



Haringey Council

Report for:	Cabinet - 16 September 2014	Item Number:	
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Title:	Award of Contract for Inpatient Detoxification for Substance Misuse for adults resident in Haringey
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Report Authorised by:	Jeanelle de Gruchy, Director of Public Health <i>JP de Gruchy</i>
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Lead Officer:	Sarah Hart Senior Commissioner Public Health
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Ward(s) affected: ALL	Report for Key Decision
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1. Describe the issue under consideration

- 1.1 This report details the outcome of an open tender process for the award of a contract to provide Inpatient Detoxification for Substance Misuse for adults resident in Haringey. This report recommends the award of a new contract in line with Contract Standing Order (CSO) 9.07.1(d) following a robust tendering process.

2. Cabinet Member introduction

- 2.1 In accordance with regulations under the Health and Social Care Act 2012, responsibility for the commissioning of substance misuse services became the responsibility of the Local Authority in April 2013, as part of the move of Public Health into local authorities. The tendered service in this report has been commissioned from the Public Health Grant and Adult Social Care budget.
- 2.2 The award of this contract will enable the council to meet its responsibilities to: improve the health and wellbeing of local populations and reduce health



inequalities across the life course, particularly in hard-to-reach groups and for those affected by the crime and poor health associated with substance misuse. The contract will specifically support the council corporate objectives to reduce the rate of alcohol related hospital admissions and to improve the rates of successful completion of drug treatment.

- 2.3 I welcome the outcome of the procurement process which will ensure that residents of Haringey have access to a cost effective, quality inpatient detoxification programme.

3. Recommendations

- 3.1. That Cabinet agrees the award of the contract to Broadreach House the successful tenderer in accordance with Contract Standing Order (CSO) 9.7.1(d).
- 3.2. That the contract is awarded for a period of two years with an option to extend for a further period of up to one year.

4. Alternative options considered

- 4.1. In 2008 a commissioning review of inpatient detoxification was completed across Haringey, Islington, Camden and Enfield; it included a full consultation with service users and a financial modelling exercise. The review compared two options: detoxification in NHS hospitals or in specialist community detoxification units. The review found community units to be more cost effective. The review also compared block and spot contracting; it found block contracts to have lower unit costs and greater monitoring influence and therefore quality control. As the market has not significantly changed it was agreed to continue to block contract this service and to undergo an open tender process.

5. Background information

- 5.1. This contract was previously held by the NHS on behalf of the Council. The contract was novated to the Council by statute in April 2013 (with the transfer of public health to the Council); the contract was then extended by Cabinet in December 2012 for a period of 6 months to facilitate the re-tendering process.
- 5.2. In 2013/14 Haringey used 853 inpatient bed nights. Of those entering inpatient detoxification 78% completed successfully; this high rate contributes to Haringey being one of the top performers in the country for successful completion of substance misuse treatment. Within the new contract, successful completion will be expected to reach 80% and customer satisfaction with the service will be expected to be 90%.



- 5.3. The NHS and Council have been partners in the procurement of inpatient detoxification since 2000. The majority of those who detoxify from a drug or alcohol problem will do so at home. Around 10% will have more complex needs and will require a 24-hour medically-assisted inpatient programme for 7 to 21 days (depending on the substance involved). After detoxification a period of rehabilitation is required; this will either be within the community or within a residential programme.
- 5.4. Inpatient detoxification bed usage will be reduced during the life of this contract; this will enable us to continue to develop community detoxification. Currently community detoxification produces similar rates of success to more expensive inpatient detoxification for non-complex clients. Our intention is to extend this option to medium complexity patients, and so offer care closer to home.
- 5.5. The clinical and quality standards of these services are laid down by NICE guidance and Public Health England. Public Health undertakes local audits against these standards to ensure they are compliant.
- 5.6. Public Health contracts are monitored quarterly by the commissioner and other relevant specialists including clinical managers and service users.
- 6. Procurement Process and Tender Evaluation**
 - 6.1. This service is an EU Part B residual service and therefore it was not necessary to advertise this requirement in the Official Journal of the European Union.
 - 6.2. The procurement process started with the placing of an advert on Haringey's website, a national newspaper, CompeteFor portal and Delta competitive contract notice. In addition the advert was circulated by Haringey Association of Voluntary and Community Organisations (HAVCO) by email to its membership, approximately 750 contacts representing 500 voluntary and community groups in the Borough.
 - 6.3. A Meet the Buyer event was held on 26th February 2014. An Open process was decided upon for this tendering exercise. The Invitation to Tender (ITT) documents were loaded on the Delta eSourcing portal and by the closing date of 16th April 2014 three tenders had been received.
 - 6.4. The tenders were evaluated using the Most Economical Advantageous Tender (MEAT) which included a split of 50% Price and 50% Quality as set out in the ITT documentation.



6.5. The table below details the outcome of the tender evaluations and respective scores of the tenders. The evaluation panel of specialist officers marked, Health and Safety, Environment & Sustainability, Equality & Diversity and Safeguarding. Council officers from public health, in conjunction with service users from recovery services who had undergone training, evaluated the quality method statements. Finance officers evaluated price submissions.

Inpatient Detoxification Substance Misuse for adults resident in Haringey

Tenderers	Company Questionnaire	Price Scores out of 500 points	Quality Scores out of 500 points	Total Score for Quality and Price	Contract Price figure over 2 years
Broadreach House	382	500	310	810	£209,132.40
Company A	365.5	368	390	758	£284,001.36
Company B	338	327	445	772	£319,499.22

6.6. Transition and Contract Management

6.6.1. Contract management will be incorporated into the contract. Key Performance Indicators and methods of measurement are integrated within the service specification and will be monitored through contract monitoring meetings and reports.

6.6.2. Data is collected nationally and reported via Public Health England on a quarterly basis, the provider and care managers also report this data locally. Monitoring meetings with the provider and local service managers are held by the commissioning manager on a quarterly basis. The purpose of monitoring meetings will be to ensure the outcomes set in the contract are reached and that service users and local managers are satisfied with the service and that their views are fed into operational delivery.



7. Comments of the Chief Finance Officer and financial implications

- 7.1. This contract will replace an existing contract which expires within the current year. The total cost of the proposed two year contract is £209,132. This is the lowest cost tender and is within the allocated Service budget.
- 7.2. The savings associated with the retendering of the Inpatient Detoxification Service is c£90,000 over 2 years and represents improved value for money.
- 7.3. The level of Public Health grant in future years is not guaranteed but it is noted that any extension to the initial contract period is optional and at the discretion of the Service.

8. Comments of the Assistant Director of Corporate Governance and legal implications

- 8.1. The Inpatient Detoxification Service is not considered a priority service under the Public Contracts Regulations 2006 (as amended). Therefore it was not necessary to follow a European tendering exercise.
- 8.2. The Council followed an open tender in accordance with Contract Standing Order 9.01 (a)
- 8.3. The Council now wishes to award the contract to the contractor named in Paragraph 3.1 of the report. The recommendation is on the basis of most economically advantageous tender (see CSO 9.07.1 (b)).
- 8.4. The Cabinet has power to approve the recommendations under CSO 9.07.1 (d).
- 8.5. The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

9. Equalities and Community Cohesion Comments

- 9.1. Equalities principles were incorporated within the procurement process. The tenderer's equalities policies and procedures were evaluated by Haringey's Equalities Officer.
- 9.2. Equalities monitoring are incorporated as a requirement of the contract and the contract also states that access to the service must be available to the diverse community of the borough and any imbalances must be addressed.

10. Head of Procurement Comments



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- 10.1. The recommendation is in line with the procurement code of Practise.
- 10.2. An open tender has been undertaken to ensure that the market is tested and that a competitive process has been undertaken to deliver a Value for Money outcome.

- 10.3. Contract management has been put in place to ensure that the Quality standards are delivered and to identify any areas of performance that may need to be addressed. This will mitigate the risk of non compliance.

11. Policy Implication

- 11.1. This service is linked to the Health and Wellbeing and Community Safety Partnership strategies and respective delivery plans and the following council priorities: safety and wellbeing for all, opportunities for all, and a better Council.

12. Reasons for Decision

- 12.1. The recommendations as outlined in 3.1 and 3.2 are based on those providers who scored the highest MEAT scores and therefore would offer the best value to Council in terms of quality and price.
- 12.2. As a result of the procurement exercise, which was carried out in accordance with the Procurement Code of Practice, it is now recommended that the successful tenderer being awarded a contract as outlined in 3.1 – 3.2 in accordance with CSO 9.07.1(d).

13. Use of Appendices

- 13.1. None

14. Local Government (Access to Information) Act 1985

- 14.1. 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 12 A of the Local Government Act 1972 (3)) information in relation to financial or the business affairs of any particular person (including the authority holding that information).