

# **BNSSG CCG Governing Body**

**Date:** Tuesday 6<sup>th</sup> August 2019

**Time:** 1.30pm

**Location:** The Vassall Centre, Gill Avenue, Downend, Bristol, BS16 2QQ

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## **Agenda number: 6.1**

### **Report title: Adult community health services procurement**

**Report Author:** Adult community services programme team

**Report Sponsor:** Lisa Manson, Director of Commissioning

#### **1. Purpose**

In January 2019, the Governing Body approved the launch of a procurement for adult community health services. This paper provides an update of progress as of August 2019, for information only. It provides the Governing Body with a reminder of the process used to get to this point and the next steps.

#### **2. Recommendations**

The Governing Body is asked to note progress with the procurement and the next steps.

#### **3. Summary**

The CCG's contracts for adult community health services end in 2020 and 2021. As part of business as usual, the CCG needs to make sure that community health services remain available for local communities. By law, the CCG is not able to renew or extend existing contracts. It must advertise for providers interested in running the service.

In January 2019 the CCG began advertising for a single provider of adult community health services across Bristol, North Somerset and South Gloucestershire, to begin from 1 April 2020. The Governing Body approved using a competitive procedure with up to two rounds of proposals. The Governing Body decided that one provider would be asked to provide services across all of Bristol, North Somerset and South Gloucestershire to ensure more consistent and joined up services. The aim was to make sure people have the same high quality care no matter where they live. This is what local people, clinicians and the voluntary sector said was important. The focus was on ensuring people have the same or better services as currently.

Between January and May 2019, bidders met with the CCG, partner organisations and a panel of patients and carers to discuss the requirements and refine their plans. They submitted proposals and received feedback to help strengthen their bids. On 31 May 2019, bidders submitted final proposals. These were evaluated using pre-advertised criteria by a panel of evaluators comprising clinicians, subject matter experts, patient and voluntary sector representatives and CCG directors.



On 29 July 2019, Sirona care & health Community Interest Company was announced as the high scoring bidder. The CCG will now undertake detailed due diligence with this bidder to make sure that the proposal content is feasible and deliverable. The Governing Body will review the outcome of due diligence and decide whether to approve signing a contract at its September 2019 meeting.

As the result is not final, the CCG is not disclosing the names and number of other bidders, to protect confidentiality.

The procurement is being overseen by a Programme Board which includes clinicians, a patient and carer representative, directors, CCG membership and representatives from partner organisations including primary care, mental health, acute care and local authorities.

#### **4. Financial resource implications**

The indicative total financial envelope is £1.06bn spread over a 10-year contract term.

#### **5. Legal implications**

Public procurement is governed by the Public Contracts Regulations 2015. The Mills and Reeve legal team reviewed the CCG's process and advised that the CCG is fulfilling its responsibilities.

#### **6. Risk implications**

The Programme Board for the procurement reviews risks and mitigations monthly. It is important to make sure that there is no disruption to the services people receive and a plan has been developed to support this. All existing providers are working in partnership with the CCG to ensure a smooth transition for local communities and the hardworking community services workforce.

#### **7. Implications for health inequalities**

A Quality Impact Assessment and Equalities Impact Assessment have been undertaken. It has been identified that the procurement has no negative implications for health inequalities over and above existing known issues and a plan is in place to examine equality and diversity in planned service provision. Assessments will be updated over the next quarter to include mobilisation plans.

#### **8. Implications for equalities (Black and other minority ethnic/disability/age)**

An Equalities Impact Assessment identified areas for further engagement during the transition period. The Assessment will be updated over the next quarter to plan further engagement with stakeholders.

#### **9. Implications for public involvement**

More than 500 stakeholders, including patients and carers, helped to develop priorities for adult community services. A patient and carer panel met bidders to comment on their plans. Patient and voluntary sector representatives were involved in assessing proposals. A patient and voluntary sector representative sit on the Board overseeing the programme.

The CCG is working with existing providers to keep service users and staff informed. A communications plan has been developed setting out how the CCG will engage with service users, carers, members of the public, staff, affected organisations and other stakeholders. A Public Reference Group and a Clinical Reference Group will continue to meet to help shape next steps. Formal public consultation is not required at this stage as no 'significant variation' to services is planned. This will be kept under review as the process progresses.

## Agenda item: 6.1

### Report title: Adult community health services procurement

#### 1. Background

On 10<sup>th</sup> January 2019, NHS Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group (CCG) began advertising the procurement of adult community health services, following approval from the Governing Body on 8<sup>th</sup> January 2019.

There are currently three providers of adult community services: one in Bristol, one in North Somerset and one in South Gloucestershire. Their contracts end in 2020 and 2021. As part of business as usual, the CCG is procuring adult community services to ensure these remain available for the population. The CCG is taking the opportunity to build consistency across the CCG geography, advertising for a single provider of adult community services, defined as one entity delivering not less than 85% of the annual contract value. The contract to be procured is for a period of up to ten years, with an indicative contract value of approximately £106m per annum.

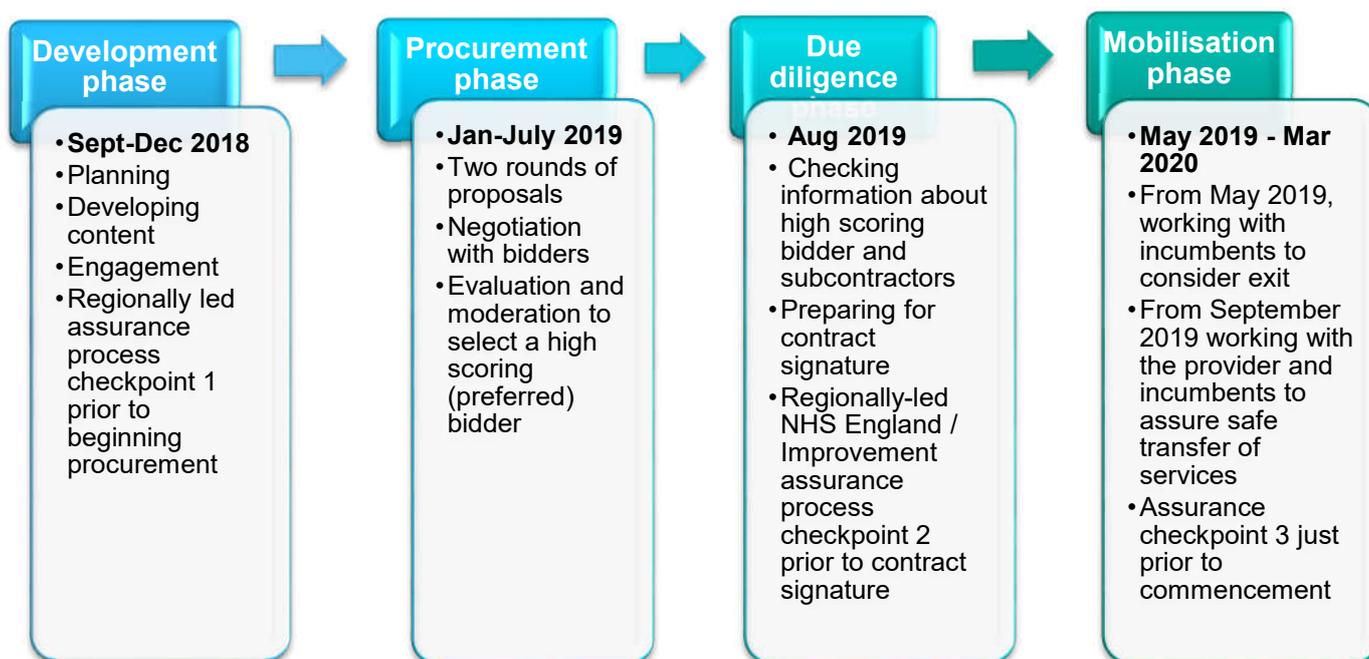
If everything progresses according to the timeline approved by the Governing Body, the CCG intends to sign a contract with a provider on 3 September 2019 and mobilise between September 2019 and March 2020, with service commencement on 1 April 2020.

On 29 July 2019, Sirona care & health Community Interest Company was announced as the high scoring bidder. This paper sets out the process to get to that stage and the next steps.

#### 2. Procurement process

##### 2.1 Procurement phases

The adult community services programme has four main phases:



## **2.2 Development phase: developing priorities with the public and clinicians**

Between September and December 2018, the CCG worked with stakeholders to identify important priorities for adult community services. Stakeholders included clinicians, general practices, community services staff, patient and carer representatives, members of the public, local authorities, mental health trust, existing providers of community services and hospital trusts. The CCG ran five workshops, surveyed patients and the public, visited services and community groups, and reviewed good practice locally and nationally to develop plans for adult community services.

People said that they wanted to tell their story once, rather than repeating themselves. They wanted professionals to work together. They wanted physical and mental health services and social services to be more joined up. They wanted faster access to care. They wanted to have access to the same good care, no matter where they lived. All of these things were included in the service specifications that the CCG developed to say how services would work in future.

A reference group of patients and carers and another reference group of clinicians reviewed the specifications for services and plans for ongoing engagement.

The full service specifications were placed on the CCG's website, along with the draft contract containing all the planned terms for services.

## **2.3 Procurement phase: approach**

In October 2018, the Governing Body approved the use of a competitive process with negotiation to procure adult community services. This route was selected because the contract contained multiple services, the details of which could not all be fully specified in advance of discussions with the market. A competitive process with negotiation ensured that the CCG fulfilled its legal obligations to promote competition, whilst allowing for discussion and development of elements of the requirements.

The procurement launched on 10 January 2019. The procurement used two rounds of negotiation and proposals. Potential bidders were asked to express an interest in submitting a bid and taking part in negotiation meetings. Those who stated they were interested were invited to participate in two meetings with the CCG, one meeting with partner organisations and one meeting with a panel of patient and carer representatives to help inform their bids. Bidders then submitted full proposals in March 2019. Bidders shortlisted after evaluation of full proposals were invited to take part in three further meetings with the CCG and two further meetings with partner organisations prior to submitting final proposals in May 2019. Within meetings, the CCG and bidders negotiated elements of the specifications.

Partner and patient organisations discussed their priorities with bidders to allow iteration of the proposals.

## Procurement milestones

Key milestones in the procurement timeline are set out below.

Timeline	Milestone
<b>Round 1 – Full proposals</b>	
8 January 2019	Governing Body approved procurement documentation and authorised launch of the procurement
10 January 2019	Official Journal of the European Union and Contracts Finder advertisements; Request for Proposals available electronically online
21 January 2019	Bidder Information Session
22 January 2019 (initial) 26 January 2019 (final)	Deadline to express interest in taking part in Round 1 meetings
30 January - 8 February 2019	Negotiation meeting between CCG and each Bidder
Week of 11 February 2019	Meeting between each Bidder and partner organisations that declared themselves neutral ('Neutral Partners') Meeting between each Bidder and patient representatives
18 – 22 February 2019	Second negotiation meeting between CCG and each Bidder
25 February 2019	Deadline for Bidder clarification requests for Round 1 Proposals
11 March 2019, noon	Submission of Round 1 Full Proposals
12 March – 28 March 2019	CCG evaluation of Round 1 Full Proposals
2 April 2019	Governing Body review of Round 1 outcome and decision to proceed
3 April 2019	CCG provided feedback about Round 1 Full Proposals and notified Bidders whether they were shortlisted for Round 2
<b>Round 2 - Final proposals for shortlisted bidders</b>	
3 April 2019	'Information for Shortlisted Bidders' issued
Week of 8 April	Bidders took part in 35 premises visits, sites were chosen by bidders
Week of 15 April 2019	Meeting between each Shortlisted Bidder and Neutral Partners
26 April – 2 May 2019	Negotiation meeting between CCG and each Shortlisted Bidder
Week of 6 May 2019	Meeting between each Shortlisted Bidder and Neutral Partners
13-16 May 2019	Second and third Round 2 negotiation meetings between CCG and each Shortlisted Bidder
17 May 2019	Deadline for clarification requests for Round 2 - Final Proposals
31 May 2019	Submission of Round 2 Final Proposals by Shortlisted Bidders
3 – 20 June 2019	CCG evaluation of Round 2 Final Proposals
2 July 2019	Governing Body review of process and decision about next steps
3 July 2019	CCG issued feedback to Bidders about Round 2 Final Proposals. Beginning of voluntary standstill period
26 July 2019; noon	Standstill period ends, allowing more than ten clear days
<b>Due diligence</b>	
29 July 2019	Name of high scoring bidder announced following standstill period
29 July – 30 August 2019	Due diligence of high scoring bidder and subcontractors by CCG
22 August 2019	NHS England and NHS Improvement regionally led assurance process
<b>Contract award and mobilisation</b>	
3 September 2019	Contract signature
3 September 2019	CCG to formally announce award after contract signature
2 Sept 2019-31 March 2020	Mobilisation period and exit from existing contracts
1 April 2020	Adult Community Services Contract delivery commences

### **Market stimulation**

Following approval from the Governing Body on 4 September 2018, the CCG issued a Prior Information Notice in September 2019 and held market engagement events in October and November 2019. The forthcoming procurement was advertised through the Official Journal of the European Union, Contracts Finder, the South West Commissioning Support Unit website and CCG communications.

About 30 organisations took part in market engagement events in October and November 2019. Many of these were organisations that were interested in subcontracting to provide specific elements of the service.

### **Advertisement and pre-selection**

On 10<sup>th</sup> January 2019, NHS Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group (CCG) began advertising the procurement of adult community health services, following approval from the Governing Body on 8<sup>th</sup> January 2019 in line with the CCG's Standing Financial Instructions.

The procurement was advertised in the Official Journal of the European Union (2019/S 008-015078), Contracts Finder, the CCG website and via the South West Commissioning Support Unit. The Health Services Journal featured an article about the procurement. The Request for Proposals and all associated documentation was available electronically on the South West Commissioning Support Unit's electronic procurement portal. It was freely available to anyone who wished to register to view it. Confidentiality statements were required before viewing information about incumbent staff, assets and similar.

A total of 45 organisations expressed an interest in learning more about the procurement. Most were organisations interested in subcontracting to offer part of the services or others interested in knowing the scope of the procurement but not intending to bid. The CCG held a Bidder Information Event in January 2019, which ten organisations attended.

The CCG used an open process, not a restricted process. There was no selection questionnaire used to restrict who could submit a bid. This is because the CCG's market engagement suggested that there were not large numbers of bidders interested in or capable of delivering all of the services (at least 85% of the annual contract value). The CCG did not want to further restrict the market by pre-selecting a small number of bidders.

In order for bids to be eligible for evaluation, they needed to pass certain eligibility criteria. These criteria covered the main elements of the standard selection questionnaire, including financial standing, governance and mandatory and discretionary grounds for exclusion.

### **Round 1 proposals**

The Request for Proposals was released electronically on 10 January 2019 and the deadline for the submission of Round 1 proposals was 11 March 2019. The Request for Proposals noted that the CCG may choose to end the procurement after one round if just one bid was received, or if one bid met the CCG's needs and was deemed to be significantly better than all others (defined as a bid at minimum achieving a score of 70% or more and being at least 10% higher than the next closest bid).

Bids were submitted electronically through a procurement portal.

In January 2019, the Governing Body approved a panel of over 30 people to evaluate proposals comprising CCG senior staff and subject matter experts, clinicians and representatives from neutral partner organisations, the voluntary sector and patients.

Each member of the evaluation panel completed Declarations of Interest and Confidentiality Forms prior to the evaluation of bids. All evaluators received training in how to evaluate the bids, the grading scale to be used and the electronic procurement portal. It was mandatory for evaluators to take part in training.

CCG directors reviewed the eligibility questions and ascertained that all bids were eligible to be evaluated. Each member of the evaluation panel then evaluated independently their specific part(s) of the proposals according to the grading criteria advertised in the Request for Proposals.

The grades and comments from all evaluators were reviewed within moderation meetings the week of 25 March 2019. At moderation meetings, the evaluation panel reviewed the grades awarded by each evaluator and agreed a moderated score for each question for each proposal. The evaluation panel reached consensus about a recommended grade for all questions and bids.

After all moderated grades were finalised, the grades for each bid were calculated and checked by an independent person. The outcome of Round 1 was assured by the Programme Board on 29 March 2019 and reviewed by the Governing Body on 2 April 2019.

All bidders achieved the criteria for shortlisting and proceeded to Round 2. Round 1 scores were set aside and not considered further in the selection of a provider as these were a mechanism to pass on to the next round of negotiations and give bidders feedback.

## **Round 2 proposals**

Bidders submitted final proposals on 31 May 2019. The same grading definitions, evaluation approach and evaluation panel were used as for Round 1.

In total 31 evaluators scored various elements of the proposals. There were 22 evaluation questions and the number of evaluators per question ranged from three to nine per question. The evaluators included a service user, representatives from primary care, the voluntary sector, the Sustainability and Transformation Partnership, mental health, local authorities and acute hospitals and CCG managerial staff and subject matter experts. A refresher training session was held where the evaluators reviewed the evaluation criteria and how to apply the grading definitions.

CCG directors reviewed the bids for eligibility, using the pre-specified criteria. Following this, each evaluator independently scored their sections of the proposals, using an online procurement portal to gain access to the proposals and insert recommended grades and comments.

The recommended grades and comments from each evaluator were compiled into one document for each question and circulated to the evaluation panel in advance of moderation meetings.

At moderation meetings, the evaluation panel reviewed the grades suggested by each evaluator and their rationale. They discussed the pros and cons of each proposal in answering a question, looking at each of the question elements. The meetings agreed a moderated 'group score' for each question for each proposal. This was done on a question by question basis, discussing each bid independently of the other.

A recommended group score for each evaluation question was finalised after discussion between evaluators weighing up the positive points and areas for development in the bid and cross referencing to the advertised grading criteria. The grading criteria focused on evaluators' combined assessment of the comprehensiveness and quality of a bid and the extent to which the bid gave confidence in the bidder's ability to deliver in line with the requirements. The evaluation panel for each question reached consensus about a recommended grade for each bid.

An arbitration process was available if evaluators could not reach consensus about a recommended score. A CCG Director who had not been part of the procurement process would act as the arbitrator, hear areas of disagreement and make a final decision about the grade for a disputed question. The arbitrator would not decide the final outcome of the procurement, only the score for a specific disputed question. The evaluators agreed amongst themselves recommended grades for all questions so no arbitration was required.

After all moderated grades were agreed, the grades for each bid were calculated and checked by an independent person. The calculations were checked again by a member of the Programme Board.

### **Evaluation outcome**

Sirona care & health Community Interest Company was the high scoring bidder.

On 3 July 2019, following review of the procurement process by the Governing Body, all bidders were notified of the evaluation outcome. The CCG began a voluntary standstill period and extended this to noon on 26 July to allow bidders time to consider the feedback they were given.

On 29 July 2019, following the end of the standstill period, the CCG announced the name of the high scoring bidder. Letters were sent to stakeholders, a press release was issued and key stakeholders were telephoned.

Stakeholders were informed that this is not the final outcome of the procurement as the CCG will now begin the 'due diligence' phase prior to signing a contract.

### **3. Due diligence approach**

The CCG has begun due diligence with the high scoring bidder. The purpose is to make sure that all information supplied by the bidder is accurate and deliverable and to make sure that the CCG is ready to sign a contract.

The main components of due diligence are:

- reviewing the quality and safety record of the high scoring bidder and other aspects of the bidder's track record
- reviewing the financial record of the high scoring bidder to make sure they are financially stable and able to deliver the mobilisation and services
- reviewing the accuracy of information submitted in the bid
- meeting weekly with the bidder throughout August to clarify points, mitigate risks and prepare for contract signature and mobilisation

On 22 August 2019 the CCG and the high scoring bidder will meet with NHS England and NHS Improvement for 'checkpoint 2' of the regionally-led assurance process using the principles of the Integrated Support and Assurance Process to ensure that the CCG is appropriately managing risks and is ready to sign a contract. Approval to proceed is expected by the end of August 2019.

It is important to note that this is not an additional 'selection' phase, but rather checking the accuracy of the proposal and contract and seeking assurance from NHS England and NHS Improvement that it is acceptable for the CCG to proceed.

If the due diligence phase is successfully completed, the Governing Body will receive an update and be asked for approval to sign a contract on 3 September 2019.

If any issues are identified during due diligence that cannot be addressed, the CCG has reserved the right to approach the next highest scoring bidder and begin due diligence with them.

#### **4. Mobilisation approach**

Work is underway to mobilise ready for the commencement of services on 1 April 2020.

The main milestones in this phase are:

- developing a mobilisation information pack for the provider with a clear outline of what the provider needs to do and when during mobilisation, to complement the provider's own plans
- the programme's Public Reference Group (made up of patient and carer representatives) is meeting regularly to advise about communicating with patients and carers and to see whether the provider has a robust communication and engagement plan in place which is being implemented appropriately
- in September and October 2019 fortnightly meetings will be held with the selected provider to make sure mobilisation is progressing smoothly. Meetings will then be at least monthly until February and March 2020 when they will be fortnightly again if needed. There will be subgroups related to workforce, digital, estates, quality and partnership working. The selected provider will submit written updates for each meeting and the CCG will monitor progress to make sure that services and staff transition smoothly
- the existing providers and selected provider will meet regularly to begin sharing information and records

#### **5. Planned exit approach**

Exit from existing contracts is being managed as part of business as usual. The main milestones related to exit include:

- setting up a process for considering the impact on other affected contracts and services, including notifying other commissioners of the outcome and reviewing provider viability to continue services
- signing a memorandum of understanding with incumbents to agree timelines for providing information about staff, assets and so on to the selected provider and to ensure good services continue throughout mobilisation
- jointly planning communication and timelines with incumbents
- reviewing the quality of services monthly as part of business as usual processes to ensure no changes as contracts come to an end

## 6. Financial resource implications

The financial envelope for the ten year contract term approved by the Governing Body is around £1.06bn.

## 7. Legal implications

Public procurement is governed by the Public Contracts Regulations 2015. The Mills and Reeve legal team have formally advised that the CCG is fulfilling its statutory responsibilities and continue to advise the CCG as needed about contract clauses and other issues.

## 8. Risk implications

The Programme Board reviews a risk register every month and identifies possible mitigations. All risks are currently being managed and mitigated.

## 9. Implications for health inequalities

In January 2019, the Programme Board reviewed and approved a Quality Impact Assessment and Equalities Impact Assessment. These were shared with the Governing Body. No specific negative implications of the procurement process over and above known existing issues were identified. Now that the high scoring bidder is known, these assessments have been updated in line with bidder plans.

## 10. Implications for equalities (Black & Other Minority Ethnic/Disability/Age)

In January 2019, the Programme Board reviewed and approved an Equalities Impact Assessment. This was shared with the Governing Body. No specific negative implications of the procurement process over and above known existing issues were identified. Suggestions were made to enhance inclusiveness of engagement in mobilisation and service delivery. The assessment has been updated now the high scoring bidder is known and a Public Reference Group made up of patients and carers has heavily contributed to the material and planned next steps.

## 11. Consultation and Communication including Public Involvement

More than 500 stakeholders, including patients and carers, were involved in the development phase of the procurement to help identify priorities for adult community services. A patient and carer panel met bidders to comment on bidder plans. A communications strategy and workplan have been developed including communication with stakeholders and the public.

A Public Reference Group made up of patients, carers and members of the public is meeting regularly to inform mobilisation and communications plans.

Formal public consultation is not required as part of the procurement as no 'significant variation' to services is planned at this stage. This will be monitored closely during mobilisation and throughout the contract term.

## 12. Recommendations

The Governing Body is asked to:

- **note** the process followed and planned timeline for concluding the procurement

**Report Author:** Adult community services programme team

**Report Sponsor:** Lisa Manson, Director of Commissioning