East Berkshire Clinical Commissioning group (on behalf of The London Focus Group (LFG)) are intending to proceed with a one-year extension of their current contract with Optum for commissioning support of NHS healthcare services. Optum represent the London Focus Group in the contract negotiation and management (including raising data challenges and disputes) of 16 non-specialist providers in London. The total planned contract values that were managed by Optum in 2018/19 were c£64m. This contract extension will provide short term cover to the CCGs whilst they review the longer term provision of their commissioning support in light of changing national guidance and directives.

The London Focus Group (‘LFG’) consists of the following CCGs;

* NHS East Berkshire CCG
* NHS Berkshire West CCG
* NHS Buckinghamshire CCG
* NHS Oxfordshire CCG
* NHS Dorset CCG
* NHS Fareham and Gosport CCG
* NHS South Eastern Hampshire CCG
* NHS Portsmouth CCG
* NHS Southampton CCG
* NHS West Hampshire CCG
* NHS North East Hampshire and Farnham CCG
* NHS North Hampshire CCG

Pending clarification at national level of potentially new commissioning arrangements, the Commissioners intend to award a one-year contract extension to the incumbent service provider on grounds of proportionality, technical (specification) and economics. It is considered that:

* For an extension period of just one year, no provider would be capable of offering a more economically advantageous tender for delivering the specification that has been developed during the course of the current five-year contract;
* A competitive procurement should be undertaken only if there is clear potential for a material cost saving and benefits outweighing the costs of their generation. In this case the Commissioners consider that there is no such potential, the incumbent provider having (a) demonstrated its competitiveness against other providers through the award of two contracts spanning ten years and (b) having demonstrated acceptable performance throughout that period, generating significant cost savings;
* Furthermore, when designing and delivering procurements, the Commissioners are required to have proper regard for the bidding costs providers incur and must seek to avoid wasted costs where the likelihood of a change of provider is deemed very low;
* The Commissioners’ decision to award a contract extension to the incumbent provider without competition is therefore proportionate and appropriate on technical and economic grounds.

Organisations which believe they could provide the above service within the required timescale and offer better value for money are invited to express interest by email to mstanbrook@nhs.net. Please note that TUPE would be expected to apply to this contract in the event of a change of provider.