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| Director of Public Health | Ref No: OKD20 19/20 |
| September 2019 | Key Decision: Yes |
| Award of contract for the provision of Integrated Sexual Health and HIV Services | Report & Appendix 1 Part I Appendix2 - Part II |
| Report by Commissioner, Sexual Health | Electoral Division(s): All |

Summary

The Council are mandated to commission open-access, comprehensive, sexual health services for the population of West Sussex. NHS England is responsible for the provision of HIV treatment and care services.

Key Decision [AH03 19/20](#) approved the commencement of an open procurement of Integrated Sexual Health and HIV Services. A competitive joint procurement exercise was undertaken in accordance with the Public Contracts Regulation 2015, with the Council acting as the lead on behalf of itself and NHS England for two separate contracts for an integrated service.

The same key decision delegated authority to the Director of Public Health to: (a) award the contract to the bidder that submits the most economically advantageous tender which meets the requirements of the specification, (b) enter into the contract and (c) agree to future extensions of the contract up to a maximum contract period.

West Sussex Plan: Policy Impact and Context

Mandated Service under the Health and Social Care Act (2012)

Public Health Outcome Framework:

- 2.04 Under 18 years conception rate
- 3.02 Chlamydia detection rate in young people under the age of 25 years
- 3.03 Late diagnosis of HIV
- Total prescribed Long-Acting Reversible Contraception to be added as a PHOF indicator 2019-20

Financial Impact

The initial contract period will be for 3 years with the ability to extend for a further 2 years subject to a satisfactory review of performance of the service. It will deliver on-going annual savings of £300k, of which £250k will meet the target included in the County Council's Medium Term Financial Strategy from 2020/21 onwards. The remaining £50k will contribute towards the reductions in Public Health spending necessary from 2019/20 as a result of the £0.9m cut to this year's Public Health Grant.

Recommendation

The Director of Public Health is asked to approve the award of the Integrated Sexual Health Service and HIV Services contracts to Western Sussex Hospitals NHS Foundation Trust for an initial period of three 3 years, commencing 1st February 2020, with an option to extend for up to two years, in agreement with NHS England.

Proposal

1. Background and Context

- 1.1 The current contract covering this provision concludes on 31st January 2020.
- 1.2 A market consultation event was held on the 17th December 2018 to discuss the requirements of the service with providers in the sector.
- 1.3 The Cabinet Member for Adults and Health approved the commencement of a procurement process, detailed within the Decision Report [AH03 19/20](#) to recommission these services, in conjunction with NHSE, for a new contract effective from 1st February 2020.
- 1.4 A Contract Notice was issued in the Official Journal of the European Union (OJEU) on 4th June 2019 (ref 2019/S 106-259127). Further promotion of the requirement was made through the West Sussex e-Sourcing Portal and Contracts Finder.
- 1.5 A total of 18 organisations expressed interest in the opportunity on the e-Sourcing Portal. Two tenders were received by the tender return due date of 26th July 2019 in accordance with the tender documents made available on the e-Sourcing Portal.
- 1.6 Capita Procurement Services undertook compliance checks on the tender submissions on the 26th July 2019 to ensure all schedules that were required were duly submitted and that the tenders were correct.
- 1.7 The evaluation was broken down into the following Service Elements:
 - Service Element I – NHSE HIV Treatment and Care
 - Service Element II – WSCC Outreach and Health Promotion Activity
 - Service Element III – NHSE Pass through payments for HIV Drugs (not evaluated)
 - Service Element IV - WSCC Tariff based activity
- 1.8 The tender evaluation criteria and evaluation model as detailed below, was agreed by Council and NHSE officers, and was included in the tender documentation:

| Service Element | Quality | Price |
|------------------------|----------------|--------------|
| Service Element I | 30% | N/a |
| Service Element II | 14% | 6% |
| Service Element IV | 50% | Pass/Fail |

- 1.9 The tenders were evaluated by the evaluation panel between the 26th July 2019 and 31st July 2019 and a moderation meeting was held on the 1st August 2019 to discuss and agree final scores. The evaluation panel comprised of Council commissioners and contract officers and representation

from equivalent officers from NHSE partners making up membership of the partnership.

- 1.10 Bidders that met the minimum requirements following the evaluation of their written tender submission were invited to deliver a presentation on the 12th August 2019. The evaluation panel at this stage included representation from users of the service. The final scores awarded at this stage were combined with the scores achieved at the written tender stage to produce a final overall score.
- 1.11 Appendix 1 provides the tender evaluation model and Appendix 2 (Exempt - Local Government Act 1972, Paragraph 3 – Information relating to County Council Financial Business Affairs) provides the summary of the final moderated scores.
- 1.12 The appointed Procurement Officer has ensured that the procurement process was compliant.

2. Proposal Details

- 2.1 In agreement with NHSE, it is proposed that the contracts for Integrated Sexual Health and HIV Services are awarded to Western Sussex Hospitals NHS Foundation Trust.
- 2.2 The contracts will commence on 1st February 2020. The agreement is for a period of three (3) years with an option to extend for up to two (2) years.

Factors taken into account

3. Consultation

- 3.1 Consultation through a Sexual Health Needs Assessment, soft market testing, consultation with service users, clinical engagement through a Clinical Reference Group and the establishment of a commissioning steering group are described in the Decision Report [AH03 19-20](#).

4. Financial (revenue and capital) and Resource Implications

4.1 Revenue consequences of proposal

| | | Current Year 2019/20 £m | Year 2 2020/21 £m | Year 3 2021/22 £m | Year 4 2022/23 £m |
|-----------------|--|----------------------------------|-------------------------|-------------------------|-------------------------|
| Revenue Budget | | 4.60 | 4.55 | 4.30 | 4.30 |
| Saving Achieved | | 0.05 | 0.25 | 0.00 | 0.00 |

The effect of the proposal

- 4.2 The proposal will allow the continuation of a mandatory service at a reduced cost to the Council as a result of re-basing the tariff to a comparable level to neighbouring areas. It will realise on-going annual savings of £300k, of which £250k will deliver the target assumed from the reprocurement in

2020/21 in the County Council's Medium Term Financial Strategy. The remaining £50k will contribute towards the reductions in Public Health spending necessary from 2019/20 due to Government's decision to cut the Public Health Grant by £0.9m. Any additional savings released over its duration will be invested in:

- increasing the digital offer to service users
- increasing the drive for access to service for high risk groups and vulnerable people
- protecting Public Health through access to assessment of and treatment for emerging conditions e.g. mycoplasma genitalium and resistant gonorrhoea

The funding for the Council Integrated Sexual Health contract is set out above. There is a separate contract with NHSE for the fully NHSE funded HIV Service on NHS Terms and Conditions, which has also been procured as part of this process. For information the values attributed to this element of the service are set out below:

| | | |
|----------------------------|---|-----------|
| HIV Drugs | £ | 2,657,751 |
| Clinic costs and pathology | £ | 897,890 |

Future transformation, savings/efficiencies being delivered

- 4.3 The new service will have improved performance due to an increase offering to service users in an online solution and through the outreach activity planned through the new contract.

Human Resources, IT and Assets Impact

- 4.4 None identified.

5. Legal Implications

- 5.1 The Health and Social Care Act 2012 mandated Local Authorities to commission comprehensive, open-access sexual health services, including; free Sexually Transmitted Infection (STI) diagnosis and treatment, notification of sexual health partners of infected people, advice on and reasonable access to a broad range of contraception and advice on preventing unplanned pregnancy. NHSE is mandated to provide HIV Treatment and Care Services.
- 5.2 Whilst the Council lead the procurement process for the award of the new contracts there will be 2 distinct separate contracts, one Council contract for sexual health services and one NHSE contract for HIV services. Both contracts have been aligned and will be managed individually by each party in a collaborative manner.
- 5.3 There will be a collaboration agreement between the Council and NHS England, which will sit alongside the two service contracts and will set out the parties roles and responsibilities in respect of the integrated service and management/monitoring of the two service contracts.

- 5.4 This report seeks approval to award the contracts following the procurement process and for the Council to enter into its contract for the Provision of Sexual Health Services. NHS England will be required to follow their own internal governance for approval to award the HIV contract and will be required to confirm to the Council in writing that they have authority to award the new HIV contract.
- 5.5 Capita Procurement Services conducted the procurement exercise on behalf of the Council and as such are required to ensure the process was in compliance with the Public Contracts Regulations 2015 and the Council's Standing Orders on Procurement and Contracts.

6. Risk Implications and Mitigations

| Risk | Mitigating Action (in place or planned) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| There are 2 separate contracts. There is a risk that one party terminates their contract during the life of the service therefore the services are not aligned and integrated. | The collaboration agreement between WSCC and NHSE will mitigate this risk. |
| There is a potential risk should WSCC and NHSE not fully engage to collaborate or agree on the contract management approach of the contracts. | The collaboration agreement between WSCC and NHSE sets out the governance arrangement. |
| Changes to the model of delivery in the Integrated Sexual Health Service might increase demand on the service, especially around on-line delivery. | The contract contains clauses which will allow restrictions in service delivery if costs approach the maximum financial envelope. |
| Failure for new the integrated service to be delivered on and from the service commencement date. | This is mitigated by the mobilisation plan that will be robustly monitored by the Council and NHSE. The Service Provider will be required to sign the contract before the commencement date. |
| Lack of internal resources to effectively manage the contracts. | Through internal governance and escalations any impeding risks will be raised. |
| The risk of the service provider failing to deliver the service during the life of the contract. | Robust contract reporting and management provisions with good relationships built between the service provider, the Council and NHSE. |

7. Other Options Considered

- 7.1 Alternative procurement options were considered as part of the Key Decision Report (ref AH03 19-20).

8. Equality and Human Rights Assessment

- 8.1 There are no foreseeable Equality and Human Rights Act implications associated with this proposal.

The specific needs of vulnerable groups within the population have been used as assessment criteria within the evaluation process.

9. Social Value and Sustainability Assessment

- 9.1 Social Value was included within part of the Key Decision Report (ref AH03 19-20) and subsequently included in the procurement process as award criteria.

10. Crime and Disorder Reduction Assessment

- 10.1 Child Sexual Exploitation is an emerging issue for the population of West Sussex. The service specification highlighted the need for ongoing safeguarding support and formed part of the evaluation process.

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Appendices

Part I

Appendix 1 Tender Evaluation Model

Part II

Appendix 2 Summary of Scores

(Exempt - Local Government Act 1972, Paragraph 3 – Information relating to County Council Financial Business Affairs)

