

**Committee:** Cabinet

**Date:** 27 January 2020

**Agenda item:** Risk and Resilience Service

**Wards:** All Wards

**Subject:** Contract Award - Risk and Resilience Service Contract 2020-2023

**Lead officer:** Rachael Wardell - Director of Children, Schools and Families

**Lead member:** Cllr Kelly Braund – Cabinet Member for Children

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## Recommendations:

Cabinet is asked to approve the following recommendation:

- A. That the council award to the organisation identified as Contractor A in the Confidential Annex to this report, the contract for the provision of Risk and Resilience Service for a period of 3 years from 1 April 2020, with an option to extend for up to two further years at the discretion of the council.
- B. That Cabinet grant delegated authority to the Director of Children Schools and Families after consultation with the Cabinet Member for Children to approve the additional 2 further years' extensions.

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## 1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to seek the approval of Cabinet for the award of the contract for the provision of Risk and Resilience Service to Contractor A following an open procedure.
- 1.2. This new contract will be for an initial period of 3 years from 1 April 2020, with an option at the discretion of the council to extend the term for a further period or periods of any duration up to a maximum two years in total.

## 2 DETAILS

- 2.1. The Integrated Young People's Risk and Resilience Service incorporates prevention of and interventions for substance misuse, missing (home or care), exploitation, poor sexual health and detached youth activities for young people aged 24 and under.
- 2.2. In 2015, our young people's substance misuse treatment and prevention service was re-modelled to incorporate detached youth provision and sexual health promotion. Re-modelling has enabled some of our most vulnerable young people, who are at risk of or experiencing harm from substance misuse,

to seamlessly access alternative 'healthier options' including the promotion of their sexual health and diversionary youth activity. Re-configuring the service has also demonstrably increased the knowledge and skill base of our workforce whilst simultaneously reducing the duplication of service contact for targeted groups of young people and their families.

- 2.3. Further integration, enabled by the award of the contract for our integrated Missing from home and Child Sexual Exploitation (CSE) service in 2017 to the same provider, has seen numerous additional advantages:
- Kept costs low and outcomes high.
  - Targeted vulnerable young people with swift interventions.
  - Provided 'holistic' prevention packages for YP.
  - Significantly increased the number of Return Home Interviews delivered within a 72-hour timeframe.
  - Reduced multiple missing episodes for individuals and prevented peer related missing episodes.
  - Supported transitions to adulthood.
  - Encouraged engagement through building relationships with one key-worker.
  - Provided supported routes through to alternative positive activities.
  - Built support of and for the family network, including recognition of the impact of parental substance misuse.
  - Encouraged positive peer support among adolescents
- 2.4. The intention from 2020 is to formalise this integration into one single Risk and Resilience contract incorporating the above elements and in addition expand CSE to include other forms of exploitation including Child Criminal Exploitation (CCE) specifically, increase smoking cessation interventions and the range of interventions that promote good sexual health such as chlamydia screening.
- 2.5. As part of the development of our integrated service specification we have incorporated findings from the recently published 'First Step' Report on Return Home Interviews (RHIs).

#### Tender Process

- 2.6. The open procedure, as set out in the Public Contracts Regulations 2015, was used following a discussion with potential bidders at a Market Warming Event for the purpose of this tender exercise.
- 2.7. In accordance with the requirements of that procedure, potential contractors were requested to express an interest in the proposed contract following the publication of a Contract Notice in the Official Journal of the European Union. The tender opportunity was also advertised to interested bidders through the London Tenders Portal and Contracts Finder.
- 2.8. Interested contractors were invited to submit a request for tender and pricing schedule. 40 organisations registered an interest in applying for the contract, of which, 4 submitted tender applications to the council.

- 2.9. All bidders were provided details of the evaluation methodology to be employed in assessing each element of their bids.
- 2.10. Potential bidders were evaluated using a two phase approach. The first phase containing two stages: An initial Compliance Check and Suitability Assessment followed by a second phase evaluating the Bidders' proposals for pricing.
- 2.11. **Phase One:** The compliance check determined whether any of the circumstances described within Section III of the Tender Questionnaire - the Suitability Assessment 2.1 (Grounds for Mandatory Rejection), 2.2 (Non-payment of taxes) and 2.3 (Grounds for Discretionary Rejection), environmental management and health and safety would apply. If one of the circumstances described therein would apply, the Council reserved its right to exclude the Bidder from the tender process.
- 2.12. Bidders were also advised that in the event of a Bidder other than the current contractor being awarded this contract, the terms of the Transfer of Undertakings (Protection of Employment/Regulations 2006) were likely to apply and that employees of the current contractor could be the subject of a TUPE transfer. Approximately 12 employees of the current contractor could be the subject of a TUPE transfer.
- 2.13. All Bidders were required to set out their experience of handling transfers of staff under TUPE provisions in the past and proposals for successfully dealing with the transfer of the existing contractor's workforce, including where staff could potentially transfer to a subcontractor.
- 2.14. As a minimum requirement, Bidders were also required to indicate how they propose to provide an adequate pension provision for those members of staff of the current service provider who were formerly employed by the Council and are entitled to benefits equivalent to those offered by the Local Government Pension Scheme.
- 2.15. All four bidders were assessed to have passed this phase and the bids were passed to the evaluation panel to assess according to the advertised Suitability Criteria.
- 2.16. The qualitative elements of the tender submissions which were assessed included Bidders' proposals in relation to service model and delivery, contract compliance, quality assurance, (including safeguarding, staffing, training, and recruitment), mobilisation, subcontracting, publicity and promotion and social value.
- 2.17. **Phase Two:** Bidding organisations were asked to submit a price proposal for the provision of the contract. Prices were rated based on two elements – (A) the overall cost over the initial three year term of the contract and (B) an adjustment in respect of management overheads (where applicable). An initial score was awarded based on (A) and adjusted by an evaluation of the ratio of overheads to overall contract costs.
- 2.18. The financial element of the bids were assessed based on the overall price, staffing, premises, service running costs, technology costs, operational running costs and overheads.

2.19. Bidders were advised that the contract would be awarded in accordance with the criteria and weightings detailed in Table 1 overleaf. The Quality Criterion for the assessment of the Bidder's Tender was divided into 3 sub-criteria as follows:

- Quality
- Methodology
- Performance

2.20. Using these criteria, the Council undertook the evaluation of the Bidder's written Tender, site visits and interviews and awarded a weighted score for Quality overall out of 90% to provide a final mark for the overall assessment of the Bidder's Tender.

2.21. The Quality Criteria Weighting Table below indicates the weighting assigned to each of these criteria within the evaluation process.

<b>Quality Criteria</b>	<b>Overall Weighting</b>	<b>Maximum Weighted Marks Available</b>
<b>Quality</b>	40%	490
<b>Methodology</b>	30%	310
<b>Performance</b>	20%	170
<b>Overall Quality Total</b>	<b>90%</b>	-

**Table 1 - Contract Award Quality Criteria**

#### Tender Evaluation Methodology

2.22. The following was published as part of the invitation to tender, so was available to all prospective Bidders: 'The Council will evaluate the Bidder's Tender to deliver the Risk & Resilience service by the following means:

- An assessment of the Bidder's written Proposal for the Risk & Resilience service set out in its Tender;
- Visits by the Council's Young Commissioners' Team to existing services currently provided by the Bidder that are similar in nature to that required by the Council's Service Specification;
- An interview of the Bidder's representatives by an interview panel comprised of members of the evaluation team.'

2.23. An evaluation team was established for the assessment of bids consisting of:

- CSF Commissioning Manager
  - CSF Head of service for Education Inclusion
  - CSF Head of Service for MASH (Written Evaluation only)
  - CSF Contextual Engagement Manager (Representing CSF Head of service for Adolescent and Family Services)
  - Public Health Interim Adult Substance Misuse Commissioner
  - Public Health Intelligence Officer
  - Young Commissioners Panel (3 Young Inspectors)
- 2.24. The evaluation process was moderated by a CSF Contracts and Procurement Manager who acted in a quality assurance role to ensure EU procedures were being fully complied with, and that the approach of the team to scoring against the evaluation criteria was consistent for all elements of the tender. A moderation review of the scores was undertaken to ensure the integrity of the scoring process.
- 2.25. The council was seeking to appoint the most economically advantageous bidder based on the assessment of both quality and price in accordance with the published criteria and as approved by young people.

#### Young People's Evaluation

- 2.26. The procurement process for this Invitation to Tender embedded the council's long standing commitment to young people made within the Merton Participation Promise to encourage young people's participation in service delivery and design. To this end a small group of 3 young people from across Merton, including service users, were recruited and trained as 'Young Commissioners'. The group was led by one of our Young Inspectors under the guidance of both the Commissioning Manager and the young people's Participation Team.
- 2.27. The Young Commissioners Group (YCG) acted as a young people's advisory board for the duration of the procurement process.
- 2.28. The YCG reviewed the proposed service specification and evaluation method statements, agreeing to jointly score with the panel the three written questions most important to them. They also devised an additional two method statement questions of their own which were scored only by them. They advised on the weighting to be given to their related questions.
- 2.29. The YCG devised their own interview schedule for the site visits, where they met with service managers, front-line staff and young people who were currently using, or had previously used the service. All Bidders were asked to identify an equivalent or similar service site, provided by the bidder for this purpose. Site visits also incorporated a site tour, review of published materials available to service users and interviews as outlined above. The purpose of the site visits was to support the evaluation of the YCG written questions and establish the qualitative experience of the bidder's existing services.

- 2.30. Findings from the YCG were fed back to the evaluation panel to inform and/or adjust collective scoring where necessary.
- 2.31. Young people joined the expert panel to agree and approve the final recommendations for contract award and as such have requested provisions laid out in the confidential Annex for Bidder A and the Council to enact.
- 2.32. Based on the combined qualitative and pricing scores, Contractor A (as detailed in the confidential appendix to this report) achieved the highest overall score and is recommended for the award of this contract.

### **3 ALTERNATIVE OPTIONS**

- 3.1. The Risk and Resilience Contract is offered as one of our Early Help services preventing a need for more intrusive crisis interventions; furthermore, the service meets statutory requirements (Return Home Interviews) and national evidence based frameworks:
  - Working together to safeguard children (2018) stresses that Local areas should have a comprehensive range of effective, evidence-based services in place to address assessed needs early... including, drug or alcohol misuse by an adult or a child.
  - Statutory Guidance on Children who go missing or Runaway from Home or Care (2017), issued under Section 7 of the Local Authority Social Services Act 1970.
  - The National Drugs Strategy (2017): places emphasis on building resilience and confidence of young people to prevent a range of risks.
  - National Institute for Health and Clinical Excellence (NICE) NG64: Drug Misuse Prevention – targeted interventions & CG51 Drug misuse in over 16s: psychosocial interventions<sup>1</sup>.
  - Core principles of Public Health England (PHE, 2017)<sup>2</sup> young people’s specialist substance misuse services commissioning.
- 3.2. Alternative options for the contract were considered and are documented in the approved Business Case<sup>3</sup>. The following option was approved by both CSF DMT and the Corporate Procurement Board:
  - Re-commission the Integrated Risk and Resilience Service expanding the integration of missing, exploitation and smoking cessation interventions into the existing service contract. Align the contract to the development of the 0-25 years Early Help model and development of the emerging alliance based commissioning approach, via the Health and Care Together programme in future years.

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<sup>1</sup> NICE NG64: Drug Misuse Prevention – targeted interventions & CG51 Drug misuse in over 16s: psychosocial interventions

<sup>2</sup> YP Specialist Substance Misuse Services, Evidence Review & Commissioning Principles (PHE 2017)

<sup>3</sup> Business Case / Gateway 1: Young People’s Risk and Resilience Service (May 2019)

## **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. This re-commissioning option was recommended following extensive consultation with young people, stakeholders and Heads of Service including:
- 123 face to face focus groups with young people at Ricards Lodge, Phipps Bridge and Pollards Hill Youth Clubs, SMART Centre, South Thames College (Merton), Uptown Youth Club, Youth Parliament and School Council Action Day.
  - 1167 school aged pupils answering sexual health and Drug and Alcohol related questions on the Children and Young people Plan Electronic Survey.
  - Integrated Children's Commissioning Group (Director of Children's Social Care, CCG Joint Commissioner, Director of Public Health, Head of CSF Commissioning).
  - CSF DMT.
  - Merton CSF and PH Leadership Team (Head of Commissioning, Head of Integrated Youth Service, Head of LPP, Head of Adolescent and Family Service, Senior Public Health Consultant for Children and Adult Substance Misuse Commissioner).
  - Substance Misuse Partnership Board.
  - Consultation with the Young Commissioners Group.
- 4.2. This option forms part of our suite of early help services, meets our statutory obligations, offers value for money to the council, but above all, provides seamless interventions for our children and young people as they navigate risk through their transition to adulthood.
- 4.3. A procurement Task and Finish Group<sup>4</sup> was established to guide the procurement process and establish the evaluation panel. Commercial Services and Legal Services have been consulted throughout the process to ensure probity existed at all times and to ensure we are able to fulfil our obligations at a later date in the event of a Freedom of Information Enquiry. Legal Services advised in detail on the drafting of the tender documentation.

## **5 TIMETABLE**

- 5.1. It is anticipated that the new contract will commence on 1 April 2020.
- 5.2. Approval of the award of this contract to the selected provider is required to be made subject to observing a compulsory 'standstill' period of a minimum of 10 days from the day after notification to all tenderers of the council's intention to award to the successful tenderer. Provided no legal objection to the intended award is formally commenced or raised with the council by any unsuccessful tenderer during this standstill period the contract may be sealed.

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<sup>4</sup> R&R Recommissioning TFG TOR 040419

- 5.3. Following the formal award of the contract, officers will work with the successful contractor to manage the mobilisation to and implementation of the new contract.

## **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. Full details of the financial implications of the contract award are set out in the confidential appendix to this report.
- 6.2. The re-commissioning of the service is aligned to the Target Operational Models for the Public Health Division of Community and Housing and Children Schools and Families.
- 6.3. Estimated savings / value of cost avoidance over the life of the new contract are:
- A DfE cost/benefit analysis on young people's substance misuse services demonstrates that every £1 invested saves £1.93 within 2 years and £8.38 in the long term.
  - For every £1 spent on contraception, a saving of £12.50 is made through reduced health care costs.
  - A benchmarking review revealed that the Merton integrated service is a low cost, high impact service with potential savings of over £4.9 million to health and social care costs over the life of the contract.
  - Integrating the CSE and missing service contract has already demonstrated efficiency savings through amalgamating reporting requirements and reducing provider management costs.
  - The proposed price increase will enable the Council to continue benefiting from material savings delivered through combining the contracts. These benefits will accrue at an estimated 14% per year; made out of efficiency savings of 13% and inflationary reductions of 1%.
  - In terms of potential political and financial changes there is a clause in the terms and conditions to allow for further efficiency savings at the council's discretion and we have requested the provider engages in the Merton Health and Care Together Programme emerging alliance based commissioning approach.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. The procurement process, in which SLLP and Commercial Services were involved, has been undertaken in accordance with Contract Standing Orders, UK and EU procurement guideline and the award of contract is lawful.
- 7.2. Legal Services and Commercial Services have been consulted at various stages throughout to comment and add input where necessary.
- 7.3. The contract terms for the tender have been prepared by the council's Legal Services team.
- 7.4. Legal Services advised in relation to the remainder of the documentation contained with the council's Invitation to Tender



## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. There are no substantive human rights, equalities and community cohesion implications arising from the recommendations contained within this report.
- 8.2. The tender documentation required all tenderers to demonstrate that they comply with current equalities legislation.
- 8.3. All bidders were asked to demonstrate how they will work towards delivering an equitable and accessible service; considering the variety of diverse needs for Merton Young People. Contractor A demonstrated sufficiently their understanding of and intension to respond to this requirement.
- 8.4. The service specification requires the bidder to produce a full Equality Impact Assessment Report using the Council's EIA framework within 3 months of contract award. This will be reviewed and monitored by the Commissioning Team.

## **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. There are no substantive crime and disorder implications arising from the recommendations contained within this report.
- 9.2. The provision of a Risk and Resilience Service contributes to a range of Public Health Outcomes that benefit the community. This includes the reduction of first time entrants to the youth justice system, the reduction of re-offending and the reduction of substance misuse.
- 9.3. Incorporating a responsibility for the service to identify and respond where young people may be experiencing exploitation (including CSE and CCE) will safeguard children and young people from present or potential harm.

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. All organisations that are awarded contracts must have a health and safety policy that compliments the council's corporate procedures for effective health and safety and risk management. Tender documentation submitted by all tenderers included their health and safety documentation and practical arrangements for the safe delivery of the service.

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Confidential Appendix

## **12 BACKGROUND PAPERS**

[Contract Standing Orders](#)

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