including secondary issues such as drug & alcohol abuse, offending histories and without having to refer residents onto other services
- Provision of intensive rehabilitative services offering easy access to 24/7 intensive care and support and out of hours on call system for service users living in their own homes
- Services purchased based on the number of support hours actually delivered linked to the needs and specification of residents using services
- Measuring specific outputs such as number of referrals, caseload, successful move on, reasons for leaving service, etc,...
- Contracts linked with long term statutory Mental Health Care Teams but also able to flexibly deliver across borough as and when required and in response to the requirements specified by residents using these services
- Residents being able to more highly specify how their support is delivered, including being able to request the delivery of more specialist help e.g. targeted support to set up a business, learn an a musical instrument etc.
- Provision of highly experienced and skilled staff

A full copy of the specification is available on request by contacting Mathew Pelling – Commissioning Manager

13.7 The consultation process described in Section 11 informed the subsequent decision to offer up to three area based contracts covering all aspects of the specified service.

Approach to Tendering

13.8 In 2007 the Council's Supporting People Team gathered information from providers relating to existing properties in accommodation based services as well as workforce information for TUPE purposes, while the service specification was being further developed by analysing information from other local authorities.

13.9 Advertisements inviting expressions of interest were published in various publications at the beginning of July 2008. Due to the anticipated volume of interest the decision was taken to use a restricted process, where providers were required to submit Pre Qualification Questionnaires (PQQ) for evaluation and short-listing to be considered to be invited to tender.

13.10 By the closing date of 25 February 2008 in total 97 providers expressed interest, fifty completed pre-qualification questionnaires were received within the required timescale. The organisations that returned questionnaires ranged from small local providers to large national companies. Several indicated that should they be successfully short-listed to tender, the intended to set up a consortium to formulate a subsequent bid.

13.11 The PQQs received were evaluated by a team of specialist officers gathered from around the Council in compliance with Haringey's criteria, including: the organisation, ability to deliver, Quality, Environment/Sustainability, Financial Status, Organisational Legitimacy, Equal Opportunities and Health and Safety, with double weighting awarded in financial, quality and organisational legitimacy categories, as these are deemed to be the strongest indicators of robustness and sustainability of any company. A total of 17 companies and consortia passed the evaluation process and were considered to have the relevant skills and experience to provide the required level of service, these were subsequently invited to tender. Unsuccessful organisations received feedback on request. Those organisations that were invited to tender were again a mixture of national and local providers.

13.12 Seven companies (3 consortia and 4 individual organisations) submitted their tender bids by the deadline of 21 July 2008.

13.13 All seven bids were considered compliant and therefore eligible for consideration. Bids were evaluated, in compliance with Haringey's criteria by a Tender Evaluation Team made up as follows:

Table 3

Siobhan Harper, Gerry Atkinson, Mathew Pelling	Quality, Value for Money
Carol Engwell	Personnel/HR
Inno Amadi	Equal Opportunities
Dave Cope	Health and Safety
Ben Brown	Environment, Sustainability
Mathew Pelling, Nick Crago	Site Visits

13.14 All seven bidders were also invited for interviews and presentations. The evaluation panel consisted of following professionals:

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Table 4

Mathew Pelling	Commissioning, Supporting People
Nick Crago	Supporting People
Siobhan Harper	Mental Health Commissioning
Gerry Atkinson	Mental Health Commissioning
Janice Woodruff	Mental Health Commissioning (PCT)
Norma Johnson	Clinical Nurse Lead, PCT
Dave Cope	Health and Safety
Emily Sumner	Service User
Judy Ania	Service User

13.15 The evaluation team and the interview panel assessed all tendered bids according to the same criteria, with particular emphasis on quality of service delivery, ability to provide and keep highly skilled staff and ability to cater for service users from minority groups. The proposed price was assessed as a part of Quality Evaluation using Supporting People’s Value for Money tool, which automatically calculates hourly prices, staff to service users ratios as well as overheads within the overall contract price.

13.16 The five categories assessed carried following weight:

Quality	35%
Health and Safety	15%
Personnel	20%
Equal Opportunities	20%
Environment	10%

13.17 Providers A, B and D were awarded the highest total scores (Table 4).

14. Conclusion

14.1 Following all parts of evaluation (specialist, site visits and interviews), the bidders were awarded following scores:

Table 5

Bid A	690.53
Bid B	720.48
Bid C	499.8
Bid D	658.73
Bid E	652.93
Bid F	515.54
Bid G	504.9

14.2 Given careful consideration to the overall scores, the quality of bids and presentations/interviews it was determined that the following providers had reached the required quality and deliverability thresholds:

- Bid A
- Bid B
- Bid D

14.3 The detailed evaluations are covered by Appendix A attached to this report, which covers items excluded from publication.

14.4 Based on these evaluations the following awards of contract are recommended:

- East Contract – Bid B
- Central Contract – Bid A
- West Contract – Bid D

14.5 A recommended award of these contracts to three separate providers is based on three key factors considered by the Project Board that oversaw this tender.

14.6 The first is linked to the risk of one or more of these providers either significantly failing to deliver the services against the contract or going into liquidation. As these services are delivering critical specialist housing and support services to highly vulnerable adults with significant mental health needs, it would be highly risky having to manage their needs in the event that any one of these contracts had to be brought to a premature end and an alternative provider sought. The contract specification flexibly allows for the purchase of additional support hours and for all providers to work cross Borough. The proposed contract also requires potential providers to plan for the eventuality of an increase and decrease in capacity of up to 30%. These provisions allows the Council to act quickly in sourcing the support needed by residents, where any one of the contracts and services has to be brought to a premature end.

- 14.7 The second factor relates to resident and service user choice and the Government's emerging personalisation agenda. Having three contractors simply offers local residents a choice over which service provides their housing and support and this flexibility is reflected in the service specification.
- 14.8 The final factor relates to the fact that even though Bid B has the highest number of overall points and lowest hourly rate, there are relative strengths in all bids. For example one of the providers has a strong approach to the development of social enterprise and service development led by residents using services, while other bids have greater strengths in the delivery of services to residents with some specific complex needs e.g. residents whose offending history is linked to their mental health problem (forensic).
- 14.9 Overall when all three bids are put together they offer the Council and residents needing support a significant level of value added and offer the Council a much stronger provision of service.
- 14.10 Further concluding comments included in Appendix A

15. Use of Appendices / Tables / Photographs

Appendix A – Recommendations on award of contracts and detailed evaluations - Exempt Information

Appendix B – Contract Monitoring Arrangements