

Invitation to Negotiate (Stage Two)

Community Health and Care Services

Bath and North East Somerset CCG

and

Bath and North East Somerset Council

Contract Particulars

1. Introduction

Invitation to Negotiate Stage Two is designed to assess primarily the Bidders response in developing the Contract Particulars in order to convey the proposed technical and commercial delivery model. The resulting Community Services contract will be based on the NHS Standard Contract and for the purposes of this assessment the NHS Standard Contract 2016/17 applies.

The General Conditions and Service Conditions will remain as per the Standard NHS Contract. Bidders will be required to annotate and complete schedules where indicated and these will be used as the basis for assessment.

The Contract Particulars as provided in this ITN2 will form the minimum foundation from which the Terms of Contract can be agreed. Bidders will be asked to note that in responding to the ITN2 they are accepting, in principle, the draft Contract Particulars as well as the General and Service Standard Conditions. The Commissioner reserves the right to reject any bidder who seeks to impose its own, or any other schedules fundamentally different from, those included within the ITN 2.

Please note that the principles set out in the Contract Particulars represent the Commissioners starting position and the final position will be the subject of dialogue during this (ITN2) stage of the procurement as well as with the sole remaining bidder during the Preferred Bidder stage.

2. Structure

The proposed Contract Particulars have been assigned an evaluation status category as set out in Table 1 below, these are described as follows;

Table 1 – Contract Particular Evaluation Status

Evaluation Status	Description
Mandatory	These are Particulars that do not require mark-up and are mandatory requirements of the contract. Bidders are required to demonstrate acceptance of the content of these schedules.
Gateway	<p>These are the Particulars that are required to be annotated and returned as part of the Bidders response to ITN 2. For these schedules the Bidders will provide content and responses as part of their proposal, the content of which will be subject to a PASS/FAIL evaluation Criteria whereby the Bidder is assessed as demonstrating;</p> <ul style="list-style-type: none"> • Acceptance, to a large extent, of the Commissioner’s stated opening position, exhibiting non-material erosion of the Commissioner’s stated opening position in a few minor respects. • An appropriate level of risk sharing • Innovative and/or advantageous proposed amendments • A good understanding of the Commissioner’s requirements.
Scored	<p>These are the Particulars that are required to be marked up or completed and returned as part of the Bidders response to the ITN 2. For these Particulars the Bidder will provide substantial additional narrative and annotation as part of their proposal. These sections will be scored in accordance with the defined 0-4 evaluation scale. An optimum response will demonstrate the Bidder;</p> <ul style="list-style-type: none"> • Accepts and exceeds the Commissioners’ requirements • Offers exceptional potential for commercial benefit and to transfer considerable risk from the Commissioner to the Provider • Introduces multiple innovative and advantageous proposed amendments to the Contract Particulars relating directly to the requirement concerned. • Exhibits non-material erosion of the Commissioners stated opening position in a few minor respects. • Provides a very clear explanation of appropriate contract linkages and dependencies. • Provides several very helpful suggestions for increasing, or reducing, the content of current draft schedules in a manner proportionate to the requirement.
For Information	These are the Particulars that are provided for information only at this stage but may require further discussion at later stages for the shortlisted Bidder.
Not Applicable	These are the Particulars that are deemed not applicable to this Contract.

3. The Particulars

Table 2 below sets the Contract Particulars and the evaluation status assigned.

Table 2 – Contract Particulars

NHS Standard Contract 2016/17 Particulars		Evaluation Status
SCHEDULE 1 – SERVICE COMMENCEMENT AND CONTRACT TERM		
A	Conditions Precedent	GATEWAY
B	Commissioner Documents	GATEWAY
C	Extension of Contract Term	GATEWAY
SCHEDULE 2 – THE SERVICES		
A	Service Specifications (Parts 1-4)	GATEWAY
A	Appendix 1 : Service Model	SCORED
A	Appendix 2 : Additional Services	SCORED
A1	Specialised Services - Derogations from National Service Specifications	NOT APPLICABLE
B	Indicative Activity Plan	FOR INFORMATION
C	Activity Planning Assumptions	SCORED
D	Essential Services	NOT APPLICABLE
E	Essential Services Continuity Plan	NOT APPLICABLE
F	Clinical Networks	FOR INFORMATION
G	Other Local Agreements, Policies and Procedures	GATEWAY
H	Transition Arrangements	SCORED
I	Exit Arrangements	SCORED
J	Transfer of and Discharge from Care Protocols	MANDATORY
K	Safeguarding Policies and Mental Capacity Act Policies	GATEWAY
L	Provisions Applicable to Primary Care Services	NOT APPLICABLE

NHS Standard Contract 2016/17 Particulars		Evaluation Status
SCHEDULE 3 – PAYMENT		
A	Local Prices	GATEWAY
B	Local Variations	NOT APPLICABLE
C	Local Modifications	NOT APPLICABLE
D	Marginal Rate Emergency Rule: Agreed Baseline Value	NOT APPLICABLE
E	Emergency Re-admissions Within 30 Days: Agreed Threshold	NOT APPLICABLE
F	Expected Annual Contract Values	SCORED
G	Timing and Amounts of Payments in First and/or Final Contract Year	SCORED
SCHEDULE 4 – QUALITY REQUIREMENTS		
A	Operational Standards	MANDATORY
B	National Quality Requirements	GATEWAY
C	Local Quality Requirements	SCORED
D	Commissioning for Quality and Innovation (CQUIN)	SCORED
E	Local Incentive Scheme	NOT APPLICABLE
F	Clostridium difficile	MANDATORY
G	CQUIN Variations	MANDATORY
SCHEDULE 5 - GOVERNANCE		
A	Documents Relied On	GATEWAY
B1	Provider's Mandatory Material Sub-Contractors	NOT APPLICABLE
B2	Provider's Permitted Material Sub-Contractors	SCORED
C	Commissioner Roles and Responsibilities	SCORED
SCHEDULE 6 – CONTRACT MANAGEMENT, REPORTING AND INFORMATION REQUIREMENTS		
A	Reporting Requirements	GATEWAY
B	Data Quality Improvement Plans	SCORED
C	Incidents Requiring Reporting Procedure	GATEWAY
D	Service Development and Improvement Plans	SCORED
E	Surveys	GATEWAY
F	Local IG Requirements	GATEWAY

SCHEDULE 7 – PENSIONS

A	Pensions	GATEWAY
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4. Response Requirements

The Particulars, as listed above, are required to be marked up with visible tracked changes and drafting notes highlighting those areas and changes required by Bidders. Should documents, paragraphs or text remain unchanged then the Commissioner will deem the content to be accepted by the Bidder. Where drafting notes are made, these should be accompanied by a fully detailed drafting where possible so that the Commissioner is in a position to appropriately assess the impact of the proposed amendment.

In addition to the above ITN 2 response requirements, the Commissioner recognises the potential benefit of discussing its proposed Particulars and draft form of contract with Bidders, and understands that some flexibility around the content may enhance the ability of Bidders to deliver value for money proposals in response to the ITN 2. The Commissioner wishes to commence that discussion with Bidders throughout ITN 2.

There is no prescribed format or word limits for narrative or annotation. However, the Commissioner would welcome receipt of any comments inserted after each section of the Particular, and will require the submission of a separate Companion Document by Bidders.

The Companion Document should be used by Bidders for three main purposes:

1. As an overflow from the Particulars to provide an indication of any sections of the proposed contract (including both the General and Service Conditions) which would have a materially adverse impact on the ability of the Bidder to submit a value for money response to the ITN.
2. As an overflow from the Particulars to provide a rationale in response to a Gateway section, explaining in greater detail that is reasonable within the Particulars themselves, why the Bidder has made a certain track change.
3. To provide a supporting narrative to information provided within the Particulars, particularly against the response to Schedule 3 (Payment).

The Companion Document does not have a prescribed format, but information within it should be very clearly given against a particular Schedule and Part of the Particulars, to make cross-referencing as simple as possible for Commissioners. In scoring a particular part of the Particulars, evaluators will consider both the section of the Particulars itself, plus any relevant information within the Companion Document.

Submission of the fully annotated Contract Particulars and companion document by the ITN 2 response deadline of 5th August 2016 is mandatory.

5. Status of the submitted Particulars

A key purpose in asking Bidders to submit a draft set of Particulars is to minimise the need for substantive contracting discussions during the Preferred Bidder stage, and to ensure that contractual commitments on both Parties are clear at the earliest stage of the procurement.

With this in mind, the Commissioner also recognises that Bidders do not yet, subject to further due diligence at the Preferred Bidder stage, have sufficient information with which to contractually bind themselves on a number of issues.

The Commissioner therefore will accept reasonably qualified and / or caveated responses to this ITN 2 stage. Bidders should note however that the Commissioner's evaluation framework takes 'assurance' into account, so it may be the case that, on a case by case basis, an unqualified response will receive a higher score than a heavily qualified response.

6. Bidder Dialogue

Bidders may at any point during ITN 2 raise written clarification through the eProcurement portal or verbal clarification during planned dialogue sessions. All Bidders will be offered the opportunity to discuss their points of clarification during planned dialogue meetings. Following all such meetings, the Commissioner may elect to issue revised versions of the Contract Particulars where the Commissioner believes that doing so is likely to enable all Bidders to submit an improved response to the ITN 2 which continues to meet the Commissioner's legal, commercial and technical requirements.

Following the issue of any such revised Contract Particulars, all Bidders will be entitled to base their final ITN response on such revised Particulars.

7. Timetable

A provisional timetable for the ITN2 is given below. Bidders should be aware that the dates are subject to change.

No	Stage	Dates
1	ITN2 released to Bidders	13/07/16
4	ITN2 Bidder Dialogue sessions	18/07/16 to 03/08/16
5	ITN2 Clarification deadline	03/08/16
6	ITN2 submission closing date	05/08/16
7	ITN2 shortlisting	18/08/16

8. Instructions for Bidders

To support the Bidder's completion of schedules requiring completion and subject to scoring, the following criteria should be considered within the Bidder's responses;

Schedule 2 : The Services
Part A : Service Specifications (Appendix 1)

This schedule is left blank for completion by the Bidder but should be developed in conjunction with the content in Schedule 2A.

Schedule 2A contains the service specification for the core functions of the prime and the statutory delegated functions expected to be commissioned under this arrangement. The schedule sets out a summary of the services being commissioned, including:

- any relevant context to the service either at a national or local level
- the broad outcomes that are required from the service
- scope, i.e. the service being commissioned, who is it for and any key links with other services
- any generally applicable service standards to which the services should adhere

Bidder Requirement:

In response to the requirements set out in Schedule 2A Bidders must append their service model to demonstrate how services will be tailored to a person's needs and delivered as close to their home as possible, the model must demonstrate delivery of the following key criteria;

- A person-centred approach to maximise a person's choice and control over the care and support they receive, particularly for people living with multiple long-term conditions or complex needs
- Consideration of a person's physical, mental, emotional, cultural and spiritual needs
- Supporting and encouraging people of all ages to use personal health and care budgets innovatively and imaginatively to meet their individual needs
- Promoting the use of assistive technology to give control to people over their health and care and support them to remain independent
- Ensuring that community services are locality-based
- Monitoring of outcomes for the local population
- Coordinating input and activity to meet the needs of the local community
- Ensuring appropriate governance and quality assurance
- Engaging regularly with people of all ages that are accessing services, including those who feel uncomfortable talking to others

Schedule 2 : The Services
Part A : Additional Services (Appendix 2)

This schedule is left blank for completion by the Bidder but should be developed in conjunction with the content in Schedule 2A. Bidders are invited to annotate this schedule and utilise the Companion Document where relevant.

Bidder Requirement:

The Bidder Information Pack contained in the ITN document sets out the non-statutory delegated functions of community health and care services. Bidders are required to set out their plans for delivering these additional services covering;

- Those to be provided via the Prime
- Those to be provided by suggested delivery partners (material sub contractors)
- Those to be subject to the Dynamic Purchasing System

The response should demonstrate delivery of the following criteria;

- Collaborative working across the health and care system
- Delivery of an integrated and sustainable care system
- Ability to reduce demand on primary care and hospital services
- Clarity on what services the Bidder believes should be taken forward to Dynamic Purchasing arrangements or otherwise

Bidders must note that evaluation of this question will not be approached on a service line basis but will be assessed in how the strategy outlined meets the points outlined above. Inclusion of services at this point does not guarantee that those services will be subsequently awarded to the Bidder rather than be let through the DPS. This will be confirmed during Preferred Bidders Stage.

Schedule 2 : The Services
Part C : Activity Planning Assumptions

Bidders are required to annotate this schedule and provide additional narrative as instructed.

This schedule includes assumptions about the expected level of external demand for the Services that may be provided under the contract and assumptions relating to how the provider may manage activity.

Bidder Requirement:

Bidders are invited to submit additional narrative in relation to its activity planning and re-baselining processes and protocols, as minimum Bidders should consider the following;

- Mechanisms to ensure appropriate level of risk sharing in relation to fluctuating activity
- Methodology in respect of re-baselining activity levels

Schedule 2 : The Services
Part H : Transition Arrangements

This schedule is left blank for completion by the Bidder.

Bidder Requirement:

The Bidders are required to set out the actions to be delivered by the Provider to ensure continuity of service and to effect an orderly transition of provision from the outgoing provider to the new provider, and/or from the old service model to the new. This should cover as a minimum the approach to;

- transfer of staff
- transfer of premises and equipment
- transfer of care of patients/service Users
- transfer of data
- communications management

Bidders must also complete the Impact Assessment as set out in the Bidder Information Pack demonstrating their understanding of addressing equitable provision of services, quality provisions and privacy.

Schedule 2 : The Services
Part I : Exit Arrangements

Bidders are required to annotate this schedule.

This schedule sets out the actions and consequences to take effect on expiry or termination of the contract, these include:

- arrangements in relation to staff and TUPE
- arrangements for transfer of freehold or leasehold premises
- arrangements for major items of equipment;
- requirements for exit payments to be made by Commissioners or by the provider, depending on the circumstances in which the contract (or provision of a service) comes to an end

Bidder Requirement:

Bidders are required to mark up this schedule in order to demonstrate;

- Material acceptance of the Commissioner requirement
- Commercial benefit and value for money
- Appropriate risk sharing between the Commissioner and the Provider

Schedule 3 : Payment
Part F : Expected Annual Contract Values

Bidders are required to annotate this schedule.

Table 1 – Prime Schedule

The Prime Provider finance schedule sets out the current Commissioner baseline funding for the provision of the statutory services in the Prime Provider contract. This includes indicative Whole Time Equivalent (WTE) staff for each service.

Bidder Requirement:

Bidders are required to annotate this schedule to include proposed contract values for the delivery of the statutory Social Care and Health functions of the Prime. This is to include the strategic management costs and associated overheads for support services such as IT, Finance, HR etc. If overheads are included in the direct service delivery lines please give an indication of the split between direct service provision and apportioned overheads.

Table 2 – Investment Proposals

To meet the strategic objective of 'your care, your way' there may be non-recurring investment required for infrastructure or service improvements.

Bidder Requirement:

Bidders are required to annotate this schedule in order to identify areas and cost of investment and outline the primary sources of funding to allow for payback.

Table 3 – Savings Proposals

The 'your care, your way' outline business case gave a clear indication of the future funding challenges faced by Local Government and the NHS. Local planning has indicated a savings requirement of 7-10% above funded inflationary and demographic growth over the next four financial years.

Bidder Requirement:

Bidders are required to outline initial proposals around savings opportunities. These do not need to be limited to internal efficiencies within the Prime Provider Contract, these may be wider system benefits facilitated and managed by the Prime Provider.

Where appropriate this may be underpinned through a partnership risk share agreement - please complete outline risk share proposal.

Schedule 3 : Payment
Part G : Expected Annual Contract Timing and Amounts of Payments

Bidders are required to annotate this schedule.

The payment schedule gives a pro-forma of monthly contract payments.

Bidder Requirement:

Bidders are required to align value in the contract finance Schedule 3F Table 1 to the payment schedule giving details of the timing and nature of charges to the Commissioner.

Schedule 4 : Quality Requirements
Part C : Local Quality Requirements

Bidders are required to annotate this schedule.

This schedule sets out the proposed local quality requirements and outcomes based accountability approach.

Bidder Requirement:

Bidders are required to annotate this schedule and demonstrate how;

- you will support Commissioners to identify and develop data reporting mechanisms to ensure that we effectively demonstrate that we are achieving priorities
- you will develop strategies for analytics and data development
- you will work as a prime to work alongside other sectors to ensure that we move towards achieving priorities
- you will ensure quality requirements adequately cover the needs of both children and adults

Schedule 4 : Quality Requirements
Part D : Commissioning for Quality and Innovation (CQUIN)

This schedule is left blank for the Bidder to annotate.

Bidder Requirement:

This schedule sets out the proposed local quality incentive schemes in relation to CQUIN. Bidders are required to present a minimum of two CQUIN proposals for consideration by Commissioners that demonstrate an understanding of the following key criteria;

- methodologies to reward excellence and innovation
- encouraging a culture of continuous quality improvement
- delivering better outcomes for people
- reportability of incentives outlined

Schedule 5 : Governance
Part B2 : Provider's Permitted Material Sub-Contractors

This schedule is left blank for completion by the Bidder.

This schedule allows the Commissioner to designate a sub-contract as a Mandatory Material Sub-Contract or a Permitted Material Sub-Contract. These sub-contracts are likely to relate to a significant and necessary element, or contribution towards, the delivery of the overall services as defined in Schedule 2A. For the avoidance of doubt, the Commissioner is using the definitions of found in the NHS England Technical Guidance for the term 'Material'

Bidder Requirement:

Bidders are required to outline their proposals regarding the possible identification and appointment of "Material Sub-Contractors". Bidders should set out in their response their rationale in selecting sub-contractors in consideration of the following;

- Collaboration across the health and care system (including primary care, secondary care, social care and the voluntary sector)
- Delivery of an integrated and sustainable care system

Note that for simplicity, the Commissioner is only scoring the 'Permitted Material Sub-Contractor' section, however it should be noted that where during the course of ITN2 or the subsequent Preferred Bidder stage the Commissioner considers it appropriate, the Commissioner may at its sole discretion change the designation of a Sub-Contractor from 'Permitted' to 'Mandatory'.

Schedule 5 : Governance
Part C : Commissioner Roles and Responsibilities

Bidders are required to annotate this schedule.

The schedule sets out the roles and responsibilities of the Commissioner and Prime Provider in terms of the administration and monitoring of the contracts as well as the governance requirements.

Bidder Requirement:

Bidders are required to annotate this schedule to set out their proposed terms in relation to the administration and monitoring of the contracts as well as the required governance requirements. The response should consider the following criteria;

- Embedding and operating a contractor governance arrangement with the other providers, including Dynamic Purchasing System providers
- Managing performance issues centrally
- In terms of clinical governance; aligning the ambitions of different practitioners, Commissioners and people with health and care needs to ensure people are working towards a single goal.

Schedule 6 : Contract Management, Reporting and Information Requirements
Part B : Data Quality Improvement Plans

This schedule is left blank for completion by the Bidder.

It is important that data quality and accuracy continue to improve, and Commissioners recognise that it can be difficult to distinguish between gradual improvements in the accuracy of recording. Data Quality Improvement Plans (DQIPs) allow the Commissioner and the Prime Provider to agree a local plan to improve the capture, quality and flow of data to support both the commissioning and contract management processes.

Bidder Requirement:

Bidders are required to submit a draft DQIP covering a list of recommended actions to strengthen the ability of the system to improve quality which should include examples of best practice in improving data quality. Bidders should also demonstrate key deliverables against the following areas;

- Data planning for transition in respect of system/process change
- Commissioner access to real time performance and quality information
- Data Quality Indicators
- Data Quality Thresholds
- Example Methods of Measurement
- Milestones Dates
- Outcomes

Schedule 6 : Contract Management, Reporting and Information Requirements
Part D : Service Development and Improvement Plans

This schedule is left blank for completion by the Bidder.

The Service Development and Improvement Plan (SDIP) allows the parties to record action which the Prime Provider will take, or which the parties will take jointly, to deliver specific improvements to the services commissioned. SDIP is about developing an aspect of the services beyond the currently agreed standard.

Bidders are required to submit a draft SDIP that should outline the programme of work to implement innovation transformation projects – from new technologies to service and pathway re-design. Bidders must demonstrate as a minimum key deliverables against the following areas;

- productivity and efficiency plans
- service redesign programmes
- priority areas for quality improvement
- methodologies for co-production with service users and carers

9. Capability Testing

The final aspect of assessment of Bidders at ITN 2 will be to undertake further deliverability testing through reference sites. During this stage we are requesting that all Bidders provide the following information:

1. Details of a maximum of 20 (by value) health or social care contracts held with Local Authorities, Clinical Commissioning Groups, NHS Trusts or NHS England with a value in excess of £500,000 per annum.
2. Details of a maximum of 10 (by value) contracts held with Voluntary, Community or Social Enterprise (VCSE) sector organisations with a value in excess of £25,000 per annum.

Commissioners will select from this data 2 Contracting Authorities and 2 VCS organisations with which to assess deliverability with regards to;

- Organisational Culture
- Contract and Service Management
- Governance
- Transition Arrangements
- Stakeholder Engagement