

**Haringey** Council

Report for:	Cabinet - 20 January 2015	Item Number:	FINAL
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Title:	Award of Contract for Stop Smoking Services in the community in Haringey 2015-16
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Report Authorised by:	Jeanelle de Gruchy, Director of Public Health	
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Lead Officer:	Marion Morris, Head of Health Improvement
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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 Stop Smoking Services in the community for adults resident in Haringey. This report recommends the award of a new contract in line with the Contract Standing Order (CSO) 9.06.1(d) following a robust tendering process.

**2. Cabinet Member introduction**

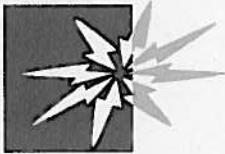
2.1 The award of this contract will enable the Council to meet its public health responsibilities, which aim to improve the health and wellbeing of local populations and reduce health inequalities. Smoking remains the main cause of preventable illness and early death and is the primary reason for the life expectancy gap in Haringey. This contract aims to target those groups in which smoking prevalence is particularly high.

2.2 I welcome the outcome of the procurement process which will ensure that residents of Haringey have access to a cost effective, quality Stop Smoking service.

**3. Recommendations**

3.1 That Cabinet approves the award of the contract for Stop Smoking services to Solutions 4 Health in accordance with Contract Standing Order (CSO) 9.6.1(d).

3.2 That the contract is awarded for a period of one year with an option to extend for a further period of up to two years, should that be necessary.



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#### **4. Alternative options considered**

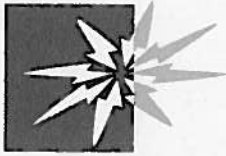
- 4.1 The option to not re-tender this service was considered. However, given that smoking remains the main cause of preventable illness and early death, and is the primary reason for the life expectancy gap in Haringey, it was considered important that a new approach and service model be adopted. Having undertaken a rapid review of the evidence, it was decided to opt for the model of 'targeting key groups of smokers in the community', and to offer innovative 'harm reduction approaches' in helping people to give up.
- 4.2 This contract forms one of three newly commissioned stop smoking services in Haringey. While this contract will focus on the delivery of services for key groups in the community, the other two contracts will help people to give up smoking in GP practices and local Pharmacies. By adopting this 'new' approach to stop smoking services, the Council aims to commission services where they are most needed in the community, and in a range of defined settings.

#### **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), and extended in April 2014 for a period of 6 months. Following an RFQ process in the summer of 2014, a Director's award of contract was made for an interim Stop Smoking Service, in the period 1 October 2014 – 31 March 2015, with the aim of meeting residents' needs, whilst allowing the Council time to undertake a re-tendering process for the future re-designed service.
- 5.2 Smoking prevalence in Haringey remains high, with an estimated 40,000 smokers in the borough, Haringey was ranked in 8<sup>th</sup> place in London for smoking prevalence in 2012. In Haringey, one in five (20.6%) adults smokes. This is slightly higher, but not significantly higher than England (19.5%) and London (18.0%) (PHE Local Tobacco Control profiles 2012). Smoking prevalence varies by gender, age, ethnicity and social class. Whilst there has been an overall reduction in smoking in Europe and England, these reductions have mainly been in average and high income groups which means there has been a widening of inequalities. In Haringey in 2013-14, 2,013 quits were achieved, (HSCIC 2014).
- 5.3 However, whilst smoking is strongly associated with social deprivation, smokers from deprived communities are just as likely to want to quit as smokers from more affluent communities, but are often less successful<sup>1</sup>. We want to change this in Haringey by procuring a service that is targeted at

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<sup>1</sup> Richardson (2001) 'Smoking, Low Income and Health Inequalities: A thematic Discussion Document'. Report for ASH and Health Development Agency.



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groups in whom smoking prevalence is particularly high, or where smoking impacts on others: pregnant women and new mothers, routine and manual workers and those with mental health or substance misuse problems<sup>2</sup>. All of these priority groups were consulted and their views have informed the service specification. It is therefore more likely that the service will be successful in helping people from these groups quit.

- 5.4 The clinical and quality standards of these services are laid down by NICE guidance and Public Health England. Haringey Council undertakes local audits against these standards to ensure they are compliant.
- 5.5 Public Health contracts are monitored quarterly by the commissioner and other relevant specialists including clinical managers and service providers.

## **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 Council'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 20<sup>th</sup> August 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 14<sup>th</sup> October 2014 two tenders had been received.
- 6.4 The tenders were evaluated using the most economically advantageous tender (MEAT) which included a split of 55% Quality (of which 5% was presentation) and 45% Price as set out in the ITT documentation. This particular split was decided upon as this is a clinical service and as such the quality element is of prime importance.
- 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 evaluated the quality method statements. Finance officers evaluated price submissions. Two bids were received by the closing date, see paragraph 6.5.1 below.

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<sup>2</sup> NICE Guidance PH10, 2008



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### 6.5.1 Award of Contract for Stop Smoking Services in the community in Haringey.

Tenderers	Company Questionnaire (Pass/Fail)	Price Scores out of 450 points	Quality Scores out of 550 points	Total Score for Quality and Price	Contract Price figure over 3 years (1+1+1)
Solutions 4 Health	Pass	399	470	869	£999,205
Company B	Pass	450	414	864	£886,796

(See also para. 1 of the Exempt information report).

6.6 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.

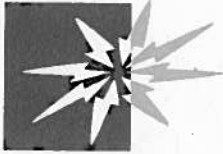
6.7 Data is collected nationally and reported via Public Health England on a quarterly basis, the provider also reports this data locally. Monitoring meetings with the provider and local service managers are held by the commissioning manager on a quarterly basis. The purpose of monitoring meetings will be to ensure the outcomes set in the contract are reached and that the commissioner and local clinicians 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 will expire on 31 March 2015. The total cost of the proposed contract over three years is £999,205.

7.2 The contract will be awarded for one year initially with an option to extend for a further period of up to two years. The cost of the contract in year one (2015-16) is within current Service budgets. The level of Public Health grant in years beyond 2015-16 is not guaranteed but any extension to the initial contract period is optional and at the discretion of the Service.

7.3 The proposed contract is 3% more expensive in year one (2015/16) than the other tender received and over 12% more expensive over the period of three years if the contract were to be extended for the full three years. It should be noted that the Head of Procurement has stated in paragraph 10.2 of this report that - 'It is however planned to re-tender all existing behaviour change contracts during 2015/16 with a new integrated model being in place in 2016/17.'



- 7.4 When the contract was offered for tender it was stated in the ITT (Invitation to Tender) that the selection would be on the basis of the Most Economically Advantageous Tender (MEAT) with a price/quality weighting of 45%/55%. By using this weighting the tender put more emphasis on quality rather than price. As a result although the recommended tender is not the lowest priced bid it has the highest overall score because it has scored significantly higher on the quality evaluation. This means the lower priced tender cannot be accepted fairly within this current tendering process.
- 8. Comments of the Assistant Director of Corporate Governance and legal implications**
- 8.1 The Stop Smoking 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 MEAT (see CSO 9.06.1 (b)).
- 8.4 The Cabinet has power to approve the recommendations under CSO 9.06.1(d).
- 8.4.1 The award of the contract is a Key Decision and, as such, needs to be included in the Forward Plan in accordance with CSO 3.01 (d). Public Health Directorate has confirmed that this has taken place.
- 8.4.2 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 In recognition of its public sector equality duty, the Council is committed to using procurement and commissioning as strategic tools to help promote equality of opportunity.
- 9.2 It seeks to do this in two ways: firstly, by ensuring that chosen providers deliver for all sections of Haringey community, especially those who are most vulnerable and in most need of the services. In this respect, all the bidders were made fully aware that the various public health services support the delivery of a key element of the Council's equality objectives and one of the priorities in the Council Plan, namely to reduce health inequalities and improve wellbeing for all, and specifically, that they will be expected to provide stop smoking services that will help deliver the priority to 'empower all adults to lead healthy, long and fulfilling lives'.



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9.3 Secondly, by ensuring that procurement and commissioning processes are as transparent as possible and that all those who may wish to do so have the opportunity to bid for Council contract. The process described in paragraphs 6.2 and 6.3 of this report conforms to this requirement and is consistent with the Council's guidelines to help ensure that relevant equalities issues are identified and considered at key stages in procurement and commissioning. In respect of both service provision and the selection process used, this commissioning exercise supports the Council's performance on its public sector equality duty.

## **10. Head of Procurement Comments**

10.1 The recommendation is in line with the procurement code of practice.

10.2 The evaluation criteria of 55% quality and 45% price are allowed for within Haringey's Procurement code of Practice for Strategic Markets. This has meant that the winning bid is more expensive over the three year contract period. The proposed contract is 3% more expensive in year one than the other tender received and over 12% more expensive over the period of three years. It is however planned to re-tender all existing behaviour change contracts during 2015/16 with a new integrated model being in place in 2016/17.

10.3 Contract monitoring is in place to ensure compliance and identify and rectify any service delivery issues.

## **11. Policy Implication**

11.1 This service is linked to the current Corporate Plan and to the future Corporate Plan that is in development, in particular Priority 2: 'Empower Adults to Lead Healthy, Long & Fulfilling Lives'.

## **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.

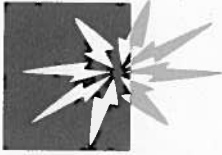
12.2 As a result of the procurement exercise, which was carried out in accordance with the Procurement Code of Practice, it is now recommended that the successful tenderer being awarded a contract as outlined in 3.1 – 3.2 in accordance with CSO 9.06.1(d).

## **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



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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).

