

**MEETING OF THE GOVERNING BODY**

|   |   |                                   |                                       |                  |
|---|---|-----------------------------------|---------------------------------------|------------------|
| <b>Title</b>                              | Care Closer To Home (CC2H)  |                                   | <b>Public/<br/>Closed:</b>            | PUBLIC           |
| <b>Date</b>                               | 13 <sup>th</sup> May 2015   |                                   |                                       |                  |
| <b>Paper Author and Job Title</b>         | Chris Spark -<br>CC2H<br>Programme<br>Director  | <b>Senior responsible Officer</b> | Chris Dowse, Chief Officer, NKCCG     |                  |
|   |   | <b>Clinical Lead</b>              | Dr David Kelly, Clinical Chair, NKCCG |                  |
| <b>Purpose of Paper</b>                   | <b>Decision</b>   | ✓                                 | <b>Discussion</b>                     | <b>Assurance</b> |
| <b>Response required from the meeting</b> | <p>On the basis of evaluation criteria described within this report it is recommended that the contract is awarded to the bidder who scored the highest score and therefore submitted the most economically advantageous tender and met the following criteria:</p> <ul style="list-style-type: none"> <li>• Passed the qualification envelope;</li> <li>• Remained within the financial envelope on an annual basis and for the overall financial envelope;</li> <li>• Accepted the NHS Standard Terms and Conditions;</li> <li>• Achieved the 60% of the 70% marks within the Quality/ Technical section;</li> <li>• Achieved the highest overall score.</li> </ul> <p>The Governing Body notes the outcome of the procurement process and approves to award the contract to <b>Bidder 2</b>.</p> <p>The contract awarded is for 5 years with the option to extend for 2 years.</p> <p>The Governing Body approves Bidder 1 as the reserve bidder with whom they can re-engage should a contractual agreement with the preferred bidder not be reached.</p> |                                   |                                       |                  |
| <b>Summary</b>                            | Greater Huddersfield Clinical Commissioning Group and North Kirklees Clinical Commissioning Group have  |                                   |                                       |                  |

|   |  |
|---|--|
|   | <p>embarked upon a joint procurement using a competitive dialogue process to commission a lead provider model contract for Care Closer to Home services across Kirklees.</p> <p>The procurement commenced in October 2014 and comprised of three stages in total:</p> <ol style="list-style-type: none"> <li>1. Pre- Qualification</li> <li>2. Invitation to participate in Dialogue (ITPD)</li> <li>3. Invitation to Continue in Dialogue (ITCD) and Final Tender</li> </ol> <p>Following a robust and transparent process the procurement has now concluded and a preferred bidder has been selected as the lead provider to be awarded the contract for both Greater Huddersfield Clinical Commissioning Group and North Kirklees Clinical Commissioning Group for a period of five years with the option to extend for a further two years.</p> <p>The purpose of the report is to detail the Competitive Dialogue Procurement process that was undertaken for the Care Closer to Home (CC2H) services across Kirklees, detailing the outcome of the dialogue and evaluation process and to obtain approval for the final award of the contract.</p> |
| <p><b>Assessment of implications in respect of:</b></p> |  |
| <p><b>Patient Safety</b></p>                            | <p>Patient safety has been taken into consideration through review of the service specification, via the Quality, Patient Safety and Workforce work stream, through the introduction of an incentive scheme and through setting a minimum quality threshold throughout the process.</p> <p>In addition there has been a patient panel who have been actively part of the process and formed part of the evaluation panel.</p>  |
| <p><b>Finance/Resource</b></p>                          | <p>The financial plan has been described within the procurement and the bidders have submitted costs that are within the financial envelope set out</p>  |
| <p><b>Risk Assessment</b></p>                           | <p>All risks have been recorded and monitored against the Programme and Corporate risk registers throughout the procurement process via the steering groups and programme board.</p>   |

|  |   |
|--|---|
| <b>PPI considerations</b>  | Engagement has been undertaken prior to commencement of the procurement and during the procurement process. There has also been a proactive patient panel involved throughout the process.  |
| <b>Equality and Diversity</b>  | An equality impact assessment has been undertaken as part of the competitive dialogue process.  |
| <b>Legal issues</b>  | <p>The relevant Legislation in relation to this procurement includes:</p> <ul style="list-style-type: none"> <li>• Section 75 of the Health and Social Care Act 2012, and its associated regulations, place requirements on commissioners to ensure that they adhere to good practice in relation to procurement, do not engage in anti-competitive behaviour and promote the right of patients to make choices about their healthcare.</li> </ul> <p>Public Contracts Regulations 2006 which implement the EU procurement directives within UK Law</p> |
| <b>FOI Exemption category</b>  | OPEN  |
| <b>Previously considered by:</b>   |   |
| <b>Up to implementation stage;</b> Clinical Strategy Group<br>Quality, Performance and Finance Committee<br>CC2H Programme Board on 1 <sup>st</sup> May 2015 |   |
| <b>Committee/Group</b>   |   |

## **1.0 Purpose of Report**

- 1.1 The purpose of the report is to:
- a) detail the Competitive Dialogue Procurement process undertaken for the commissioning of Care Closer to Home (CC2H) services across Kirklees,
  - b) describe the evaluation process,
  - c) notify the outcome of the competitive dialogue, and
  - d) obtain approval to award the contract to the preferred bidder outlined within section 4.
- 1.2 It is requested by the CC2H Programme Board that in accordance within the recommendation contained within this report, the Governing Body approves the award of the contract to the organisation designated in the report as Bidder 2.

## **2.0 Background**

- 2.1 Greater Huddersfield Clinical Commissioning Group (GHCCG) and North Kirklees Clinical Commissioning Group (NKCCG) embarked upon a joint procurement using a competitive dialogue process to commission a lead provider model contract for Care Closer to Home (CC2H) services across Kirklees.
- 2.2 Care Closer to Home is the vision for the development of integrated community based health care services across Kirklees for children and young people through to and including the frail, vulnerable and older people. The service will primarily focus on those people with identified health needs which impact on their health and well-being, due to differing disabilities, long term conditions, those in vulnerable groups and meeting the needs of individuals with palliative and end of life care needs.
- 2.3 The aim of this procurement was to source a lead provider via a competitive dialogue process to provide CC2H services across Greater Huddersfield Clinical Commissioning Group, North Kirklees Clinical Commissioning Group and Kirklees as a whole.
- 2.4 The objectives of the service are:
- Improved primary and community care providing the right care in the right place, at the right time, first time; Self-care and self-management of conditions, to give individuals confidence, knowledge and information about support to look after their own conditions and prevent exacerbations;
  - Integrated high-quality services at times required to meet the needs of the community;

- A reduction in reactive, unscheduled care - doing more planned care earlier;
- Care that is coordinated across providers as one coherent package of care, with a focus on individuals; helping them to get better and get on with their lives.

2.5 With the key benefits of the model for patients being:

- People, and their families/carers are enabled to choose and direct good quality and personalised support that meets their needs and helps them to stay as safe, well and healthy for as long as is possible, and to receive that support in their homes or local community;
- Only those people who need care in an acute setting being admitted to hospital. Once admitted they will receive the good quality specialist care they need and only for as long as is clinically necessary;
- Enhanced reablement and rehabilitation support will be offered to enable people to regain, as far as possible, their skills, abilities and independence. People with long term conditions/on-going support needs will be supported to manage their condition/needs and avoid crisis and hospital re-admission; and
- Seamless health and social care to our patients and service users.

### **3.0 Detail**

- 3.1 On 20<sup>th</sup> October 2014 an OJEU Notice seeking expressions of interest from potential bidders was dispatched by Yorkshire & Humber Commissioning Support (Y&H CS) on behalf of GHCCG and NKCCG, following agreement at the Governing Body meeting of the 24<sup>th</sup> September 2014.
- 3.2 The Memorandum of Information (MOI) and Pre-Qualification Questionnaire (PQQ) were forwarded to interested parties and the completed PQQs were returned by 24<sup>th</sup> November 2014.
- 3.3 The OJEU notice sought potential bidders to bid for 3 lots:
- Lot 1 – Greater Huddersfield Clinical Commissioning Group
  - Lot 2 – North Kirklees Clinical Commissioning Group
  - Lot 3 – Greater Huddersfield and North Kirklees Clinical Commissioning groups combined.
- 3.4 There was no restriction on the number of lots that providers could bid for and providers were able to bid for all three lots.
- 3.5 Responses were received from two local service providers currently providing services across Kirklees for the following lots:

Bidder 1 – Lot 3 only

Bidder 2 – Lot 1 and Lot 3

- 3.6 No bids were received for Lot 2 and only one bid was received for Lot 1 (thus limiting competition), therefore the decision to proceed with Lot 3 only was reached by each individual CCG through their respective decision making bodies.
- 3.7 The evaluation panel for the PQQ stage of the process consisted of members from the following work streams:
- Greater Huddersfield Clinical Commissioning Group Steering Group
  - North Kirklees Clinical Commissioning Group Steering Group
  - Clinical, Quality, Patient Safety & Workforce Work Stream
  - Finance, Estates, Contracting & HR Work Stream
  - IM&T Work Stream
- 3.8 In order to progress to the Invitation to Participate In Dialogue (ITPD) stage of the process bidders were required to obtain a pass within the qualification envelope which contained questions in relation to the following areas:
- Registration
  - Legal
  - Insurances
  - Health & Safety
  - Equality & Diversity
  - Schedules & Declarations
- 3.9 Bidders were also required to score a minimum of 40% within the financial standing section in order to obtain a “pass” in this area and 60% within the technical questionnaire in order to progress to the next stage.
- 3.10 Both bidders passed the qualification questions and gained the minimum scores in relation to the financial standing and technical questionnaire and were therefore invited to progress to the ITPD stage of the process. Table 1 below sets out the overall scores for the PQQ stage of the process.

Table 1 – PQQ Outcome

| Provider  | WORKFORCE<br>20% | ENVIRONMENT<br>5% | QUALITY<br>25% | TECHNICAL &<br>PROFESSIONAL<br>ABILITY 30% | INFORMATION<br>MANAGEMENT<br>10% | INFORMATION<br>GOVERNANCE<br>10% | Total  | Threshold |
|-----------|------------------|-------------------|----------------|--|----------------------------------|----------------------------------|--------|-----------|
| Weighting | 20%              | 5%                | 25%            | 30%  | 10%                              | 10%                              | 100%   | 60%       |
| Max Score | 55               | 25                | 40             | 15   | 20                               | 5                                |        |           |
| Bidder 1  | 13.09%           | 2.40%             | 14.38%         | 20.00%                                     | 7.50%                            | 6.00%                            | 63.37% | Pass      |
| Bidder 2  | 13.45%           | 3.00%             | 18.13%         | 14.00%                                     | 8.50%                            | 6.00%                            | 63.08% | Pass      |

3.11 The ITPD stage of the process was the first stage of dialogue and commenced on the 16<sup>th</sup> December 2014. As part of the ITPD stage of the process each bidder was invited to attend a half day dialogue session with commissioners where the following topics were discussed:

- 1.0 Service Delivery
- 2.0 Service Capability
- 3.0 IT & Infrastructure
- 4.0 Engagement & Ongoing Management
- 5.0 Mobilisation
- 6.0 Commercial & Financial

3.12 Bidders were also required to respond to a set of questions in relation to the Quality / Technical and Delivery of Outcomes aspects of the service requirements and submit an outline price for the service over a five year profile.

3.13 The deadline for the submission of the ITPD bids was the 30<sup>th</sup> January 2015 with both bidders submitting a bid.

3.14 The evaluation panel for the ITPD stage comprised of the following work stream members:

- Greater Huddersfield Clinical Commissioning Group Steering Group
- North Kirklees Clinical Commissioning Group Steering Group
- Clinical, Quality, Patient Safety & Workforce work stream
- Finance, Estates, Contracting & HR work stream
- Communications, Engagement & Equality work stream
- IT Work stream
- Clinical work stream (including non-conflicted clinicians)
- Patient panel
- Local Authority - Adult Social Care
- Governance

- 3.15 Each panel member completed an individual evaluation on the AWARD system prior to the evaluation consensus meetings held on the 9<sup>th</sup> and 10<sup>th</sup> February 2015. During the consensus meetings all scores and comments were taken into account and debated in order to reach a consensus in relation to the score to be awarded for each question. Where it was not possible to reach a 100% consensus within the panel following a robust discussion, a majority score was awarded.
- 3.16 The evaluation criteria used for the evaluation of the ITPD stage of the process was as follows:

Table 2 – Evaluation Criteria

| <b>Weighting</b> | <b>Criteria</b>     | <b>Sub Criteria</b>  | <b>Sub Criteria Weighting</b> |
|------------------|---------------------|--|-------------------------------|
| 70%              | Quality / Technical | 1.0 - Service Delivery   | 17.5%                         |
|                  |                     | 2.0 – Service Capability   | 21%                           |
|                  |                     | 3.0 – IT & Service Infrastructure  | 7%                            |
|                  |                     | 4.0 – Engagement & Ongoing Management of Engagement  | 14%                           |
|                  |                     | 5.0 – Mobilisation   | 10.5%                         |
| 10%              | Outcome Delivery    |  |                               |
| 20%              | Commercial Envelope |  |                               |
|                  | Contract            | The contractual element is for information only and the information provided formed the basis of future dialogue with bidders. |                               |

- 3.17 The scored questions were scored using the assessment matrix outlined below in table 3.

Table 3 – Scoring Methodology

| <b>Assessment</b> | <b>Score</b> | <b>Interpretation</b>   |
|-------------------|--------------|---|
| Excellent         | 5            | Exceeds the requirement.<br>Exceptional demonstration by the Bidder of the understanding and skills required to provide the |

| <b>Assessment</b>    | <b>Score</b> | <b>Interpretation</b>  |
|----------------------|--------------|--|
|                      |              | supplies / services.<br>Response identifies factors that will offer potential added value, with evidence to support the response.  |
| Good                 | 4            | Satisfies the requirement with minor additional benefits.<br>Above average demonstration by the Bidder of the understanding and skills required to provide the supplies / services.<br>Response identifies factors that will offer potential added value, with evidence to support the response. |
| Acceptable           | 3            | Satisfies the requirement.<br>Demonstration by the Bidder of the understanding and skills required to provide the supplies / services, with evidence to support the response.  |
| Minor Reservations   | 2            | Satisfies the requirement with minor reservations.<br>Some minor reservations of the bidder's understanding and skills required to provide the supplies / services, with little or no evidence to support the response.  |
| Serious Reservations | 1            | Satisfies the requirement with major reservations.<br>Considerable reservations of the Bidder's understanding and skills required to provide the supplies / services, with little or no evidence to support the response.  |
| Unacceptable         | 0            | Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the Bidder has the understanding and skills required to provide the supplies / services, with little or no evidence to support the response.   |

3.18 Where a question was a Yes / No question the methodology outlined within table 4 was applied for the ITPD stage of the process:

Table 4 – Pass/ Fail Methodology

|     |  |
|-----|--|
| Yes | Pass   |
| No  | Fail – Unless stated for information only at the ITPD Stage. |

- 3.19 In order to progress to the Invitation to Continue In Dialogue (ITCD) and Final Tender stage of the process bidders were required to meet a minimum score of 50% of the total 70% of marks available for the Quality/ Technical section which equated to 35% for this section. Bidders were also required to remain within the financial envelope outlined by the CCGs.
- 3.20 Both bidders met the required criteria and therefore were invited to progress to the ITCD stage of the process. Table 3 below sets out the overall scores for the ITPD Stage of the process:

Table 5 - ITPD Outcome

| <b>Question Set</b>  | <b>Available Marks</b> | <b>Bidder 1</b> | <b>Bidder 2</b> |
|----------------------|------------------------|-----------------|-----------------|
| Quality / Technical  | 70%                    | 39.71%          | 48.51%          |
| Delivery Of Outcomes | 10%                    | 6.44%           | 6.22%           |
| Commercial Envelope  | 20%                    | 20.00%          | 19.99%          |
| <b>Total</b>         | <b>100%</b>            | <b>66.15%</b>   | <b>74.72%</b>   |

- 3.21 The ITCD stage was the final stage of the competitive dialogue process and commenced on the 3<sup>rd</sup> March 2015. During the ITCD stage of the process bidders were invited to attend two full day of dialogue with commissioners where the following topics were discussed in detail:
- 1.0 Service Delivery
  - 2.0 Service Capability
  - 3.0 IT & Infrastructure
  - 4.0 Engagement & Ongoing Management
  - 5.0 Mobilisation
  - 6.0 Commercial & Financial
- 3.22 As with the ITPD stage of the process bidders were required to respond to a set of questions in relation to the Quality / Technical, Delivery of Outcomes and within the ITCD stage a question within the Commercial section in relation to financial planning.
- 3.23 In addition, bidders were required to confirm that they agree to enter into the NHS Standard Terms and Conditions and submit a final price for the 7 year period whilst ensuring that they remained within the annual financial envelope and the overall financial envelope.
- 3.24 The deadline for the submission of the ITCD and Final Tender bids was the 16<sup>th</sup> April 2015 with both bidders submitting a bid.

3.25 The evaluation team consisted of subject experts from each of the work streams outlined below:

- Greater Huddersfield Clinical Commissioning Group
- North Kirklees Clinical Commissioning Group
- Clinical, Quality, Patient Safety & Workforce work stream
- Finance, Estates, Contracting & HR work stream
- Communications, Engagement & Equality work stream
- IT Work stream
- Clinical work stream (inc. non-conflicted clinicians)
- Patient panel
- Local Authority - Adult Social Care & Public Health
- Governance

3.26 Each panel member completed an individual evaluation on the AWARD system prior to the evaluation consensus meetings held on the 24<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup> April 2015. During the consensus meetings all scores and comments were taken into account and debated in order to reach a consensus in relation to the score to be awarded for each question. Where it was not possible to reach a 100% consensus within the panel following a robust discussion, a majority score was awarded.

3.27 The evaluation criteria used for the evaluation of the ITCD stage of the process was as follows:

Table 6 – Evaluation Criteria

| <b>Weighting</b> | <b>Criteria</b>     | <b>Sub Criteria</b>                                 | <b>Sub Criteria Weighting</b> |
|------------------|---------------------|---|-------------------------------|
| 70%              | Quality / Technical | 1.0 - Service Delivery                              | 17.5%                         |
|                  |                     | 2.0 – Service Capability                            | 21%                           |
|                  |                     | 3.0 – IT & Service Infrastructure                   | 7%                            |
|                  |                     | 4.0 – Engagement & Ongoing Management of Engagement | 14%                           |
|                  |                     | 5.0 – Mobilisation                                  | 10.5%                         |
| 10%              | Outcome Delivery    |   |                               |
| 20%              | Commercial Envelope | Price   | 10%                           |
|                  |                     | Financial Planning                                  | 10%                           |

3.28

|  |                    |  |             |
|--|--------------------|--|-------------|
| The scored questions were scored using the assessment matrix outlined below in table | Financial Envelope | The annual financial envelope for each individual CCG (Greater Huddersfield and North Kirklees)<br>The seven year financial envelope for each individual CCG (Greater Huddersfield and North Kirklees)<br>The combined seven year financial envelope | Pass / Fail |
| Table 7 – Scoring Methodology  | Contract           |  | Pass / Fail |

| Assessment           | Score | Interpretation   |
|----------------------|-------|--|
| Excellent            | 5     | Exceeds the requirement.<br>Exceptional demonstration by the Bidder of the understanding and skills required to provide the supplies / services.<br>Response identifies factors that will offer potential added value, with evidence to support the response.                                    |
| Good                 | 4     | Satisfies the requirement with minor additional benefits.<br>Above average demonstration by the Bidder of the understanding and skills required to provide the supplies / services.<br>Response identifies factors that will offer potential added value, with evidence to support the response. |
| Acceptable           | 3     | Satisfies the requirement.<br>Demonstration by the Bidder of the understanding and skills required to provide the supplies / services, with evidence to support the response.  |
| Minor Reservations   | 2     | Satisfies the requirement with minor reservations.<br>Some minor reservations of the bidder's understanding and skills required to provide the supplies / services, with little or no evidence to support the response.  |
| Serious Reservations | 1     | Satisfies the requirement with major reservations.<br>Considerable reservations of the Bidder's understanding and skills required to provide the supplies / services, with little or no evidence to support the response.  |

| Assessment   | Score | Interpretation   |
|--------------|-------|--|
| Unacceptable | 0     | Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the Bidder has the understanding and skills required to provide the supplies / services, with little or no evidence to support the response. |

3.29 Where a question was a Yes / No question the methodology outlined within table 8 was applied for the ITCD stage of the process:

Table 8

|     |      |
|-----|------|
| Yes | Pass |
| No  | Fail |

3.30 In order for the bidders to progress to be selected as preferred bidder they were required to meet the following criteria:

- A pass for the qualification envelope;
- A pass for remaining within the financial envelope on an annual basis and for the overall contract value;
- A pass for accepting the NHS Standard Terms and Conditions;
- Achievement of 60% of the 70% marks within the Quality/ Technical section (42%);

3.31 Providing that the all of the above criteria has been met the bidder scoring the highest overall score would be selected as the preferred bidder.

3.32 Following evaluation of the bids the outcome of the procurement process was as follows:

3.33 Qualification, Financial Envelope and Contract

3.34 Both bidders passed the Qualification envelope;

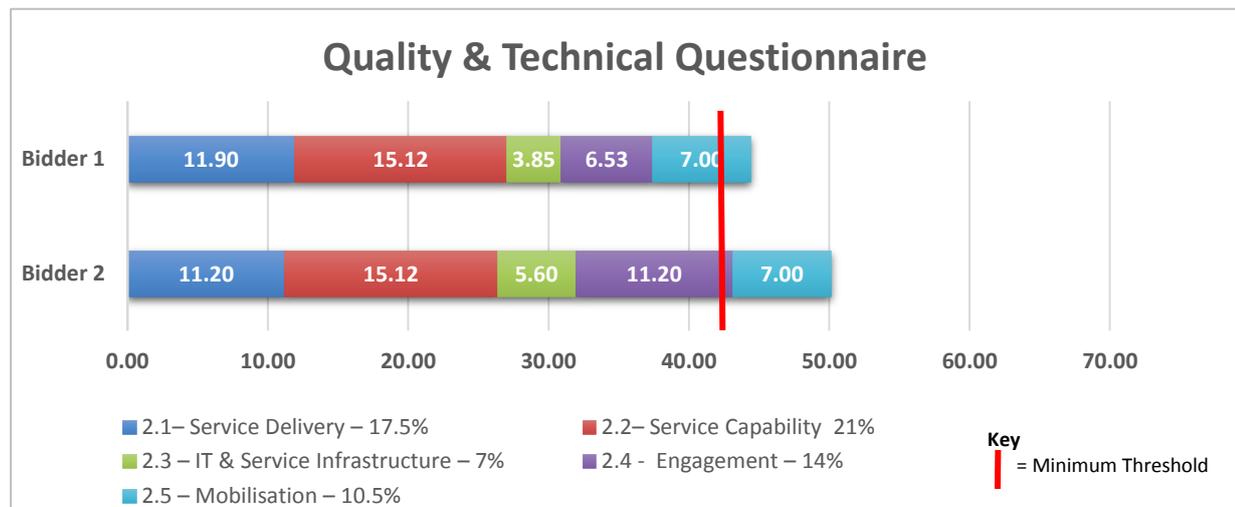
3.35 Both bidders passed the financial envelope as they remained within the financial envelope on an annual basis and within the overall financial envelope;

3.36 Both bidders accepted the NHS standard terms and conditions.

### 3.37 Quality & Technical Questionnaire

3.38 The total available marks within the Quality / Technical Questionnaire section was 70%. In order to pass the Technical Questionnaire bidders were required achieve 60% of the total quality marks available, therefore, as the total marks available for the Quality / Technical Questionnaire was 70% the minimum required score within this area was 42%.

The scores achieved within the Quality / Technical questionnaire were as follows:

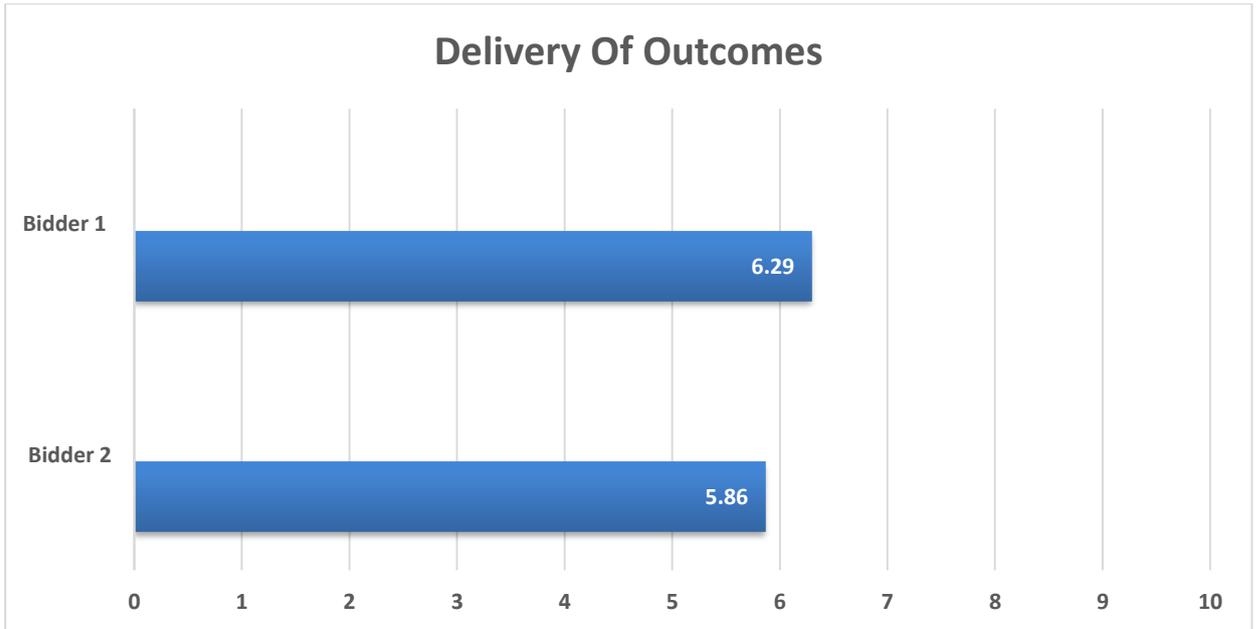


3.39 Therefore, both bidders met the minimum requirement of 42% within the quality section.

### 3.39 Delivery of Outcomes

3.40 The Delivery of Outcomes section formed 10% of the total 30% for the commercial element of the evaluation (with the financial envelope/price being the remaining 20%).

3.41 The bidders achieved the following scores within the Delivery of Outcomes section of the evaluation process:

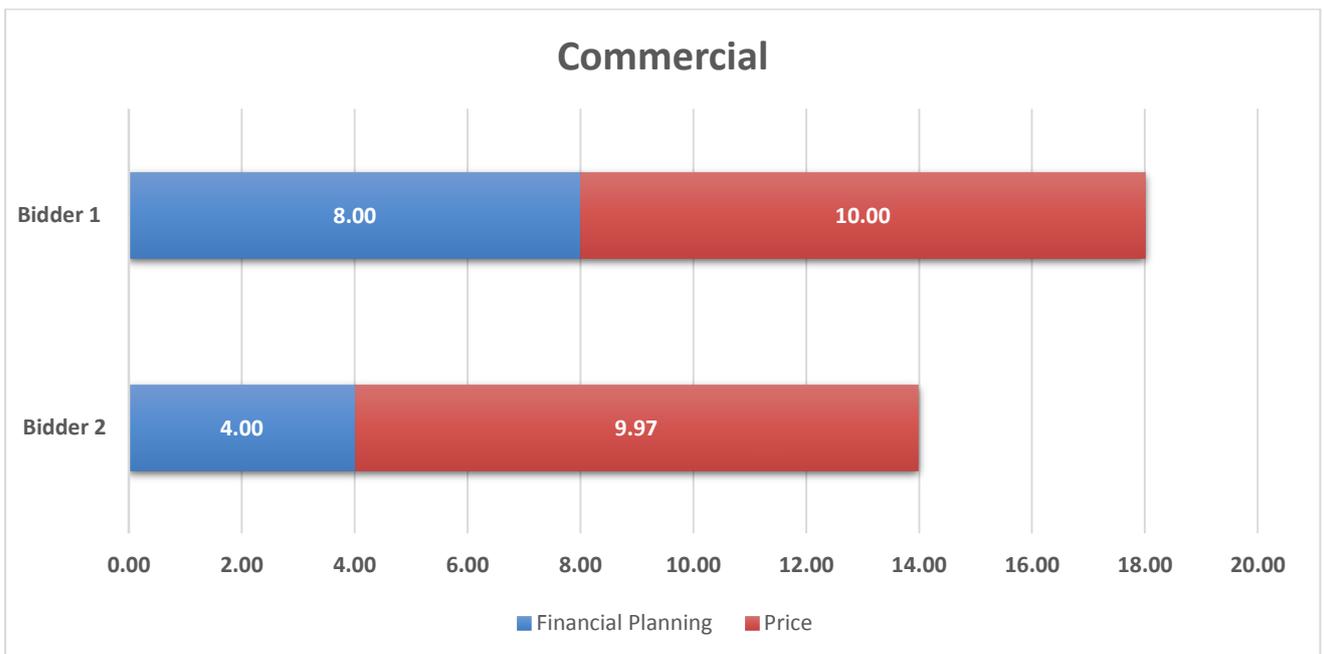


3.42 Commercial

3.43 The commercial section consisted of two area with a total weighting of 20%:

- Price (10%)
- Financial Planning (10%)

3.44 In order to determine the overall score of the commercial section the two elements were totalled, with the outcome as follows:



### 3.45 Overall Score

3.46 The overall score for the ITCD is as follows:



## 4.0 Recommendations

4.1 On the basis of evaluation criteria described within this report it is recommended that the contract is awarded to the bidder who scored the highest score and therefore submitted the most economically advantageous tender and met the following criteria:

- Passed the qualification envelope;
- Remained within the financial envelope on an annual basis and for the overall financial envelope;
- Accepted the NHS Standard Terms and Conditions;
- Achieved the 60% of the 70% marks within the Quality/ Technical section;
- Achieved the highest overall score.

4.2 The Governing Body notes the outcome of the procurement process and approves to award the contract to **Bidder 2**.

4.3 The contract awarded is for 5 years with the option to extend for 2 years.

4.4 The Governing Body approves Bidder 1 as the reserve bidder with whom they can re-engage should a contractual agreement with the preferred bidder not be reached.

## **5.0 Next Steps**

- 5.1 Following an approval of the recommendation by the Governing Body, the successful bidder will be notified of the CCGs intention to enter preferred bidder stage prior to award of contract.
- 5.2 Bidder 1 will be notified of the decision and their status as reserve bidder and to provide them with feedback in relation to their bids.
- 5.3 A ten day standstill period will commence so that the unsuccessful bidders can fully consider their feedback and request further clarification if required.
- 5.4 Once the standstill period is complete, a mobilisation plan will be confirmed with the successful provider and appropriate actions in the plan will commence to ensure the service is ready a start as soon as possible.
- 5.5 An NHS Standard Contract will be entered into with the provider for the term of period agreed. The contract draft will be completed and signed by the provider prior to the commencement of the service.
- 5.6 The formal mechanism for the management of the contract will be agreed with both CCGs.

