

Agenda item:

[No.]

Procurement Committee

On 27 April 2010

Report Title. **Award of Supporting People Contract – Offender and Substance Misuse services**

Report of: **Mun Thong Phung, Director of Adults, Culture & Community Services**

Signed :

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Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose of the report

- 1.1. To seek Members agreement to the award of contract for the above service, as allowed under Contract Standing Order (CSO) 11, for a period of 2 years +1, in accordance with the recommendations set out in paragraph 4 of this report.

2. Introduction by Cabinet Member

2.1 I am aware of the need to provide more targeted and responsive services that provide better value for money, to meet the needs of Offenders and People with Substance Misuse problems. Together with other initiatives being explored by the Supporting People team, the Pathway model proposed in this tender exercise will deliver better outcomes for these client groups and greater opportunities to live independently

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. Council Priorities –

The Supporting People (SP) programme specifically provides housing related support to the most vulnerable people in the Borough. Since the inception of the

programme these have been categorised into several categories one of which is Substance Misuse and Offenders. :

The aim of the Haringey Supporting People Pathway is to enable people with offending histories and/or substance misuse issues to improve their quality of life and live more independently. The tendered Pathway model seeks to offer a choice of services, with clear incentives to clients as they make progress towards positive change. Probation and drug treatment services, such as Drug Advisory Service Haringey (DASH), Drug and Alcohol Action Team (DAAT), Crime Reduction Initiative (CRI), Eban and Bubic are closely integrated into the Pathway. The service will have a partnership approach to supporting clients to reduce re-offending, address any substance misuse issues and make a positive contribution to Haringey.

The Supporting People strategy 2005-10 co-ordinates and compliments the following Corporate strategies:

- Community Strategy
- Council Plan
- Wellbeing Strategic Framework
- Children and Young Peoples Plan
- Safer for all (Safer Communities Plan)
- Housing and Homelessness Strategies

The links with these strategies are encompassed into the contract which is up for award. Senior Officers from representative departments will continue to sit on the Supporting People Partnership Board (SPPB) and contribute to the governance of this programme.

3.2 Creating a Better Haringey: (cleaner, greener and) safer

The provision of the Offenders and Substance Misuse services links in the Council's Community Strategy through complying with the Council's priorities for safer for all. In awarding the contract for the above service provision to the Provider named in Appendix A, the council will be ensuring that the service is being delivered by an experienced Provider with proven quality standards. This service guided through customer focus will contribute to a better quality of life for the users, which will also assist in the reduction of crime, substance and drug misuse in the Borough.

Delivery of the service will be in line with the requirements of partner agencies including London Probation and the DAAT.

3.3 Promoting independent living while supporting adults (and children) when needed.

The Supporting People programme exists for vulnerable adults and, it's very ethos is to promote independent living to some of the most vulnerable, insecure and socially excluded individuals, or groups, in the Borough.

3.4 Delivering excellent, customer focused, cost effective services.

The Supporting Peoples programme has well established, recognised, models of governance and monitoring for all services for which they are responsible. These include the completion of quarterly PI workbooks, Value for Money (VfM) assessments and Service Reviews, where the quality standards of the service are reviewed against a national framework – QAF. These will be implemented against the successful provider for the duration of the Contract. Emphasis is being placed into the new Contract Specification on Performance Outcomes, linked to the Local Area Agreement (LAA) targets.

4. Recommendations

- 4.1. That Members agree to the award of contract for offenders and Substance Misuse to the Provider named in Appendix A for a period of two years with an option to extend for a further period of one year, commencing the 1st June 2010.
- 4.2. That it be noted that the cost of the contract be met from the Supporting People's Grant and to the value of stated in Appendix A

5. Reason for recommendation(s)

- 5.1. The recommendation for the contracts award is made on the basis of the bid which is most economically advantageous and not simply the lowest submission.
- 5.2. The contract is awarded to the Organisation who scored the highest in evaluation process as outlined below.

6. Other options considered

- 6.1. The current contract expires on the 31st May 2010 and in line with the Council's Contract Standing Order, it was a requirement to re-tender.
- 6.2. The opportunity has been taken to streamline the services, create the Pathway model and consolidate disparate services and providers into one Contract.

7. Summary

- 7.1. The service sector known as Offender and Substance Misuse currently comprises of 59 units of accommodation for people who have a history of Offending, Drug or

Alcohol abuse.

- 7.2. The service is to allow for the provision of appropriate support to attain or maintain an independent lifestyle for these service users.
- 7.3. The current service provision is being delivered through 4 separate contracts with 3 different Support Providers and consists of:
 - 1 x 13 bed unit
 - 1 x 10 bed unit
 - 1 x 8 bed unit
 - 3 x 6 bed units
 - 2 x 5 bed units
- 7.4. In March 2009, The Procurement Committee agreed to an extension to Supporting People contracts to allow for a planned re-tender and renewal of all the contracts in this programme.
- 7.5. Since that time the service had undertaken market sector analysis, service reviews, stakeholders and service user consultations, to ensure that all future commissioning would meet the needs of the service users and the current market.
- 7.6. From the research undertaken it became apparent that both stakeholders and clients preferred an incentive-based pathways towards improved housing options and tapered support. This type of model has strategically relevant, fitting with Community's and Local Government (CLG), Drug and Alcohol Action Team (DAAT) and Probation priorities.
- 7.7. The proposed model would be most effectively managed through a single contract with a lead provider coordinating, and it was this proposal that ultimately guided the outcome through the tender process.
- 7.8. In accordance with Contract Standing Orders a restricted tender process was undertaken
- 7.9. A total of 7 pre-qualifications questionnaires (PQQ's) were submitted. 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.
- 7.10. A total of five Organisations 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.
- 7.11. Five tenders were submitted by the deadline of 22 March 2010.

7.12. All five bids were considered compliant and financial viable and were therefore eligible for consideration. Bids were evaluated, in compliance with Haringey's criteria on the basis of 60% quality and 40% cost.

7.13. Quality was measured through an evaluation of the method statement, an interview and a site visit based on the criteria below.

Criteria	Weighting
Price, Best Value & Sustainability	40%
Technical Skills & Experience	13%
Service Delivery & Support Planning	20%
Collaborative Working & Service User Involvement	10%
Equalities & Diversity	5%
Quality Management	9%
Contractual Arrangements	3%
Total	100%

7.14. Site visits were carried out on aspects of the services that delivered support to clients with similar needs to those in the tendered contract. During the site visit the following criteria was assessed:

- Quality of the environment
- Effective use of resources
- Innovative approach to service delivery
- Evidence of clients involved in the service
- Evidence of client satisfaction
- Professional and motivated staff

7.15. The interview panel consisted of representatives from Supporting People, Probation, Drug & Alcohol Action Team (DAAT), Housing and the client group. The interviews included questions on the proposed service model, how they would involve clients in service delivery and their ability to support clients into employment.

7.16. The Organisation recommended for award has been selected on the basis of excelling in the evaluation process and proving to be the most economically advantageous tender of such a service provision type.

7.17. Partnership working with Haringey Council Vulnerable Adults Team (in the Housing service), Drug and alcohol Action Team (DAAT) and London Probation, will ensure that the service will continue to meet statutory as well as defined need.

7.18. Contract monitoring will be through the Supporting People team and existing

Performance Indicator and Performance Outcome Frameworks, which comply with *Our Care, Our Health, Our Say* guidance and the appropriate Haringey Council LAA targets.

8. Chief Financial Officer Comments

8.1. This contract forms part of the overall Supporting People programme with an overall budget of £18.666 million for 2010/11. The budget for 2010/11 was reduced, by central government, by approximately £1 million from 2009/10. It is therefore important that efficiency savings are found within the programme to ensure costs are reduced by £1 million. These efficiencies may be in the form of actual contract price reductions or improved value for money due to getting more from the contracts in place.

9. Head of Legal Services Comments

- 9.1. Adult, Culture and Community Services Directorate (the Directorate) wishes to award a contract for Offender and Substance Misuse Services.
- 9.2 The contracts are classed as Part B services under the Public Contracts Regulations 2006 so there is no requirement to follow a European tendering exercise.
- 9.3 The Directorate followed a restricted tender procedure in accordance with Contract Standing Orders.
- 9.4 Because of the value of the contract, the award must be approved by the Cabinet Procurement Committee in accordance with CSO 11.03.
- 9.5 The contract award is a "key decision" and as such needs to be included in the Forward Plan in accordance with CSO 11.04. Adult, Culture and Community Services Directorate has confirmed that this has taken place.
- 9.5 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

10. Head of Procurement Comments

- 10.1. The recommendation is in line with the Procurement Code of Practice
- 10.2. The recommendation is based on a Most Economically Advantageous Tender (MEAT) which represents Value for Money to the Council
- 10.3. Contract management arrangements are in place to ensure that the service delivers its stated quality outcomes and to mitigate any risk of service failure

11. Equalities & Community Cohesion Comments

11.1. Throughout the tender process equalities were taken into consideration.

11.2. An equalities impact assessment was conducted through the evaluation of workforce development, capacity, collaborative working and service users

11.3. All contracts require that providers to comply with all relevant legislation.

12. Consultation

12.1 In order to ascertain the best service model, a wide range of services users and stakeholders were consulted through face to face discussions; including tenants, providers, DAAT, Probation, Haringey's Vulnerable Adults Team, substance misuse agencies and health professionals.

Supporting People was represented at various conferences, working groups and forums within the sectors thus linking the contract specification to relevant strategy. Clients with offending and dependency histories, as well as carers, attended these events.

13. Service Financial Comments

13.1. Supporting People Programme Grant Budget 2010/11 £18,665,770.

During the 2010/11 financial year a vast major of SP contracts will be re-tendered, or re-negotiated. The total value of all SP allocations will not exceed £18,665,770 Supporting People Grant funding for London Borough of Haringey.

Within the Programme Grant a specific allocation of £510,000 provision has been made in relation to the tendering scheme outlined in the report.

Appendix A contains details of the contract value for Offender and Substance Misuse services in 2009/10

13.2 Value for Money

This contract is considered to be value for money based on:

- Tender price range
The five providers submitted a tender price range of between £480k - £693k
The Price scoring evaluation was determined by the £510k provision.
- Winning tender comparison against other bids.
Although the winning bid was not the lowest tender price it demonstrated consistent high scoring in the full evaluation process. The recommendation of

contract award is based on the bid which is the most economically advantageous and highest score in the evaluation process. This is outlined in the scoring table by achieving a score of 343 out of a possible 360 (AppendixA)

14. Use of appendices /Tables and photographs

14.1. Appendix A –Exempt Information

15. Local Government (Access to Information) Act 1985

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

- Contract Documentation and Specification
- Tender and Tender Support Documents
- Evaluation assessments and other relevant papers

15.2. This report contains exempt and non-exempt information. Exempt information is contained in Part B of this report and 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 a particular person (including the authority holding that information).