

Executive Procurement Committee on Tuesday 27 June 2006

Report Title: **Award of Haringey Drug Interventions Programme Contract (Part A)**

Forward Plan reference number (if applicable): **Version 48**

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

Wards(s) affected: **All**

Report for: **Key decision**

1. Purpose

To seek Members agreement to award the contract/s for the provision of the Drug Interventions Programme

2. Introduction by Executive Member

Haringey Drug Interventions Programme is part of a national programme aimed at breaking the links between drug misuse and crime, by encouraging drug misusing offenders into appropriate treatment. The DIP is funded by a grant for the Home Office and works with some of the most vulnerable citizens of the borough. 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 DIP contract/s to the recommended organisation (see Part B) for a period of 17 months; £1,916,272, commencing on 1 November 2006 with an option to extend for a further period of up to 12 months.

Report Authorised by: David Hennings, Assistant, Chief Executive (Strategy)

Contact Officer: Paulette Haughton, DIP Project Manager; 020 8489 6953/ 07876 346018 email: paulette.haughton@haringey.gov.uk

4. Executive Summary

4.1 Haringey DIP seeks to move drug-misusing offenders "out of crime and into treatment". The service has been in operation since 2003 and has received a further

1-year grant from 1 April 2006 to 31 March 2007 with a commitment from Government for 2007/08 at the same or similar levels. See Appendix A.

4.2 In accordance with Members direction in April 2005, a procurement exercise was undertaken, starting in September 2005. There were 36 expressions of interest and 5 companies submitted formal bids.

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

N/A

6. Local Government (Access to Information) Act 1985

6.1 Procurement Committee Report –5th April 2005

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 five tenderers
- Evaluation assessments and other relevant papers and files

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 Exempt information is contained in Part B and is **not for publication**.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).

7. Background

7.1 To date, the DIP services have been provided by Drug Advisory Service Haringey (DASH) part of the Barnet, Enfield and Haringey, Mental Health Trust.

7.2 The service works with adults who are arrested on 'trigger offences' (Appendix B) and who test positive for Class A drugs. The DIP assesses the treatment needs of these individuals, draws up a care plan and arranges the appropriate drug treatment and support services for them.

7.3 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. A relatively low proportion of women drug misusers access treatment services: the Drug and Alcohol Action Team (DAAT) commissions the DIP services to address these imbalances and to encourage as many drug misusing offenders as possible into treatment.

8. Description

8.1 In September 2006 the Drug and Alcohol Action Team placed advertisements in the national Guardian newspaper, Drink and Drugs News and the North-West Observer seeking 'Expressions of Interest' in relation to providing Haringey DIP.

- 8.2 By the closing date of 4th February 2006, there were 36 expressions of interest.
- 8.3 Five (5) complete bids were submitted to the Head of Legal Services by the closing date.
- 8.4 The five bids have been subjected to a detailed evaluation under the Council's agreed criteria and in compliance with Council Standing Orders. The criteria used for all the bids were :
- Quality (covering Equalities, Health & Safety and presentations)
 - Financial Soundness
 - Flexibility
 - Price
 - Service Delivery (technical capacity and ability to deliver)
- 8.5 Evaluation of each bid was undertaken by Equalities, Finance and Health and Safety on 29th March.
- 8.6 Evaluation by the specialist panel made up of officers and representatives from partner agencies took place on 3rd, 4th and 5th April 2006.
- 8.7 Bidders made formal presentations on 26th and 27th April and the specialist evaluation process was completed on 4th May 2006.
- 8.8 Due to changes in Government funding it will now not be possible to award a contract of the length originally advertised, spring 2006 to 31 March 2009. It was therefore necessary to contact all prospective providers to seek their agreement to accept a shorter contract for 17 months should they be successful. Agreement has been received from all five bidders.
- 8.9 The annual costs of the bids are detailed in Part B of the report.
- 8.10 The approximate total project cost for the 17 month contract period is £1,916,272 (based on the annual 2006/07 Home Office grant of £1,421,448. See Appendix C). Of this annual grant, £200,000 p.a. is allocated to core project costs, with £1,916,272 available to deliver the contract for the 17-month period 1 November 2006 to 31 March 2008.
- 8.11 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:

Contractor	Points position		Possible	
A	1297.48	54.5%	2380	(3)
B	1562.33	65.6%	2380	(1)
C	1337.26	56.1%	2380	(5)
D	1295.42	54.4%	2380	(4)

E	1438.88	60.4%	2380	(2)
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8.12 A breakdown of the overall points is detailed in Appendix D.

8.13 Details of the Tender Evaluation Methodology are available at the Corporate Procurement Division of the Council's Financial Directorate for inspection by Members if required.

8.14 Full evaluation statements are available at the Corporate Procurement Division of the Council's Financial Directorate for inspection by Members if required.

8.15 The award of this contract is a Key Decision and has been placed on the Council's Forward Plan, version 48.

9. Summary and Conclusions

9.1 That the Contract to provide the Haringey Drug Interventions Programme for the period 1 November 2006 to 31 March 2008 be awarded to the recommended organisation for a period of 17 months, commencing on 1 November 2006, with an option to extend for a further 12 months.

9.2 The budget allocated for this contract is set out in 8.10 and Appendix E.

10. Recommendation

10.1 That members agree to award the DIP contract/s to the recommended organisation (see Part B) for a period of 17 months, commencing on 1 November 2006 with an option to extend for a further period of up to 12 months.

11. Financial implications

11.1 The cost of this contract will be met from the available central government funding as set out at 8.10.

12. Comments of the Director of Finance

12.1 Grant funding, which covers the full cost of the proposed contract, has been confirmed for the financial year 2006/07 with clear Central Government commitment to continue funding at a similar level in 2007/08.

13. Comments of the Head of Legal Services

13.1 The Drug Interventions Programme 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.

13.2 Chief Executive's Service (Strategy) undertook a domestic tender exercise using the open procedure in accordance with CSO 8.02 a).

13.3 Chief Executive's Service (Strategy) now wishes to award the contract to the contractor identified in Part B of this report.

13.4 Because of the value of the contract it is a requirement under CSO 11.03 that a decision in respect of award is made by the Procurement Committee.

13.5 The Head of Legal Services confirms that there is no legal reason preventing Members approving the recommendations in this report.

14. Comments of the Head of Procurement

14.1 This procurement has been undertaken in line with the Procurement Code of Practice.

14.2 The option to extend the contract will allow for the services to continue if funding is renewed and the service is delivered against the contractual obligations. This will represent best value to the Council.

14.3 Regular contract management arrangements are in place to ensure the services are reaching the agreed standards, and any risk to the service is mitigated.

15. Equalities Implications

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. A relatively low proportion of women drug misusers access treatment services: the DIP works with the Drug and Alcohol Action Team (DAAT) 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.

Appendix A

DRUG INTERVENTIONS PROGRAMME

2 Marsham Street, London SW1P 4DF
Switchboard 0870 0001585 Direct Line 020 7035 0518
E-mail peter.wheelhouse2@homeoffice.gsi.gov.uk www.homeoffice.gov.uk

Dear Colleague,

Our Ref
Your Ref

Date

xx August 2005

DRUG INTERVENTIONS PROGRAMME FUNDING: 2006/07

I have received a number of queries about the level and certainty of funding that DATs will receive in the financial year 2006/7 and thereafter. I know that continuity of funding is also absolutely key to the continued development of services because of contractual issues, especially with staff and buildings. I imagine that a number of queries were also prompted by the recent Treasury announcement that there will not be a normal Spending Review in 2006, but there will instead be a Spending Review in 2007, with a zero-based Comprehensive Spending Review, reporting in mid 2006.

I want to begin by giving you a clear assurance about 2006/07. Funding for direct expenditure on the whole of the Drug Interventions Programme for 2005/06 is £165 million and I am able to confirm that it will remain at that level for 2006/07.

While there will be no standard funding uplift across the Programme as a whole in 2006/07, there are various workstreams and projects within DIP that require greater or lesser investment across financial years. For example, in some areas start-up costs are starting to fade away and this will give us some headroom for redeploying funding. We anticipate being able to vary the specific amounts devoted to individual budget lines, as long as we spend within our overall allocation for 2006/07 of £165 million.

What this means for you is that, as a minimum, the funding of the DIP Main Grant will continue at its current level in 2006/07. I also want to ensure that we continue to invest in those areas – such as workforce – that are key to future success of the Programme.

With regard to the Treasury announcement, Government funding decisions are assessed by periodic Spending Reviews (SRs) and the last one, SR04, covered financial years 2005/06, 2006/07 and 2007/08. The Treasury announcement made recently refers to the fact that there will be a Comprehensive Spending Review (CSR) that reports in mid 2006. This will assess the funding and performance of Government

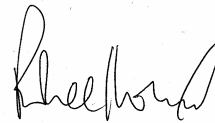
programmes, using a zero-based approach. This may have implications for the level of funding that DIP receives in 07/08 and we cannot therefore be totally sure of our funding levels for the financial year 2007/08.

That said, our assumption is that funding will continue at 2006/07 levels and I want to reassure you that there is a long term commitment to working with drug misusing offenders. You may wish to note that, in response to a question about future funding of DIP, Paul Goggins MP, the Home Office Minister responsible for drugs, recently told Parliament that it is unlikely that funding for such a successful programme would be reduced. Whilst this is not an absolute guarantee that funding will be continued, it is both a sign that this is very likely and that all of your hard work is recognised at the highest levels.

I hope you find this note helpful. May I take this opportunity to thank you all for your continued commitment to the programme and to working with drug misusing offenders to reduce levels of drug related crime and deliver real benefits and opportunities to communities and individuals.

I will be writing to you shortly about the policy that is applied to requests for carry-forward of funding from one financial year to another.

Yours sincerely,



Peter Wheelhouse
Programme Director
Drug Interventions Programme

Appendix B

List of 'Trigger offences

Theft
Attempted theft
Robbery
Attempted robbery
Burglary
Attempted burglary
Aggravated burglary
Deception
Attempted deception
Handling stolen goods
Attempted handling stolen goods
TWOC Aggravated
TWOC
Going equipped
Begging
Persistent begging
Production of specified Class A
Supply of specified Class A
Possession of specified Class A
Possession w/l to supply Class A
Inspector's authority



Appendix C

Drugs Strategy Directorate

Drug Interventions Programme

DAT Chairs
DAT Co-ordinators

Date: xx April 2006

CC: GO Drug Team DIP Leads
GO NTA
Peter Wheelhouse, DIP Director,
Home Office

Home Office, 6th Floor, Peel Building, 2 Marsham Street, London, SW1P 4DF
Direct Line 020 7035 0545
E-mail: drugsfunding@homeoffice.gsi.gov.uk

DRUG ACTION TEAM for Haringey

Dear Colleague,

GRANT TO IMPLEMENT THE DRUG INTERVENTIONS PROGRAMME – DIP MAIN GRANT 2006/2007

Funding allocations

1. A grant of up to **£1,421,448** (the DIP Main Grant) is available to your DAT in 2006/07 to enable the implementation of the Drug Interventions Programme as part of the local delivery of the Updated National Drug Strategy.
2. In 2005/6 the DIP Main Grant was formed by the following elements:
 - Throughcare / Aftercare
 - Capacity-Building
 - Arrest Referral
3. Other grant streams were administered separately, if you received these. These were:
 - Advanced Apprenticeship
 - Conditional Cautioning
 - PPO
 - Comprehensive Rent Deposit Model
 - Restriction on Bail
 - Additional CJIT Workforce
4. In order to reduce the bureaucracy associated with the administration and management of

all DIP grant streams we are merging the majority of the grant streams into a new, revised DIP Main Grant. Therefore, in 2006/07 your DIP Main Grant is constituted by the following grant streams and allocations:

- **the 05/06 elements of the DIP Main Grant (as given at paragraph 2 above) = £1,114,828**
- **Restriction on Bail = £20,000**
- **Advanced Apprenticeship = £0**
- **Prolific and Priority Offenders = £0**
- **Comprehensive Rent Deposit Model = £0**
- **Additional CJIT Workforce = £286,620**

Total DIP Main Grant now available for 2006/07 = £1,421,448

Yours sincerely,



Zilla Howell
Finance Manager
Drug Interventions Programme

Appendix D

Points awarded by individual Lot.

DIP Tender 2006 Evaluation Score

	Quality Score	Specific Lot1	Lot2	Lot3	Lot4	Lot5	Lot6	Total Score	Total Possible	%age Overall	Mode
A	345.48	210	190	144	150	166	92	1297.48	2380	54.52%	
Ranking	4	2	2	5	3	4	4			4	4
B	462.33	212	192	200	200	204	92	1562.33	2380	65.64%	
Ranking	1	1	1	1	2	1	4			1	1
C	314.26	192	151	163	228	161	128	1337.26	2380	56.19%	
Ranking	5	4	5	2	1	5	3			3	5
D	358.42	132	174	150	139	172	170	1295.42	2380	54.43%	
Ranking	3	5	4	4	5	3	1			5	3
E	392.88	196	180	160	150	192	168	1438.88	2380	60.46%	
Ranking	2	3	3	3	3	2	2			2	3

APPENDIX E

<i>Expenditure type</i>	Apr-Oct 06 (existing contractor)	Nov -Mar 07 (new contractor)	Total
Worker recruitment/retention	1,500	4,500	6,000
Salary costs	350,000	473,200	823,200
Provision of rapid prescribing	39,500	39,500	79,000
Co-ordination and delivery of aftercare services/interventions (client travel, food vouchers, gym passes, towels, oils, etc for massage, plus contribution to bedsit scheme)	13,000	13,000	26,000
Training	4,000	6,000	10,000
Rent Deposit Scheme	15,000	15,000	30,000
Other programme costs	103,624	143,624	247,248
Total	526,624	694,824	1,221,448

1 April 2007 to 31 March 2008

<i>Expenditure type</i>	1 April 2007 to 31 March 2008 Total
Worker recruitment/retention	6,000
Salary costs	823,200
Provision of rapid prescribing	79,000
Co-ordination and delivery of aftercare services/interventions (client travel, food vouchers, gym passes, towels, oils, etc for massage, plus contribution to bedsit scheme)	26,000
Training	10,000
Rent Deposit Scheme	30,000
Other programme costs	247,248
Total	1,221,448