

# MAYOR'S EXECUTIVE DECISION MAKING

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Wednesday, 7 June 2017

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Mayor's Decision Log No. 156


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1. **BUSINESS CONTINUITY FOR SERVICES CURRENTLY PROVIDED BY LIFELINE (Pages 1 - 22)**

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact: Matthew Mannion, Committee Manager, Democratic Services

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<p><b>Individual Mayoral Decision Proforma</b></p> <p>Decision Log No: <u>156</u></p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Denise Radley, Corporate Director, Health, Adults and Community</p>	<p><b>Classification:</b> Unrestricted</p>

<b>Is this a Key Decision?</b>	<b>No</b>
<b>Decision Notice Publication Date:</b>	
<b>General Exception or Urgency Notice published?</b>	<b>Not required</b>
<b>Restrictions:</b>	No restrictions
<b>Reason for seeking an Individual Mayoral Decision:</b>	Lifeline are entering administration and a new provider for contracted services must be determined as soon as possible to ensure service continuity

## 1. EXECUTIVE SUMMARY

Lifeline project, a substance misuse focused national charity has recently announced that it is experiencing significant financial difficulty and is working with CGL (another substance misuse focused national charity) to transfer current service contracts in order to ensure continuity of care for service users. LBTH currently commissions two projects from Lifeline:

1. Reset Recovery Support Service (commissioned by the Drug & Alcohol Action Team - DAAT), contract runs until 30/10/18 with option of one year extension, contract value £816k annually.
2. Renew young people treatment service (commissioned by Public Health), contract runs until 30/09/17 and a new service is currently being procured, contract value £225k annually.

The Council must now determine a response to this situation to ensure continuity of care for service users and to minimise risk. Further analysis of the risk and a full options appraisal is presented in the body of the report.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.


**2. DECISION**

1. Novate the Reset drug / alcohol recovery support service to CGL (Change, Grow, Live) for the remainder of the original contract term (30/10/18 plus 1 year extension option).
2. Novate the Renew young people's substance misuse service to CGL for the remainder of the original contract term (30/09/17).

**APPROVALS**


**1. (If applicable) Corporate Director proposing the decision or ~~his~~/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date *Deputy* *02/06/17*

**2. Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed  Date *Depty S156* *2/6/17*

**3. Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)


I confirm that this decision:-

- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.


Signed Grammonte Date 02/06/17


4. Mayor

I agree the decision proposed in the recommendations above for the reasons set out in paragraph 1 in the attached report.

Signed  Date 2/6/17

I have discussed this with officers making the points of other strategies. A letter setting out the reasons will be sent to other relevant parties, changing the reasons for the decision and future options.



<b>Individual Mayoral Decision</b>  25 May 2017	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Denise Radley, Corporate Director Health, Adults and Community	<b>Classification:</b> Unrestricted
<b>Business continuity for services currently provided by Lifeline</b>	

<b>Lead Member</b>	<b>Councillor Rachael Saunders, Cabinet Member for Health &amp; Adult Social Care</b>
<b>Originating Officer(s)</b>	Rachael Sadegh, Service Manager – Substance Misuse
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>Safe and cohesive community, healthy and supportive community</b>

### Executive Summary

Lifeline project, a substance misuse focused national charity has recently announced that it is experiencing significant financial difficulty and is working with CGL (another substance misuse focused national charity) to transfer current service contracts in order to ensure continuity of care for service users. LBTH currently commissions two projects from Lifeline:

1. Reset Recovery Support Service (commissioned by the Drug & Alcohol Action Team - DAAT), contract runs until 30/10/18 with option of one year extension, contract value £816k annually.
2. Renew young people treatment service (commissioned by Public Health), contract runs until 30/09/17 and a new service is currently being procured, contract value £225k annually.

The Council must now determine a response to this situation to ensure continuity of care for service users and to minimise risk. Further analysis of the risk and a full options appraisal is presented in the body of the report.

**Recommendations:**

The Mayor in Cabinet is recommended to: / The Mayor is recommended to:

1. Subject to compliance checks being carried out and the results being satisfactory to delegate to the Corporate Director Health, Adults and Community the authority to novate the following:
  - (i) The Reset drug / alcohol recovery support service to CGL (Change, Grow, Live) for the remainder of the original contract term (30/10/18 plus 1 year extension option).
  - (ii) The Renew young people's substance misuse service to CGL for the remainder of the original contract term (30/09/17).
2. To enter into the contractual documentation required to give effect to this decision

## **1. REASONS FOR THE DECISIONS**

- 1.1 Lifeline project, a substance misuse focused national charity has recently announced that it is experiencing significant financial difficulty and is working with CGL (another substance misuse focused national charity) to transfer current service contracts in order to ensure continuity of care for service users.
- 1.2 Both services commissioned to Lifeline deal with vulnerable service users who are dealing with drug and/or alcohol addiction issues. A loss of service, even temporarily, carries an element of risk to these individuals.
- 1.3 The value of both contracts requires a level 5 procurement process (ie subject to the requirements of the EU & Public Contracts Regulations 2015). This is not possible to implement prior to 1<sup>st</sup> June 2017.
- 1.4 If services are to continue, an alternative provider must be contracted. Without a procurement process, any provider other than the incoming provider identified by Lifeline would require a direct award without ensuring the best value duty via a transparent procurement process.
- 1.5 Novation of the contract is provided for within the existing contracts' terms and conditions.
- 1.6 The contract awards should be subject to compliance with the original Lifeline tender submission.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The services could be terminated until a new procurement exercise is undertaken.
- 2.2 The contracts could be awarded to an alternative provider.
- 2.3 These alternatives have been considered and ruled out for the reasons given below.

## **3. DETAILS OF REPORT**

### **Background**

- 3.1 Lifeline project, a substance misuse focused national charity, has recently announced that it is experiencing significant financial difficulty and is working with CGL (another substance misuse focused national charity) to transfer current service contracts in order to ensure continuity of care for service users. Due to Lifeline's precarious financial situation, they are looking to transfer business by 01/06/17, presenting a real urgency in determining a way forward.
- 3.2 The Council currently commissions two projects from Lifeline:
  - Reset Recovery Support Service (commissioned by the Drug and Alcohol Action Team). The contract runs until 30/10/18 with the option of a one year extension until 30/10/19 and the annual contract value is £816k.
  - Renew Young People Treatment Service (commissioned by Public Health). This contract runs until 30/09/17 and a new service is currently being procured. The annual contract value is £225k.



- 3.3 The Council must now urgently determine a response to this situation to ensure continuity of care for service users and to minimise financial risk and reputational risk.
- 3.4 This report presents further analysis of the risk and a full options appraisal.
- 3.5 The risks associated with this scenario are in the areas of business continuity, finance and reputation. Details of these risks and mitigations are outlined in the risk management section below.

#### Options Appraisal

- 3.6 As the Council has a duty of best value, a termination of high value contracts with a provider would ideally be preceded by a competitive procurement process. Unfortunately, given the financial situation of Lifeline, such a procurement exercise is not possible within the timeframe required (before 01/06/17). Therefore alternative provision must be sought if services are to continue.
- 3.7 *Option 1: Termination of services*  
Both services could be terminated temporarily whilst a procurement process is undertaken. This option is not ideal as outlined in the risk section below as it would place vulnerable residents at risk with a significant gap in service provision.
- 3.8 *Option 2: Novation of adult contract to CGL (the organisation to whom Lifeline are transferring business and assets) for the remaining period of the original contract (to 30/10/18 plus option for one year extension) AND Novation of young people's contract to CGL for the remaining period of the original contract (until 30/09/17).*

CGL are a large national charity specialising in substance misuse and are working with Lifeline to ensure continuity of service across all of Lifeline's contracts (subject to the agreement of each commissioning organisation). CGL have committed to working to the same contract, service specification, key performance indicators as per current arrangements with Lifeline as well as deliver to the same model specified within the Lifeline tender submissions. CGL have also committed to maintain the same staff complement and team members employed by Lifeline and undertake the exact same subcontracting arrangements. Lifeline currently subcontract a number of smaller providers as part of the adult service; Bromley by Bow, Spitalfields Crypt Trust, City Gateway and Nacro. This option is in accordance with the Public Contracts Regulations.

Prior to novation, CGL would need to satisfy the prequalification requirements of the original tender (Appendix 1). It can be confirmed that CGL did submit a bid for the adult service in 2015 and it did fulfil the requirements at that time, though the checks are being administered again, including appropriate financial assessment.

The young people's Substance Misuse Service is to become part of an integrated service for young people (sexual health, substance misuse, smoking cessation). This service is currently being procured via a competitive

tender exercise. The initial response to this tender exercise was unsatisfactory and therefore an extension to this contract may be required whilst the tender process is completed – this would be dealt with via a separate process in line with usual Council procedures.

**3.9 *Option 3: Award contracts for a shorter period of time (1 year) to facilitate an earlier tender process***

This option will only apply to the adult service as the young people's service has only a short term remaining. Whilst this option would ensure our duty of best value is met as early as possible, the result for services would be destabilising. Such a short period for a contract may result in the service being delivered by 3 different providers in the space of 2 years. The contract currently in place has a break clause included at the end of October 2018 and procurement for a new service would commence in early 2018 if this was implemented or early 2019 if a 1 year extension was granted.

**3.10 *Option 4: Award of contracts to an alternative provider.***

If the contract was not novated to CGL, there are a number of providers who could be approached to provide this service via direct contract award. This would necessitate a waiver of the procurement regulations. However choosing one of these providers would be a largely subjective decision in the absence of a competitive tender process. This decision would be less transparent and open to legal challenge. This option also does not guarantee the provider's willingness to operate in accordance with the contract, service specification and key performance indicators currently in place with Lifeline as well as operating a business model which protects staff and subcontractors and delivers in accordance with the original tender submission.

**4. COMMENTS OF THE CHIEF FINANCE OFFICER**

4.1 The report seeks approval to the novation of the two commissioned services from Lifeline to Change, Grow, Live (CGL) from the 1<sup>st</sup> June 2017. The option recommended for consideration is the second option. This proposes that the Reset drug / alcohol Recovery Support Service, funded from Public Health through the Drug and Alcohol Action Team at a cost of £816k pa is contracted until the end of October 2018 with a one year extension option. For the Renew Young People Substance Misuse Service funded direct from Public Health at a cost of £225k pa, the report proposes that this is contracted until the 30<sup>th</sup> September 2017 and then re-procured.

4.2 Four options are considered within this report, which recommends that option 2 is accepted. This and option 3 are the only options that provide for continuity of service provision from the 1<sup>st</sup> June 2017. Whilst there is the option to consider termination and re-procure, or find an alternative provider, none of these options provide for the continuity of service, which would leave the Council without any service provision whilst a new contract is procured or an agreement is reached with an alternative provider.

- 4.3 The financial risk to the Council from the loss of service provision from Lifeline is mitigated as no quarter one payments have been made to date on both contracts. There is the expectation that the Council will only be invoiced for April and May to coincide with the novation from the 1<sup>st</sup> June 2017. The risks are further reduced with the proposed new service provider CGL. They have been in talks with Lifeline to take over a significant proportion of their projects at risk, and are committing to continue to work to the original contract specification. They are best suited to seamlessly integrating both services without the risk of withdrawing vital treatment and support during the transition of the novation.
- 4.4 CGL are a national charity, formerly known as Crime Reduction Initiatives up until the 31<sup>st</sup> March 2016. In assessing the financial viability of the CGL, the review of the financial records for the financial year 2015/16 ending the 31 March 2016 show a turnover of £158.3m (2014/15 £141.5m) and total reserves of £21.2m (2014/15 £16.9m). This provides assurance that there are sufficient resources and reserve provision to manage the Council contracts for the period recommended.

## **5. LEGAL COMMENTS**

- 5.1 This report seeks approval to novate two contracts, currently being delivered by Lifeline Project Limited, to a new service provider, Change, Grow, Live ("CGL"). The contracts relate to the following services:
- Reset Recovery Support Service and;
  - Renew Young People Treatment Service
- 5.2 The report confirms that the loss of these services would carry a risk to vulnerable service users and, accordingly, there is a clear need to ensure that cessation does not occur. Novating the contracts to CGL mitigates this risk.
- 5.3 Local authorities have, since April 2013, assumed lead responsibility for improving public health, for coordinating local efforts to protect the public's health and wellbeing, for ensuring health services effectively promote population health and for addressing health inequalities pursuant to the Health and Social Care Act 2012. The remit of these responsibilities includes functions relating to services dealing with substance misuse. The Council has the power to enter into contracts for services relating to the substance misuse & alcohol treatment and novating the existing contracts to the new provider is either in pursuit of that function or is to "facilitate, or is conducive or incidental to, the discharge of" that function in accordance with section 111 of the Local Government Act 1972.
- 5.4 Under the Public Contracts Regulations 2015 these services are categorised as Schedule 3 services (Social and other Specific Services). As the value of the contracts exceeds the relevant threshold for Schedule 3 services (£625,000), the Regulations apply.

- 5.5 The legislative basis for the novation of contracts which are within the scope are set out in Regulation 72. This permits the modification of a contract, where the incoming provider replaces the existing one as a consequence of a merger, takeover or insolvency, provided that (a) the incoming provider fulfils the criteria for qualitative selection which was established under the original procurement exercise; and (b) the proposed modification (novation) does not make any other substantial modifications to the contract.
- 5.6 In respect to CGL fulfilling the original criteria for qualitative selection, it is noted that under paragraph 9.3 financial checks are to be undertaken. The service must further ensure that CGL satisfy the other requirements which were set out in the original PQQ before the novation is effected.
- 5.7 As the circumstances of the novation are specifically provided for within the Regulations, the risk of being unable to defend any potential challenge is extremely low. In any event, the Council should consider posting a Voluntary Ex-Ante Transparency notice in the European Journal which would specifically disallow ineffectiveness claims following expiry of the 30 day period following the placing of the notice.
- 5.8 The Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." Compliance by the Council with its own Procedures and the Regulations should assist to satisfy these requirements and, given that the terms of the contract are remaining the same as was originally procured, it is considered that the best value duty is being discharged. This is considered further at paragraph 7.
- 5.9 The Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public sector equality duty. This includes, where appropriate, completing an equality impact assessment which should be proportionate to the function in question and its potential impacts. This is considered further at paragraph 6

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 CGL will be assessed against the original requirements for the procurement including aspects relating to equalities, diversity and delivery of culturally appropriate services.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The Council has a duty of best value and for contracts of this size, that duty would usually be fulfilled by a competitive tender process. Indeed, both Lifeline contracts were awarded on this basis. The unexpected circumstances

for Lifeline do not leave sufficient time to undertake such a process and ensure service continuity for vulnerable residents. Novation of contracts to CGL could be agreed in accordance with the original tender submissions which were, at the time of award, deemed to be the most economically advantageous tender .

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

8.1 No direct impact relating to this decision.

## **9. RISK MANAGEMENT IMPLICATIONS**

9.1 The current financial position of Lifeline presents a number of risks to the Council that require an urgent response.

### **9.2 Business continuity risk**

Both services commissioned to Lifeline deal with vulnerable service users who are dealing with drug and/or alcohol addiction issues. A loss of service, even temporarily, carries an element of risk to these individuals.

The adult service commissioned (Reset Recovery Support Service) provides a suite of recovery support interventions that supplement the interventions provided by the treatment service; counselling, family support, group programmes, support and guidance relating to employment, training and education, accommodation and finance. All service users are referred to this service via the main treatment service. If the recovery support service was not provided, service users would continue to receive core interventions from the treatment service (prescribing, keyworking, psychosocial interventions) but would not be able to access the specialist support currently provided by Lifeline to achieve full recovery from their addictions.

Renew Young People's (YP) Substance Misuse Service works with young people up to the age of 18 who have a substance misuse issue. They provide structured treatment for individuals who are mainly referred via schools, youth offending service and children's social care. If this service was not provided, there is no other service provision within the borough, leaving a gap for YP substance misuse treatment. This service currently has a contract end date of 30/09/17 and a reprocurement exercise has commenced for an integrated YP service (substance misuse, sexual health, smoking cessation).

### **9.3 Financial risk**

There are two significant areas of financial risk presented as a result of Lifeline's financial difficulty. The first risk relates to any monies already paid to Lifeline beyond the anticipated date of transfer. Invoices for Q1 have not yet been paid for either service and therefore do not represent any great financial risk.

The second area of risk relates to any future provider. In order to mitigate against such a risk, adequate financial checks must take place as per the original pre-qualification requirements prior to any contract award.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 There is a clear link between substance misuse and crime and anti-social behaviour. Both contracts currently delivered by Lifeline have a significant role in reducing crime and anti-social behaviour. Timely transfer of the contracts to another provider will ensure continuity of service which in turn will contribute to reduced drug / alcohol related crime and anti-social behaviour.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 The services currently provided by Lifeline provide important treatment interventions for vulnerable adults and young people. In particular, the young people's service sees service users who are often experiencing a number of vulnerabilities including domestic abuse, mental health issues, leaving care, not in education / employment / training, self-harm, involvement in crime. An absence of these services would leave a safeguarding gap as well as impact upon the troubled families' agenda.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE.

#### **Appendices**

- Appendix 1: Prequalification questionnaire (Recovery Support Service)

#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE.

#### **Officer contact details for documents:**

N/A

Type	Number	Title	Description
Section	4	<b>ECONOMIC AND FINANCIAL STANDING</b>	<b>ECONOMIC AND FINANCIAL STANDING</b>
Question	4.1	5.1 Please provide one of the following to demonstrate your economic/ financial standing: Please mark your answer to the documentation provided.	Options a) A copy of the audited accounts for the most recent two years b) A statement of the turnover, profit & loss account, current liabilities and assets, and cash flow for the most recent year of trading for this organisation c) A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position d) Alternative means of demonstrating financial status if any of the above are not available (e.g. Forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or alternative means of demonstrating financial status).
Question	4.2	5.2 Where the authority has specified a minimum level of economic and financial standing and/ or a minimum financial threshold within the evaluation criteria for this PQQ, please self-certify by answering YES or NO that you meet the requirements set out here. Where turnover is not set up, please select Not Applicable.	
Question	4.3	5.3 (a) Are you part of a wider group (e.g. a subsidiary of a holding or parent company)? If yes, please provide in the comment box the name and the relationship to the Supplier completing the PQQ.	
Question	4.4	5.3 (b) If you are part of a wider group and have answered YES to question 5.3 (a), please provide Ultimate/parent company accounts if available	Yes, I have attached the Ultimate/parent company accounts No, I will not attach Ultimate/parent company accounts. No, I have not attached ultimate/parent company accounts as they are not available No applicable to my organisation
Question	4.5	5.3 (c) If you are part of a wider group e.g. a subsidiary of a holding/parent company, would the Ultimate/Parent company be willing to provide a guarantee if necessary? If you answer NO, would you be able to obtain a guarantee elsewhere (e.g. from a bank)?	Yes, Ultimate/Parent company would provide guarantee if necessary. No, Ultimate/Parent company will not be providing guarantee. A guarantee will be obtained elsewhere, if necessary Not applicable to my organisation



Type	Number	Title	Description	Pass/Fail	Mandatory
Section	1	1 - SUPPLIER INFORMATION	<b>1. Supplier Information</b> This section should be used to gather the necessary details to understand the nature of the organisation and legal entity participating in the procurement exercise, and the composition of their supply chain. This section would not be scored as the answers to the questions are for information only, but a supplier may be excluded on the grounds of providing insufficient or false information.		
Sub-Section	1.1	1.1.1	Lots you are applying for		
Question	1.1.1	Please select the Lot(s) you are applying for:	Please select the Lot(s) you are applying for. Note you are able to apply for one or multiple lots.	N	Y
Sub-Section	1.2	1.2 - SUPPLIER DETAILS	This subsections questions refer to the contact details of your organisation. This question is mandatory and therefore need to be answered, however, if there is any particular question that does not apply to you please write N/A.		
Question	1.2.1	1. Full name of the Supplier completing the POQ		N	Y
Question	1.2.2	2. Registered company address		N	Y
Question	1.2.3	3. Registered company number		N	Y
Question	1.2.4	4. Registered charity number		N	Y
Question	1.2.5	5. Registered VAT number	Please if you are not a registered VAT number business, indicate Not Applicable.	N	Y
Question	1.2.6	6. Name of immediate parent company		N	N
Question	1.2.7	7. Name of ultimate parent company		N	N
Question	1.2.8	Please select the relevant box to indicate your trading status	Options i) a public limited company ii) a limited company iii) a limited liability partnership iv) other partnership v) sole trader vi) other (please specify)	N	Y
Question	1.2.9	Please select the relevant boxes to indicate whether any of the following classifications apply to you	Options i) Voluntary, Community and Social Enterprise (VCSSE) ii) Small or Medium Enterprise (SME) iii) Sheltered workshop iv) Public service mutual	N	Y
Sub-Section	1.3	1.3 - BIDDING MODEL	Bidding Model		
Question	1.3.1	a) Are you bidding as a Prime Contractor and will deliver 100% of the key contract deliverables yourself?		N	Y
Question	1.3.2	b) Are you bidding as Prime Contractor and will use third parties to deliver some of the services?	If yes you have answered YES, please provide details, on a separate Appendix of your proposed bidding model that includes members of the supply chain, the percentage of work being delivered by each sub-contractor and the key contract deliverables each sub-contractor will be responsible for.  Additionally, where sub-contractors are to deliver more than 25% of the overall requirement they must also complete the WHOLE POQ questionnaire attached.  The Authority recognises that arrangements in relation to sub-contracting may be subject to future change, and may not be finalised until a later date. However, Suppliers should be aware that where information provided to the authority indicates that subcontractors are to play a significant role in delivering key contract requirements, any changes to those sub-contracting arrangements may affect the ability of the Supplier to proceed with the procurement process or to provide the supplies and/or services required.  Suppliers should therefore notify the Authority immediately of any change in the proposed subcontractor arrangements. The Authority reserves the right to deselect the supplier prior to any award of contract, based on an assessment of the updated information.	Y	Y
Question	1.3.3	c) Are you bidding as Prime Contractor but will operate as a Managing Agent and will use third parties to deliver ALL of the services?	If yes you have answered YES, please provide details, on a separate Appendix of your proposed bidding model that includes members of the supply chain, the percentage of work being delivered by each sub-contractor and the key contract deliverables each sub-contractor will be responsible for.  Additionally, ALL sub-contractors must also complete the WHOLE POQ questionnaire attached.  The Authority recognises that arrangements in relation to sub-contracting may be subject to future change, and may not be finalised until a later date. However, Suppliers should be aware that where information provided to the authority indicates that subcontractors are to play a significant role in delivering key contract requirements, any changes to those sub-contracting arrangements may affect the ability of the Supplier to proceed with the procurement process or to provide the supplies and/or services required.  Suppliers should therefore notify the Authority immediately of any change in the proposed subcontractor arrangements. The Authority reserves the right to deselect the supplier prior to any award of contract, based on an assessment of the updated information.	Y	Y
Question	1.3.4	d) Are you bidding as a Consortium but not proposing to create a new legal entity?	If you have answered YES, please include an Appendix with details of your consortium members and the proposed arrangements i.e. why a new legal entity is not being created.  Additionally, ALL members of the consortium will be required to complete the WHOLE POQ questionnaire attached to this question.	Y	Y
Question	1.3.5	e) Are you bidding as a Consortium and intend to create a Special Purpose Vehicle (SPV)?	If you have answered YES, please include an Appendix with details of your consortium, current lead member and intended SPV and provide full details of the bidding model.  Additionally, ALL members of the consortium will be required to complete the WHOLE POQ questionnaire attached to this question.	Y	Y
Sub-Section	1.4	1.4 - CONTACT DETAILS	Contact details for the person in your organisation who will be dealing with this particular project/contract		
Question	1.4.1	1. Name		N	Y
Question	1.4.2	2. Postal Address		N	Y
Question	1.4.3	3. Country		N	Y
Question	1.4.4	4. Phone		N	Y
Question	1.4.5	5. Mobile		N	Y
Question	1.4.6	6. E-mail		N	Y
Sub-Section	1.5	1.5 - Licensing and Registration	Licensing and Registration		
Question	1.5.1	1.5.1 If applicable, is your business registered with the appropriate trade or professional register(s) in the EU member state where it is established (as set out in Annex B3 of directive 2014/24/EU) under the conditions laid down by that member state?	If you have answered YES, please provide the registration number in the comments section	N	Y
Question	1.5.2	1.5.2 Is it a legal requirement in the state where you are established for you to be licensed or a member of a relevant organisation in order to provide the requirement in this procurement?	If Yes, please provide additional details within the comments section of what is required and confirmation that you have complied with this.	N	Y



Type	Number	Title	Description	Past/Fail	Mandatory
Section	2	2 - GROUNDS FOR MANDATORY EXCLUSIONS			
Question	2.1	2.1. Within the past five years, has your organisation (or any member of your proposed consortium, if applicable), Directors or partner or any other person who has powers of representation, decision or control been convicted of any of the following offences?	<p>You will be excluded from the procurement process if there is evidence of convictions relating to specific criminal offences including, but not limited to, bribery, corruption, conspiracy, terrorism, fraud and money laundering, or if you have been the subject of a binding legal decision which found a breach of legal obligations to pay tax or social security obligations (except where this is disproportionate e.g. only minor amount involved).</p>	Y	Y
Question	2.2	2.2 Non-payment of taxes - has it been established by a judicial administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which your organisation is established (if outside the UK), that your organisation is in breach of obligations related to the payment of tax or social security contributions?	<p>If you have answered 'yes' to questions 2.2 on the non-payment of taxes or social security contributions, and have not paid or entered into a bidding arrangement to pay the full amount, you may still avoid exclusion if only a minor tax or social security contributions are unpaid or if you have not yet had time to fulfill your obligations since learning of the exact amount due. If your organisation is in that position please provide details on the comment box. You may also contact the authority for advice before completing this PQO.</p>	Y	Y

Type	Number	Title	Description	Pass/Fail	Mandatory
Section	3	3 - GROUNDS FOR DISCRETIONARY EXCLUSIONS			
Question	3.1	3.1 Within the past three years, please indicate if any of the following situations have applied, or currently apply, to your organisation.	<p>The Authority may exclude any Suppliers who answers 'YES' in any of the following situations set out in paragraphs a) to j).</p> <p><b>CONFLICT OF INTEREST</b>  In accordance with question 3.1 (e), the authority may exclude the Supplier if there is a conflict of interest which cannot be effectively remedied. The concept of a conflict of interest includes any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.  Where there is any indication that a conflict of interest exists or may arise then it is the responsibility of the Supplier to inform the authority, detailing the conflict in a separate Appendix. Provided that it has been carried out in a transparent manner, routine pre-market engagement carried out by the authority should not represent a conflict of interest for the Supplier.</p> <p><b>TAKING ACCOUNT OF BIDDERS' PAST PE</b></p> <p>The authority may exclude any Supplier who answers 'YES' in any of the following situations set out in paragraphs a) to j).</p> <p>a) your organisation has violated applicable obligations referred to in regulation 56(2) of the Public Contracts Regulations 2015 in the fields of environmental, social and labour law established by EU law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X to the Public Contracts Directive as amended from time to time; Fail</p> <p>b) your organisation is bankrupt or is the subject of insolvency or winding-up proceedings, where your assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State; Fail</p> <p>c) your organisation is guilty of grave professional misconduct, which renders its integrity questionable; Fail</p> <p>d) your organisation has entered into agreements with other economic operators aimed at distorting competition; Fail</p> <p>e) your organisation has a conflict of interest within the meaning of regulation 24 of the Public Contracts Regulations 2015 that cannot be effectively remedied by other, less intrusive, measures; Fail</p> <p>g) your organisation has shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions; Fail</p> <p>h) (i) your organisation - has been guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria; or Fail</p> <p>h) (ii) your organisation - has withheld such information or is not able to submit supporting documents required under regulation 59 of the Public Contracts Regulations 2015; or Fail</p> <p>i) (aa) your organisation has undertaken to unduly influence the decision-making process of the contracting authority; or Fail</p> <p>i) (bb) your organisation has undertaken to obtain confidential information that may confer upon your organisation undue advantages in the procurement procedure; or Fail</p> <p>j) your organisation has negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award. Fail</p> <p>h) None of the above is applicable to my organisation. Pass</p>	Y	Y

Type	Number	Title	Description	Pass/Fail	Mandatory
Section	4	ECONOMIC AND FINANCIAL STANDING	ECONOMIC AND FINANCIAL STANDING		
Question	4.1	5.1 Please provide one of the following to demonstrate your economic/ financial standing: Please mark your answer to the documentation provided.  Options a) A copy of the audited accounts for the most recent two years b) A statement of the turnover, profit & loss account, current liabilities and assets, and cash flow for the most recent year of trading for this organisation c) A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position d) Alternative means of demonstrating financial status if any of the above are not available [e.g. Forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or alternative means of demonstrating financial status].			
Question	4.2	5.2 Where the authority has specified a minimum level of economic and financial standing and/ or a minimum financial threshold within the evaluation criteria for this PQO, please self-certify by answering YES or NO that you meet the requirements set out here. Where turnover is not set up, please select Not Applicable.			
Question	4.3	5.3 (a) Are you part of a wider group (e.g. a subsidiary of a holding or parent company)? If yes, please provide in the comment box the name and the relationship to the Supplier completing the PQO.			
Question	4.4	5.3 (b) If you are part of a wider group and have answered YES to question 5.3 (a), please provide Ultimate/parent company accounts if available	Yes, I have attached the Ultimate/parent company accounts No, I will not attach Ultimate/parent company accounts. No, I have not attached ultimate/parent company accounts as they are not available No applicable to my organisation		
Question	4.5	5.3 (c) If you are part of a wider group e.g. a subsidiary of a holding/parent company, would the Ultimate/Parent company be willing to provide a guarantee if necessary? If you answer NO, would you be able to obtain a guarantee elsewhere (e.g. from a bank)?	Yes, Ultimate/Parent company would provide guarantee if necessary. No, Ultimate/Parent company will not be providing guarantee. A guarantee will be obtained elsewhere, if necessary. Not applicable to my organisation		

Type	Number	Title	Description	Pass/Fail	Mandatory
Section	5	5 - INSURANCE	Suppliers who self-certify that they meet the requirements for these additional modules will be required to provide evidence of this if they are successful at contract award stage. Please indicate your answer by selecting YES or NO in the relevant boxes.		
Question	5.1	Please self-certify whether you already have, or can commit to obtain, prior to the commencement of the contract, the levels of insurance cover indicated below:	It is a legal requirement that all companies hold Employer's (Compulsory) Liability Insurance of £5millions as a minimum. Please note that this requirement is not applicable to Sole Traders.	Y	Y

Type	Number	Title	Description	Pass/fail	Mandatory
Action	6	6 - COMPLIANCE WITH EQUALITY LEGISLATION			
Question	6.1	6.1 In the last three years, has any finding of unlawful discrimination been made against your organisation	For organisations working outside of the UK please refer to equivalent legislation in the country that you are located. For organisations working outside of the UK please refer to equivalent legislation in the country that you are located.	Y	Y
Question	6.2	6.2 In the past three years, has your organisation had a complaint upheld following an investigation by the Equality and Human Rights Commission or its predecessors (or a comparable body in any jurisdiction other than the UK), on grounds of alleged unlawful discrimination?		Y	Y

Type	Number	Title	Description	Pass/Fail	Mandatory
Section	8	8 - TECHNICAL AND PROFESSIONAL ABILITY	TECHNICAL AND PROFESSIONAL ABILITY		
Sub-Section	8.1	PART 1 - CONTRACT REFERENCES	CONTRACT REFERENCES		
Question	8.1.1	Please provide contract details in the attachment provided and in accordance with the description below.	<p>Details of up to three contracts, in any combination from either the public or private sector, that are relevant to the authority's requirement.</p> <p>Contracts for supplies or services should have been performed during the past THREE years.</p> <p>Works contracts may be from the past FIVE years.</p> <p>VCEs may include samples of grant funded work.</p> <p>The named customer contact provided should be prepared to provide written evidence to the authority to confirm the accuracy of the information provided.</p> <p>CONSORTIA bids should provide relevant examples of where the consortium has delivered similar requirements; if this is not possible (e.g. the consortium is newly formed or a Special Purpose Vehicle will be created for this contract) then three separate examples should be provided between the principal member(s) of the proposed consortium or Special Purpose Vehicle (three samples are not required from each member).</p> <p>Where the supplier is a Special Purpose Vehicle, or a managing agent not intending to be the main provider of the supplies or services, the information requested should be provided in respect of the principal intended provider(s) or sub-contractor(s) who will deliver the supplies and services.</p> <p>If you can't provide at least one example for this question, in no more than 500 words please provide an explanation for this e.g. your organisation is a new start-up.</p>	N	N
Sub-Section	8.2	PART 2 - TECHNICAL AND PROFESSIONAL - ALL LOTS	TECHNICAL AND PROFESSIONAL - ALL LOTS		
Question	8.2.1	What experience do you have of delivering an integrated service to multiple and varied service user groups?		N	Y
Question	8.2.2	How have you previously ensured your staff are, and remain, qualified and competent for the role they are in?		N	Y
Question	8.2.3	What experience do you have of transforming services to deliver significantly improved outcomes?		N	Y
Question	8.2.4	Please give two examples of how you have previously innovated in services to maximise the recovery potential of individuals addicted to drugs and/or alcohol		N	Y

**Lot Specific Technical Questions**

**Section 1 Lot 3: Adult Drugs and Alcohol Recovery Support Service**

**Question 1.1** What experience do you have of employing a multidisciplinary team to deliver services?

**Question 1.2** What experience do you have of complex service transformation across multiple sites and organisations?

**Question 1.3** How have you previously worked with partner agencies to ensure service users access advice / support / intervention around benefits, education/training/employment, accommodation, healthy lifestyles

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