

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3291
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Department:	Strategy and Resources
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Subject:	CDP to seek dispensation from procurement regulations to directly award the contract for needle exchange supply
Total Value:	68,750 (Type: Capital)
Decision Being Taken:	To approve dispensation from Contract Procedure Rules 5.1.2 in accordance with Financial Regulation 3.29 (Operational Issues) and to extend the current contract with Frontier Medical Group Ltd - for the supply of needle exchange supplies to pharmacies delivering needle exchange schemes for 11 months from 1st November 2018

Reasons for the Decision(s)

Nottingham City Council commissions a pharmacy needle exchange scheme, which consists of 11 pharmacies providing a needle exchange service for injecting drug users. Nottingham City Council commissions a separate provider (currently Frontier Medical Group Ltd.) to supply these pharmacies with the needle exchange equipment (pharmacy needle exchange supply contract), and this is an essential element of the pharmacy needle exchange scheme. This decision refers specifically to the pharmacy needle exchange supply contract.

The pharmacy needle exchange scheme provides clean injecting equipment to around 4,300 citizens per year (based on two years of data). The pharmacy needle exchange scheme is intended to reduce injecting-related harms, reduce incidence and transmission of blood-borne viruses and reduce discarded injecting equipment within the community.

As a result of strategic savings across the Public Health budget, it has been necessary to close the specialist needle exchange service (The Health Shop) at its well established location on Broad Street. It is anticipated that there will be an increase in activity in pharmacies providing needle exchange as a result of the closure of The Health Shop at Broad Street, however it is not possible to accurately predict what this increase will look like or what the impact will be. As a result, there will be ongoing monitoring and review of the pharmacy needle exchange scheme over the next six months to ensure that the pharmacy needle exchange scheme is adequately meeting the needs of injecting drug users in Nottingham. This will include a review of the type of injecting equipment that needs to be available within pharmacy needle exchanges. The review will inform the future re-commissioning of the pharmacy needle exchange scheme, which will be complete in line with the contract end date for the pharmacy needle exchange provider contracts (30th September 2019).

The current pharmacy needle exchange supply contract with Frontier medical Group Ltd is due to end 31st October 2018. An 11 month extension to this contract is requested in order to align with the review and re-commissioning of the pharmacy needle exchange scheme. This will ensure that the pharmacy needle exchange supply contract can be tendered to adequately meet the needs of pharmacy needle exchange service users (which are likely to include a different cohort of service users due to the closure of The Health Shop at Broad Street) and the redesigned pharmacy needle exchange scheme.

Other Options Considered:

Do nothing; this option would mean that the provision would cease and the pharmacy needle exchange provision would be forced to stop through lack of injecting equipment to dispense. For this reason this option was rejected. Tender the provision now; This would mean the pharmacy needle exchange supply contract would be tendered before we understood the impact of the closure of The Health Shop at Broad Street, and before we have finished the ongoing review of the pharmacy needle exchange scheme. A training programme would have to be implemented in a short time-frame which is difficult with pharmacy staff (due to shortages), and without the training, pharmacy staff could be dispensing inappropriate equipment to vulnerable drug users; this could cause a huge amount of harm and for these reasons this option was rejected. Decommission pharmacy needle exchange; this option was rejected because this could have very negative effects on some of the most vulnerable citizens in Nottingham City by encouraging the sharing of injecting equipment, spread of blood-borne viruses (such as HIV and Hepatitis B) and increased social isolation.

Background Papers:

None

Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	The CDP is required to produce an annual strategic assessment and partnership plan to consider crime, antisocial behaviour, substance misuse and re-offending in the city. The plan for 2017/18 was agreed by the Partnership Board in March 2017. Reducing drug-related harm is a key part of the partnership plan. The consideration to re-procure services form a part of the Partnership Plan and Council Plan.
Equality:	EIA not required. Reasons: No major changes to the provision and any changes will not impact on the employees of the service supplying equipment or service users.
Social Value Considerations:	This contract does not meet the relevant EU threshold for the procurement of goods/services.
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	24/10/2018
Advice Sought:	Legal, Finance, Procurement

Legal Advice:

This report is seeking an extension to the current contract for specialist needle supplies for an 11 month period and to dispense with the need to go out to tender at this time for a new contract. The Council may dispense from the requirement to follow its procurement processes for operational reasons. The reasons for the dispensation have been set out in the body of the report and clearly set out why an extension is required to provide continued services to vulnerable service users and also ensure that the requirements for a new tendered contract are fully understood. A dispensation can therefore be supported on this occasion.

In addition to compliance with the Council's own governance requirements for procurement it is necessary to comply with procurement legislation. The client department has considered the impact of the extension in line with the permitted modifications under Regulation 72 of the Public Contracts Regulations 2015 (as amended). On this occasion it is considered that the modification would comply with Regulation 72(8).

Accordingly there are no significant legal issues arising from the report and the proposal is supported by Legal Services.

Advice provided by Naomi Vass (Senior Solicitor) on 01/10/2018.

Finance Advice:

This decision seeks approval to extend the current needle exchange supply contract with the existing provider for a period of 11 months commencing 01st November 2018.

The total cost of this decision is £68,750. There is sufficient budget within the CDP for this spend.

A full tender exercise will be undertaken during the contract extension period to ensure that any new pharmacy needle exchange supply contract provides value for money for the organisation in the medium to long terms and will meet the needs of pharmacy needle exchange service users.

All current MTFP savings attributable to the CDP have been achieved by retendering services and delivering efficiencies. Further budget reductions are expected in future years due to Public Health grant cuts and potential reductions in partner contributions and this will need to be considered in the tender exercise.

Dispensation from contract procedure rules (5.1.1) in accordance with Financial Regulation (3.2.9) is requested due to operational reasons and this is deemed appropriate in these circumstances for reasons outlined by the report author.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 15/09/2018.

Procurement Advice:

The proposed extension of 11 months to Frontier Medical Group Limited will enable the continuity of the service to supply needle exchange supplies to pharmacies, whilst a review of the pharmacy needle exchange scheme is completed. Therefore, dispensation from the provisions of the Contract Procedure Rules 5.1.2, in accordance with Financial Regulation (3.29) (Operational Issues) is supported from a procurement perspective and is allowed under Reg 72(1)(e)(8) of Contracts Procurement Regulations 2015.

Advice provided by Julie Herrod (Procurement Officer) on 01/10/2018.

Signatures

Sam Webster (PH for Adult Social Care and Health)
SIGNED and Dated: 17/10/2018
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 11/10/2018