

**Decision Report of the Director of Public Health**

Officer Decision	Date: 15 May 2017	Ward(s): all
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Delete as appropriate		Non-exempt
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**APPENDIX 3 TO THIS REPORT IS EXEMPT AND NOT FOR PUBLICATION**
**SUBJECT: Approval to enter into the Inter Authority Agreement to access the Pan London Online Sexual Health Service**
**1. Synopsis**

- 1.1 This report recommends that the Council enters into the Inter Authority Agreement (IAA) to join the new Pan London Online Sexual Health contract as part of the transformation of sexual health services across London. This new online service is an integral part of the London Sexual Health Transformation Programme's (LSHTP) development of a comprehensive sexual health service in Islington and London-wide.
- 1.2 The Council was included as a participating (related) Authority in the Official Journal of the European Union notice advertising the Pan London Online service along with 26 other London councils. Four other authorities indicated that they may wish to join the arrangement at a later date (Named Authorities).
- 1.3 The award of a contract was approved, by the Lead Authority (Corporation of London) to Preventx Limited. The contract will commence on 1st June 2017 with a contract estimated spend of £3,533,621 for Islington over the maximum 9 year life of the contract

**2. Recommendations**

- 2.1 To agree to the London Borough of Islington entering the Inter Authority Agreement to join the Pan London Online Service contract delivered by the highest scoring tenderer, Preventx Limited.

### **3. Date the decision is to be taken:**

15 May 2017

### **4 Background**

- 4.1 Islington Executive on 14 January 2016 agreed a procurement strategy which covered procurements for sexual health clinic-based services and online sexual health services. The Executive resolved to delegate authority to award the contracts to the Director of Public Health in consultation with the Executive Member for Health and Wellbeing. The procurement of local clinic-based integrated sexual health services (not part of this procurement report) was carried out jointly with Barnet, Camden and Haringey as part of North Central London (NCL) sub-region. The online sexual health services were procured as a London-wide service, led by Camden Council on behalf of the Corporation of London (who are the contract lead) covering 27 London councils. See attached Appendix 1 for the full list of councils.
- 4.2 The Inter Authority Agreement (IAA) provides the means for councils to access the Pan London Online Sexual Health Service contract, and sets out the governance and contract management arrangements between the councils for the online service within a wider governance arrangement for sexual health services in London. This includes an e-services management board, which will bring together the e-service, the contract management team and sub-regional commissioner representatives to monitor and guide the service. The IAA includes a financial contribution to the Corporation Of London Sexual Health Programme Team, which will support governance and provide contract management for the on-line sexual health service. For Islington, the contribution is expected to be approximately £20,000 per annum.
- 4.3 New technologies, including access to online services, alongside Integrated Sexual Health Services (ISHS), offer different, more efficient and convenient options for sexual health service delivery. The new service will allow patients to access information, receive an initial risk assessment that will direct them to the best service for their needs and, for those who are eligible for the service, to order self-sampling kits for HIV and Sexually Transmitted Infections (STIs) online. It will also offer a treatment and partner notification service for people diagnosed through the self-sampling service with uncomplicated genital chlamydia. The new service will work in partnership with local integrated sexual health clinics in Islington and across most of London in order to deliver optimal, end to end, sexual health outcomes.
- 4.4 There will be a phased approach to integrating the online service with the sub-regional open access services across London. Islington and other NCL partners will implement the new on-line services with effect from July 2017 so that it is co-ordinated with the introduction of new ISHS clinics in the sub-region.

### **5. Evaluation**

- 5.1 A Competitive Procedure with Negotiation (CPN) was followed. The evaluation panel for the tender included the programme lead, commissioners from the London sub regions, clinicians, health advisor, consultants in medical microbiology and virology, finance officers, Information Technology (IT) reps from Corporation of London along with colleagues covering safeguarding and Information Governance (IG). A Microbiologist, Virologist and clinician were involved in the visits to the pathology laboratories. The Head of Commercial Services for the Corporation of London attended moderation discussions.
- 5.2 Service user focus groups were involved with reviewing the self-sampling kits. Feedback from the groups informed the panel's discussions on these aspects.
- 5.3 There were four stages to the tender evaluation:
- Selection (pre-qualification)

- Invitation to Participate in Negotiation (ITPN)
- Invitation to Submit Final tender (ISFT)
- Invitation to Submit Refined Final tender (ISRFT)

- 5.4 In respect of the online service, eight (8) organisations submitted selection questionnaires which included Health Trusts, private companies and a Community Interest Company. The majority of submissions were consortia due to the hybrid nature of the services in terms of information technology, clinical and laboratory services.
- 5.5 Following evaluation against the selection criteria, six (6) organisations were invited to the ITPN stage. Three (3) organisations submitted tenders, two (2) of which were made up of consortia.
- 5.6 At initial tender stage, tenders were evaluated using a quality/price ratio of 70:30 as set out in the published tender documents. The two (2) highest scoring submissions were invited to the negotiation stage. The third organisation did not meet the minimum standards and did not progress to that stage.
- 5.7 Discussions at the negotiation stage were documented in detail and recorded as issues logs which were updated after each negotiation session, and addressed all aspects of award criteria/method statements. There were three negotiation sessions held with each bidder with the aim of developing their initial submissions to ensure comprehensive final tender bids and clear and sustainable pricing models.
- 5.8 Quality was evaluated in line with weighted criteria as detailed in a set of method statements. These included areas such as website design and functionality, information governance, sample kit design and content, social value, safeguarding and mobilisation. A breakdown of the criteria is attached in Appendix C.
- 5.9 Price was assessed based on an evaluation of the Total Tender Sum (TTS) which comprised:
- the kit costs for each year of the contract
  - the kit diagnosis costs based on a notional return rate of 70%;
  - a price for chlamydia only treatment
- 5.10 At final tender stage, tenders were evaluated using a quality/price ratio of 50:50. The quality/price weightings at the final stage differed from the initial stage in order to provide a greater focus on price. At initial tender stage the focus was on the quality and technical elements to ensure that all tenders met the range and complexity of the quality standards. Subsequently at final tender stage the balance between quality and price shifted to ensure that the tenderers placed greater attention to the pricing elements after following the negotiations in order to submit competitive tenders.
- 5.11 The procurement has resulted in the outcome shown in the table below.

Tenderer	Quality (50%)	Price (50%)	Total Score (100%)
Preventx Limited	36.2	50	86.2
2nd place tenderer	39.7	43.7	83.4

Appendix 2 provides a breakdown of the quality method statements, with weightings, and a guide to the scoring used.

## 6 Business Risks

6.1 The following table summarises the key impacts / risks and how they will be addressed:

Impact / Risk	Mitigation Strategy
Legal challenge from unsuccessful bidder	Thorough scrutiny of scores has taken place. Officers are confident the process has been fair and transparent and that the outcome is the correct result. Debrief meetings to be held with the unsuccessful bidder.
Channel shift of service users from clinics to on-line service does not happen to time or scale.	The winning bidder submitted a robust implementation plan for all elements of the service and clearly demonstrated that risk mitigation strategies are in place for a new and innovative online service. The winning organisation will work closely with the Corporation of London Sexual Health Programme team and local commissioners to launch the new service and to ensure that its roll out dovetails with newly tendered sub regional ISHS services. There will be early and on-going monitoring and performance management of the contract and the clinic contract. The specification for clinic services includes clear requirements to work in the new e-service including a Partnering Agreement for joined up working. An organisation has been separately procured to support the "channel shift" of service users moving away from the historic model of sexual health services to an IT based, self-sampling option.
Delay in implementation/start date of the service	Although a very tight implementation period and contract start date is required officers are confident that a robust and detailed implementation plan is agreed to meet the contract start date. This is also linked to the award and mobilisation of sub regional contracts but a clear phased introduction of the new service alongside those awards was agreed at the tender stage.

6.2 The Council is committed to encouraging its contractors to pay the London Living Wage (LLW) to employees delivering services on behalf of the Council subject to best value considerations. LLW will apply and has been included as a requirement in the contract terms and conditions.

## 7. Implications

### 7.1 Financial implications:

- 7.1.1 Islington Council receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its Public Health service. The total funding for 2017/18 is £26.6m.
- 7.1.2 The current 2017-18 budget earmarked for this service is £4.4m p.a. with a 2017-18 savings target of £1m included in this figure.
- 7.1.3 The Council's Public Health expenditure must be contained entirely within the grant funded cash limit indicated above. If any additional pressures are incurred management actions will need to be identified to cover this.
- 7.1.4 Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.
- 7.1.5 Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

## **7.2 Legal Implications:**

- 7.2.1 The Council has power to undertake a joint procurement exercise with other local authorities under section 111 of the Local Government Act 1972 which provides the power for the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The council has a duty to improve public health under the Health and Social Care Act 2012, section 12. The council must take such steps as it considers appropriate for improving the health of the people in its area including providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way) as well as providing services or facilities for the prevention, diagnosis or treatment of illness (National Health Service Act 2006, section 2B, as amended by Health and Social Care Act 2012, section 12 and Regulation 2013/351 made under the National Health Service Act 2006, section 6C). Therefore the council may provide online sexual health services as proposed in this report. The council may enter into an inter authority agreement to join the pan London online sexual health contract under section 1 of the Local Government (Contracts) Act 1997.
- 7.2.2 The services being procured are subject to the light regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The value of the contract that is being procured is above the EU threshold of £589,148.00 for application of the light regime. Accordingly the contract has been advertised in the Official Journal of the European Union. Bids were evaluated in accordance with the evaluation model. The recommended service provider was found to be the highest scoring tenderer.
- 7.2.3 In deciding whether to join the inter authority agreement as recommended the Director of Public Health should be satisfied as to the competence of the supplier to provide the services and that the tender price represents value for money for the Council. Regard must also be had to the information set out in the attached appendix.

## **7.3 Environmental Implications**

- 7.3.1 Channel shift to e-services will help to reduce the amount of travel needed to go to clinic services, since a proportion of service users will be able to receive self-sampling kits at home or at other locations convenient for them instead. Environmental sustainability was considered as part of the social value award criteria. Environmental sustainability and energy use reduction measures and policies across organisations within the consortium are in place for this service, and other measures will be implemented such as further energy use reduction measures.

## **7.4 Resident Impact Assessment:**

- 7.4.1 A Resident Impact Assessment was completed on 22 December 2015, updated in January 2016, and re-reviewed in March and April 2017. A summary is included below. From the needs assessment previously carried out, protected characteristics which are of particular importance with regard to sexual health and sexual health services are age, gender, sexual orientation, disability and deprivation, although sexual health services encompass needs that may affect anyone within the population, including across all protected characteristics.
- 7.4.2 In summary, these services are designed as part of open access services open to anyone who is in the area and who wishes to access sexual health services. The service is designed to meet the needs across the population, including of people with protected characteristics, and they will be equally open to the general population on equal terms. New on-line sexual health services, including access to self-sampling kits for sexually transmitted infections, have the potential to provide an alternative to sexual health clinic attendances for people who are asymptomatic, and may also reach people who may previously not have used clinic services. It will be important that web-based services meet standards for accessibility. The specification and quality assessment of the on-line service took into account recommendations from the impact assessment carried out as part of the on-line service development process. The overall service model recognises that different groups may access and use on-line services differentially, and alternatives such as open access sexual health services or primary care-based services should be available.

## 8. Reasons for the decision:

- 8.1 The recommended provider Preventx Limited who will be the lead in a consortium achieved the highest combined quality/price score and evidenced a high level of understanding of the service model proposed and ability to meet or exceed key performance targets and service outcomes. The recommended provider is a consortia made up of Chelsea and Westminster NHS Foundation Trust, Lloyds Online Pharmacy and Zesty.
- 8.2 The consortia demonstrated clearly that they will deliver the service to the required timeframe and in line with the phased introduction of the sub regional clinical contracts as they come on board.
- 8.3 This paper has summarised the procurement process to deliver value for money. The procurement was carried out by Camden Council and undertaken in line with Camden Council's procurement rules and advised transparently in accordance with the Public Contracts Regulations 2015.
- 8.4 It is recommended that Islington Council signs the Inter-Authority Agreement (IAA) in order to access the contract for online sexual health services awarded by The Corporation of London to the most economically advantageous tender Preventx Limited. The contract is for a period of five (5) years (plus a further optional four (4) contract extensions of one (1) year each) for Islington. The first year estimated value is up to £103,050 and the total estimated value is up to £1,640,596 during the first five years (and a total of £3,533,621 if all four optional one year contract extensions are taken up). All values are estimated depending on uptake of the service. The IAA makes provision for councils to be able to exit from the agreement after the first two years, should councils wish to do so.

## 9. Record of the decision:

- 9.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

### Signed by:

Director Public Health

Date

### Appendices:

- **Appendix 1** – List of related authorities participating in the London Online Sexual Health Service (27 London councils)
- **Appendix 2** – The quality method statements used in the evaluation of submissions with weightings
- **Appendix 3** – Detailed evaluation of tender responses (Exempt)

### Background papers: None

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**Appendix 1.** List of related authorities participating in the London Online Sexual Health Service (27 London councils)

Barnet  
Bexley  
Brent  
Bromley  
Camden  
Corporation of  
London  
Ealing  
Enfield  
Hackney  
Hammersmith and  
Fulham  
Haringey  
Harrow  
Havering  
Islington  
Kensington and  
Chelsea  
Kingston upon  
Thames  
Lambeth  
Lewisham  
Merton  
Newham  
Redbridge  
Richmond upon  
Thames  
Southwark  
Tower Hamlets  
Waltham Forest  
Wandsworth  
Westminster

**Appendix 2.** The quality method statements used in the evaluation of submissions with weightings

Quality method statement	Weighting	Quality method statement sub-headings	Sub-heading weighting
<b>1. Website/portal design and management</b>	<b>7.5%</b>	1.1 Design and functionality	1.875%
		1.2 Algorithms	1.875%
		1.3 Efficiency, accuracy and security	1.875%
		1.4 Information flow	1.875%
<b>2. Continuous improvement and development</b>	<b>2.5%</b>	2.1 Service user Feedback	1.25%
		2.2 Activity Monitoring	1.25%
<b>3. Management of the service and system</b>	<b>7.5%</b>	3.1 Clinical Governance and Quality Assurance	1.5%
		3.2 Staffing	1.5%
		3.3 Monitoring reporting	0.75%
		3.4 ICT System Management	1.5%
		3.5 Data recording and transfer	1.5%
		3.6 Invoicing	0.75%
<b>4. Implementation /mobilisation/service model</b>	<b>7.5%</b>	4.1 Implementation methodology	1.5%
		4.2 Working with the Lead Authority	0.75%
		4.3 Key milestones	1.5%
		4.4 Pan London Service Development	0.75%
		4.5 Supplier resources	0.375%
		4.6 Staffing	0.75%
		4.7 Partnership working	0.75%
		4.8 Risk Log	0.75%
		4.9 Marketing and promotion	0.375%
<b>5. Clinical testing process including results management</b>	<b>7.5%</b>	5.1 Pathology	1.50%
		5.2 Repeat testing	0.75%
		5.3 Chlamydia treatment	1.125%
		5.4 Partner notification (Chlamydia only)	1.125%
		5.5 Kit Return Rate	1.5%
		5.6 Testing Kits	1.5%
<b>6. Proposed methodology for achieving Quality Outcome Indicators and KPIS</b>	<b>5.0%</b>	6.1 Achievement of Performance indicators and outcomes	5%
<b>7. Proposed approach to demonstrating social Value in the delivery of the Services</b>	<b>2.5%</b>	7.1 Social Value proposals	0.50%
		7.2 Advertising job opportunities	0.25%
		7.3 Other positive action taken to recruit or create flexibility around the job opportunities	0.25%
		7.4 Corporate Social Responsibility	0.50%
		7.5 Sourcing	0.50%
		7.6 Buying standards	0.50%
<b>8. Proposed approach to Partnership Working</b>	<b>5.0%</b>	8.1 Multi Supplier working	2.5%
		8.2 Key Stakeholders	2.5%
<b>9. Safeguarding</b>	<b>5.0%</b>	9.1 Under 18s Safeguarding	2.50%
		9.2 Adult safeguarding	1.25%
		9.3 Data Collection	1.25%
<b>Total</b>	<b>50%</b>		



## Scoring used in the evaluation of quality method statements

Score	Classification	Definition
0	No response (complete noncompliance)	No response at all or insufficient information provided in the response such that the solution is not capable of assessment and/or is incomprehensible.
1	Unsatisfactory response (potential for some compliance but very major areas of weakness)	<p>Substantially unacceptable submission which fails in several significant areas to set out a solution that addresses and meets the requirements: little or no detail may (and, where evidence is required or necessary, no evidence) have been provided to support and demonstrate that the tenderer will be able to provide the services and/or considerable reservations as to the tenderer's proposals in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.</p> <p>Would represent a very high risk solution for the contracting authority</p>
2	Partially acceptable response (one or more areas of major weakness)	<p>Weak submission which does not set out a solution that fully addresses and meets the requirements: response may be basic/minimal with little or no detail (and, where evidence is required or necessary, with insufficient evidence) provided to support the solution and demonstrate that the tenderer will be able to provide the services and/or some reservations as to the tenderer's solution in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.</p> <p>May represent a high risk solution for the contracting authority.</p>
3	Satisfactory and acceptable response (substantial compliance with no major concerns)	<p>Submission sets out a solution that largely addresses and meets the requirements, with some detail (or, where evidence is required or necessary, some relevant evidence) provided to support the solution; minor reservations or weakness in a few areas of the solution in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.</p> <p>Medium, acceptable risk solution to the contracting authority.</p>
4	Fully satisfactory /very good response (fully compliant with requirements).	<p>Submission sets out a robust solution that fully addresses and meets the requirements, with full details (and, where evidence is required or necessary, full and relevant evidence) provided to support the solution; provides full confidence as to the relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.</p> <p>Low/No risk solution for the contracting authority.</p>
5	Outstanding response (fully compliant, with some areas offering added value)	<p>Submission sets out a robust solution (as for a 4 score – above) and, in addition, provides or proposes additional value in substance and outcomes in a manner acceptable to the contracting authority; provides full confidence as to the relevant ability, understanding, expertise, skills and/or resources not only to deliver the requirements, but also offering added value.</p> <p>Low/No risk solution for the contracting authority</p>