



Department of Health

INVITATION TO TENDER FOR THE PROVISION OF: Healthcare Improvement Services

Deadline: 12-Midday BST on Monday 27th April 2015
ITT Reference: 59867

PART B – Tender Schedules
(To be returned by Tenderers)

Schedule One: Specification

1. EXECUTIVE SUMMARY

The NHS Trust Development Authority (TDA) is seeking a long term partner to develop and implement a large scale Health Improvement Service change programme within a number of target NHS Trusts. The programme will implement the principles of Toyota Production System, as developed since its inception, often referred to as 'Lean', in the NHS healthcare environment.

The aims and objectives of the programme are to ensure that NHS Trusts will be well along a journey of becoming transformed organisations delivering safe, high quality care efficiently and effectively using the skills, knowledge and experience obtained from the programme.

The TDA leadership team will have developed capability to support overall governance and oversight of this undertaking for the participating Trusts, and will have gained skills in lean to provide coordinated guidance across the programme.

Each engaged Trust will have built their capability to lead improvement efforts independently, and developed the ability to sustain and improve for the longer term through the establishment of lean programme offices with teams equipped, able and committed to the goals of the project. In addition, the TDA will have a team of people able to support this work, with both the executives and frontline management in the participating Trusts having developed skills in operating and improving their business using a lean management method.

A key element to transformation is a culture where frontline staff are able to participate in innovation activities and identify opportunities for improvement using lean tools. The culture that supports this level of engagement is one rooted in trust and respect across the workforce. The Provider must bring capabilities to support the development of this culture within the trusts.

Finally, the Provider will be expected to build competency for long-term sustainability independent of Provider by Year 5.

2. THE REQUIREMENT

The NHS Trust Development Authority (TDA) is responsible for providing leadership and support to the non-Foundation Trust sector of NHS providers. We provide oversight and governance for all NHS Trusts on their journey to delivering what patients want; high quality services today, secure for tomorrow. This includes 90 NHS Trusts, providing around £30bn of NHS funded care each year.

The range of services provided by NHS Trusts covers the entire spectrum of healthcare, from acute hospitals to ambulance services through to mental health and community providers; the size of organisation varies from very small providers through to some of the largest organisations in the NHS, and therefore each Trust has a set of unique challenges. Due to this variation, we recognise that there is not a 'one size fits all' solution to the challenges Trusts face. Our goal is first and foremost to help each and every NHS Trust to improve the services they provide for their patients.

The TDA oversees the performance management of NHS Trusts, ensuring they provide high quality sustainable services, and provides guidance and support on their journey to achieving Foundation Trust status.

The Trust Development Authority's key functions include:

- Monitoring the performance of NHS Trusts, and providing support to help them improve the quality and sustainability of their services
- Assurance of clinical quality, governance and risk in NHS Trusts
- Supporting the transition of NHS Trusts to Foundation Trust status
- Appointments to NHS Trusts of chairs and non-executive members and trustees for NHS Charities where the Secretary of State has a power to appoint.

TDA Structure

The TDA is a national organisation with a single accountability framework and operating model. It has four regions, aligned with the NHS England Regions, London, South, Midlands & East and North. Each region has Clinical, Delivery and Development, Finance and Communications teams supporting its work at a number of aspirant NHS Trusts.

The Regional teams are led by a Director of Delivery and Development, supported by Portfolio Directors, a team of managers, assistants and administration. The teams work with Finance and Clinical colleagues to deliver the TDA's functions above. Each team works with a number of NHS Trusts in a specific area on a regular basis to challenge, support, advise and mentor Trust teams on their performance.

Requirement Overview

The TDA is seeking a long term partner to develop and implement a large scale change programme within a number of target NHS Trusts. The programme will implement the principles of Toyota Production System as developed since its inception, in the NHS healthcare environment. Often referred to as 'Lean', it has

been described as making obvious what adds value by reducing everything else. Two principles are at the heart of lean, removing waste to improve flow or smoothness in the system of production and respect for people.

Translating Lean into healthcare carries greater complexity than perhaps any other service or production environment. The range of services provided, facilities, people involved and patient & clinical need variability all combine to impact on the opportunity for waste and interrupted flows.

With patient safety paramount the need to provide any change programme within a clinically safe and effective environment is essential. Lean methods are expected to not only reduce waste and flow variability but to also improve quality as errors and un-necessary and variance tasks are removed and time/recourses are made available to provide safer, better services.

The TDA is interested in establishing a partnership with training and change management providers specialising in lean techniques in a healthcare environment.

The programme will:

- Develop and embed lean techniques and processes into the TDA team and selected NHS Trusts;
- Include site leader, team leaders and participant training process;
- Incorporate mentoring and coaching of leaders;
- Be certificated to ensure participants meet the appropriate standard to lead and implement lean programmes to a consistent standard and depth of knowledge; and,
- Build capability for further roll-out across the NHS.

It is envisaged the five NHS Trusts will be selected via a two stage application process to participate in the programme (see below).

Medical Engagement

As noted above engaging with medical staff and building support and participation in the programme is key to its success.

We anticipate medical engagement will be assured through three elements:

- selecting Trusts – advice and participation in the development and completion of the process of confirming which Trusts will be chosen;
- developing an agreement between selected trusts and TDA which includes the responsibility of trusts to include doctors and other clinical staff; and
- building medical involvement in the intervention stages.

Selecting trusts will include:

- engagement with and education of Trust Boards and executives on what Lean processes can achieve for them and their organisation;
- exploring their past and current efforts to engage with clinical staff, success they've achieved and barriers encountered
- affirming what Trusts will be expected to do, both at the bid stage and subsequent programme delivery;
- participate in the interview/selection process following shortlisting by TDA representatives,

After a short-listing process, each Trust will be interviewed by the selected Provider who will examine Trusts:

- motivation for wanting to learn and adopt Lean and the degree of urgency amongst executives and the board regarding the need to improve;
- executives' sense of cultural impediments to Lean including beliefs about clinicians' reactions to "standard work" required to reduce waste and improve efficiency;
- plans they have made or are executing to address cultural impediments they have already identified;
- the degree to which consultant doctors and other clinical staff are already activated and engaged in improvement work at the trust;
- the degree to which they believe the consultant doctors and other clinical staff are on the 'same page' and share executives' vision for the future of the trust (and need to improve); and,
- the current state of doctor leadership including the extent to which those with formal leadership authority are skilled and prepared to lead change amongst colleagues.

The assessment would be used as guidance by TDA to select the trusts to participate in this program.

Concluding the Memorandum of Agreement

As participating in the programme represents a significant investment of funds into each selected trust, it is important to do all possible to ensure positive working relationships between each trust, the Provider and the TDA. Therefore, after trust selection, the Provider will help the TDA and the trusts' executive teams to develop a set of reciprocal expectations (memorandum of agreement) that will define the relationship between the TDA and the trusts collectively over the duration of the project and the relationship between the Trust management team and staff, particularly clinicians. The development of these expectations (the Memorandum of agreement) should be informed by what it takes on the part of the trust to implement Lean successfully (so it results in sustained improvement). The Provider will also play a central role in educating the TDA and the trusts' teams as to what form transformation does take so that the agreements reached reflect what each party must do to ensure success.

The development of this memorandum of agreement would happen early on after the selection process and once the TDA and trust teams have had enough orientation so

that they can make commitments they can keep whilst also being clear what they anticipate needing in their relationship.

The Provider's role will include explaining the memorandum of agreement, providing examples of where clear expectations have been helpful, and facilitating discussions to identify reciprocal commitments and how parties will hold each other to account for keeping those commitments. A Provider is therefore sought that has experience across a variety of settings in helping leaders co-develop and implement reciprocal agreements toward the end of achieved a shared aim.

Building Medical Involvement

Doctor engagement is critical to successful transformation. Doctors order tests, do procedures, apply clinical judgment and have a hand in each patient's healthcare experience; changes to improve care processes will not succeed if doctors block them. Their active engagement is critical, they cannot be side-lined. Transforming care requires doctors' ideas and commitment to improvement. Relationships with consulting doctors needs to foster feeling personally responsible to help solve the organization's challenges. If this attitude is created amongst consultants, transformation will have a much greater impact than if doctors are not asked to change. Lean, if implemented correctly, with the involvement of all stakeholders groups including doctors – will change the organizational culture. But, given the time it takes for a critical mass of consultants to have a first-hand experience of an improvement team, needed cultural change can take many years. One way to get results faster is to address head-on the need for doctors to see themselves as partners in this process.

Therefore, an assessment in each trust of the current doctor engagement should be undertaken in order to develop, in conjunction with the trust's executive team, a bespoke plan to build doctor engagement in the context of the transformation work. This plan must be coordinated with the trust's learning about and adoption Lean. Doctor engagement must be seen as an integral part of transformation not another disconnected initiative that distracts leaders and introduces conflicting messages about what is important to do at what stage of transformation work.

The Provider should undertake on-site assessment at each trust, with a written assessment report including proposed steps to address needs, share these draft recommendations with the executive team, to help identify local sources to offer programs or carry out actions the Provider is not in a position to do themselves. For example if clinical leadership is identified as a deficit that needs to be addressed, the Provider will need to help find and vet resources to resolve this.

With regard to the assessment of doctor-trust relationship, the areas the TDA would expect to be assessed through multiple on-site interviews include:

- executive, middle manager and doctor views on the current doctor-trust relationship; what works well, what needs improving;
- is there a vision for the organisation that is shared deeply enough and widely enough to be the foundation for the improvement work (Lean);
- what is the state of clinical leadership; is there a need for greater leadership development; is there a plan in place to develop clinical leaders; and,

- what existing resources can be drawn on to help develop a more effective, high functioning relationship between doctors and the trust.

At the conclusion of each site visit the Provider would meet with doctor leaders and trust executives to share findings and initial thoughts about recommendations.

The Provider will take the lead in facilitating the development of a plan to bring doctors into tighter alignment with their organisation and guide the trust on the issue of doctor engagement as the trust works with the Provider to build leadership and infrastructure for Lean.

It's likely that the trust would be able to execute some recommendations without external help; they might use Lean coaches for some recommended actions, and might look to independent resource for yet others. Leaders might choose to involve the Provider (to provide a presentation or facilitate a discussion) where their expertise is helpful. Therefore we expect to offer five days of Provider time to each trust to use in the first two years; the trust would "pull in" the expertise on building constructive consultant-organisation relationships as they felt the need for such help to make progress on Lean.

Wider Programme Delivery

Programme Governance

The Programme will be overseen by a Guiding Board with responsibility for strategic direction of the services and the transformational team. The Guiding Board will set the priorities for the programme, key themes and outputs/benefits envisaged. Programme Governance will include developing and supporting the Guiding Board, advice and support on the selection of trusts participating as well as ongoing direction and leadership throughout the programme delivery stage.

Partner Selection

It is intended that all NHS Trusts will be invited to participate in a selection process to identify a small number of Trusts (expected to be five but not limited to this number). The proposed process is as follows:

- Written application request responding to a number of set questions to assess suitability for the programmes;
- Review of applications and shortlisting to around 10 Trusts for interview (the TDA is undertaking this in parallel with the tender process)
- Interview/presentations day.
- Shortlisting to approximately 5 organisations.

TDA capability Development

The Provider will work with the TDA to train around 120 people in the central TDA organisation in lean techniques and processes to a sufficient standard to be agreed at commencement to enable TDA staff to act as advisors to Trusts where required. Training is expected to take the form of facilitated sessions and materials, although

alternatives may be considered. The Provider will also coach the Guiding Board in managing an organisation using Lean as the method.

Organisation and Teams

The Provider will work with the chosen Trusts to identify 2-4 people in each organisation to act as Leaders, including at least one Senior Leader per an organisation. The exact number will depend on the size and complexity of the Trust. Each trust will establish a transformation team and board to oversee its work within the programme.

Leaders across each trust will be engaged to explain and affirm the benefits of lean processes. The Provider will ensure that trust staff are engaged and supportive of the process.

Two to four value streams will be developed within each organisation to drive the vision and health service improvement.

Materials for training and onward cascade will be provided to each trust and team. Activities are expected to include rapid improvement workshops and completion of plan, do, study, act cycles.

Benefits Realisation

The Provider will act first as teachers and later as coaches and mentors to support what is learned being applied effectively towards the TDA's selected Trusts' goals and objectives for transformation. The benefits realized will be those the participating Trusts make a priority. The Provider will enable leaders to be capable of understanding and running the business using a management method based in lean tools. The application of these tools and disciplines will enable local leaders to improve their businesses' day-to-day operations. With the Trusts' leaders' commitment, the participating Trusts will develop a culture oriented toward improvement and innovation. This can be expected to manifest itself in increased quality, lowered costs, and a greater workforce engagement. The Provider will support the guiding leaders of each participating Trust. The Trust leaders will select their Trust's metrics for measurement and evaluation.

Authority Responsibilities

The NHS TDA will oversee the appointment of the participant trusts, maintain oversight of the projects and progress of each trust.

It will appoint a contracts manager who will act as day to day liaison and decision maker for the TDA, in particular any areas of discretionary spend will be subject to written authorisation from the TDA Contracts Manager. Any work undertake without prior consent will not be paid for by the TDA.

Provider Responsibilities

The Provider will appoint a Contract Manager to guide the work of the participating Trusts' leaders and support those leaders in reporting progress to the TDA as it requires.

Whilst oversight will be through the Guiding Board day to day management will be through the TDA's authorised officer.

Contract Management and Monitoring

The Guiding Board and selected Trusts will observe and participate in the development of new skills and capabilities in Lean methods and tools, as well as management by Lean, as the programme unfolds.

The development and capability of Lean skills are coached and taught by the Provider. The daily application is the work of managing and improving the business, and is done by the Guiding Board and executive, clinical and operational leaders within each selected Trust. To support this work and help measure progress, the Provider will provide a transformation continuum which enables programme participants to self-evaluate their maturity as a Lean organisation, and will facilitate the participating Trusts' reflection and determination of near- and longer-term focus areas.

Timetable

Recognising the programme is one of culture change to embed Lean as a management method in the supporting trusts, and the core tenant of Lean is continuous learning and improvement, the delivery of tools and methods for the Guiding Board and selected Trusts are expected to start in May 2015, operate through a detailed plan to be agreed and be complete by approximately March 2020.

Skills and Knowledge Transfer

Throughout the course of the programme, each selected Trust will develop internal experts to lead Lean improvement and teach and coach others. These experts will provide ongoing training to staff and leaders, lead rapid process improvement workshops, and help the organisation maintain the standards and rigor required for a Lean transformation.

Additionally, Value Stream sponsors will be appointed, receive training and gain capability to sponsor and champion focused areas of improvement work. Value Stream sponsors will be selected by the participating Trusts' guiding teams. These leaders will develop the capability to support focused improvement work across their organisations.

The selected Trusts need their leaders to personally champion and apply Lean methods and tools. To that end, a cohort of clinical and operational leaders will be trained in Lean tools, including the discipline of daily management and standard work for leaders. Key members of the Trusts' cohorts will also build capability through training in mistake-proofing, to support improvement in quality, safety and reliability,

and training in innovation techniques, designed to jumpstart and harness creativity in daily improvement.

At the foundation of the knowledge transfer and capability-building is the commitment from the Provider that the TDA and Trusts be building competency for long-term sustainability independent of Provider by Year 5.

Schedule One (a): Tenderer Response

See accompanying template questions for completion and return.

Schedule Two: Pricing Schedule

1. GENERAL INSTRUCTIONS

- 1.1 The rates contained within the Pricing Schedule are, unless otherwise expressly agreed between the parties, firm.
- 1.2 The rates entered shall be deemed to include complete provision for full compliance with the requirements of the Contract.
- 1.3 The rates exclude VAT.
- 1.4 The rates entered in the Pricing Schedule shall exclude all travel and subsistence costs. Expenses will only be approved if supported by original receipts. The Authority will only pay for expenses claimed that are in line with the Department's guidelines for expenses. Original receipts will need to be provided.
- 1.5 The Authority will only make payment for overnight stays that have been authorised beforehand in writing by the Authority's Representative.
- 1.6 Any extra expenses other than travel and subsistence must be priced separately in the Pricing Schedule. The Department will only pay for expenses claimed that are included in this pricing schedule and are deemed to be reasonable for delivery of the requirement.
- 1.7 Tenderers must include in the pricing schedules any discounts or any reduced pricing they are proposing to offer to the Authority in delivery of this requirement.
- 1.8 See accompanying Schedule Two template for completion of pricing proposals and return to the Authority.
- 1.9 The Authority reserves the right to request additional information to clarify specific pricing elements and break these figures down into their constituent parts. This dialogue on pricing may follow the principles of Best and Final Offer (BAFO), where clarification leads to a change in an assumption that affects all bidders.

2. SCHEDULE OF PAYMENTS

- 2.1 The Authority requires Tenderers to competitively tender against the requirements of the Specification. Payments to the Provider for service delivery will be in accordance with the terms and conditions.

Schedule Three: Contract Monitoring

1. GENERAL INSTRUCTIONS

- 1.1. Contract management and monitoring is described in Schedule One, Specification, above.
- 1.2. Tenderers will be required to complete all the information requested in the following section once the contract is awarded. Any supporting documents (e.g. implementation plans etc.) will need to be clearly referenced back to the appropriate section.

2. REPRESENTATIVES

- 2.1. Name of Authority's Contract Representative(s): Dean Spencer
- 2.2. Name of Provider's Representative(s): [Tenderer to complete]

3. DELIVERABLES

- 3.1. See Schedule One, Specification above.

4. MEETINGS

- 4.1. Frequency of contract management meetings: See Schedule One, Specification above.
- 4.2. Location of contract management meetings: To be confirmed but expected to be Southside, 105 Victoria Street, London SW1E 6QT
- 4.3. Checking performance against anticipated plan: To be agreed on award

5. REMEDIES

- 5.1. Remedies for below par performance: Partial or full non-payment for activities not delivered or not achieving desired results to be agreed at award.

Schedule Four: Confidential & Commercially Sensitive Information

See accompanying template for (identification of the confidential & commercially sensitive information) completion and return to the Authority.

Schedule Five: Administrative Instructions

See accompanying template for (Administrative Instructions) completion and return to the Authority.

Schedule Six: Form of Tender

See accompanying template for (Form of Tender) completion and return to the Authority.

Appendix A Sub-Contractors

See accompanying template for (Sub-Contractor information) completion and return to the Authority.

Appendix B Parent Company Guarantee

See accompanying template for (Parent Company Guarantee information) completion and return to the Authority.