

Report of: Property and Contracts Chief Officer

Report to: Director of Environment and Housing

Date: 29/04/2016

Subject: Service and maintenance of Communal Warden Call and Fire Detection Equipment: Authority to Procure

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. A contract was procured in March 2014 to install warden call and fire detection equipment in sheltered schemes across the city. The work for the new installations was completed in December 2015. This report now seeks approval to procure a new contract to service and maintain the newly installed equipment.
2. An annual service contract is required. There is no formal contract currently in place.
3. The new contract is proposed to commence in September 2016, and will be for a period of 3 years with an option to extend for 2 further periods of 12 months (3+1+1 years).
4. The total anticipated contract value is £250,000. The estimated contract value exceeds the Official Journal of European Union (OJEU) threshold for goods and services and must therefore comply with OJEU timescales and advertisement regulations.
5. A review of the available procurement options has been undertaken with officers from PPPU compliant with CPR 3. This report identifies the preferred option to deliver the service.

Recommendations

1. The Director of Environment and Housing is recommended to:
 - 1.1 Grant the authority to procure a new contract to provide servicing and maintenance of warden call and fire detection equipment installed in communal areas in sheltered housing schemes across the city. The anticipated annual value is £50,000 per annum. The total value of the agreement, inclusive of extensions, will be approximately £250,000.
 - 1.2 To approve the proposed procurement route utilising the Northern Housing Consortium framework via a mini competition. This is the Framework Agreement for Technology Enabled Care Services including Telecare, Telehealth, Telemedicine and Associated Services Lot 2: Service, Maintenance and Repair.
 - 1.3 To approve the Northern Housing Consortium framework (Technology Enabled Care Services including Telecare, Telehealth, Telemedicine and Associated Services Lot 2: Service, Maintenance and Repair) to become an approved Leeds City Council framework.

2. Purpose of this report

- 2.1 To inform the Director of Environment and Housing of the procurement options available and seek approval to put in place a new contract to provide servicing and maintenance of warden call and fire detection equipment installed in communal areas in sheltered housing schemes across the city in line with CPR 3.1.8.

3. Background information

- 3.1 The key driver for the procurement is the fact that currently all spend for these services are on a non-contract basis. The equipment is already installed but there are no formal arrangements in place to service and maintain these across the city.
- 3.2 Any current repair requirements are being ordered on an ad hoc emergency basis with the provider who installed the equipment; Tunstall Healthcare (UK) Ltd. This is an informal arrangement and therefore there is an element of risk to the council in continuing on this basis. The market has not been tested and therefore it is unclear if this provides any value for money in terms of quality and price.
- 3.3 These are relatively new pieces of equipment with warranties still in place in some properties but it is essential due to the age and vulnerability of the service users that the equipment functions fully. The service is an essential requirement as equipment is for emergency situations and must work effectively.
- 3.4 In procuring these services the project group (consisting of officers from Housing Leeds and Programmes, Projects and Procurements Unit (PPPU)) will carry out a competitive tendering exercise to establish value for money in terms of improved quality of a defined service delivery and savings. This is a stand-alone activity to fulfil a particular business requirement and there are no interfaces with any other contract.

- 3.5 An approach has been made to the Internal Service Provider (ISP) in line with provisions of CPR 3.1.4 to determine if they can deliver these services. The outcome of this is they are unable to deliver this specialist area of work and have as such declined the opportunity.
- 3.6 Investigations into other frameworks have been explored. The Northern Housing Consortium (NHC) framework for technology enabled Care Services has been identified to be utilised. This is a specialist framework which has been subject to an EU compliant competitive tendering exercise with 6 suppliers appointed for the delivery of service and maintenance.

4. Main issues

- 4.1 In January 2016 a project group was set up to review the procurement options. The group consists of representatives from Housing Leeds Property and Contracts and Programmes, Projects and Procurements Unit (PPPU). By the end of February 2016 a scope of work was developed with a project timetable.
- 4.2 This project has been registered on the Councils Project Management Lite register, and has been assessed as a small project (ref:JA683143).
- 4.3 The scope of work is to procure a new contract to provide servicing and maintenance of warden call and fire detection equipment which is installed in communal areas in sheltered housing schemes across the city. This contract is to cover the service, maintenance and repairs aspects only.
- 4.4 There is currently no formal arrangement in place. Current spend on services is estimated to be approximately £50,000 per annum for ad hoc maintenance. The new contract is proposed to commence in September 2016 for a period of 3 years with an option to extend for 2 further periods of 12 months (3+1+1). The total contract value is estimated at £250,000, therefore an OJEU compliant procurement exercise will be carried out in line with the Public Contract Regulations 2015.
- 4.5 The manufacturer who installed the equipment, Tunstall Healthcare (UK) Ltd is currently undertaking servicing of equipment on a “pay as you go basis”, i.e. an order is placed when the need arises. This potentially poses a risk to the council in terms of challenge from other operators within this industry and also as there is no formal contract in place, i.e. no pre-agreed service specification, KPI's to monitor, terms and conditions or formalised rates. Therefore value for money in terms of service delivery and prices has not been determined. An outline timetable is under development which would see a contract in place by September 2016.
- 4.6 The benefits of this procurement will be sought through testing the market via an EU compliant competitive exercise to establish best value for money. Price is a consideration but not in isolation. Quality will form a significant element of the evaluation of tenders. The quality of provision is seen as key to success of delivery of the contract and will be considered through the evaluation process in combination with price. The contract will result in a reliable and strong working relationship being established to ensure maximum maintenance of all systems. It is essential that the provider appointed is reliable and flexible to deliver requirements.

- 4.7 The NHC standard templates will be utilised to prepare the tender documentation. Involvement will be sought from PPPU in the development of appropriate Terms and Conditions and reviewing the templates.
- 4.8 The Contract Manager in Housing Leeds Property and Contracts Mechanical & Electrical Section will be responsible for developing and managing:
- KPI monitoring and reporting processes
 - Annual reviews
 - Contract Management Plan
 - Exit Plan
- 4.9 In discussion with Procurement Officers within the Projects, Programmes and Procurement Unit (PPPU) the following Procurement options have been considered in line with Contract Procedure Rule 3.1;
- a) Consulted with the ISP as required by CPR 3.1.4 with regards to the scope of works, they declined the opportunity as the contract requires specialist knowledge which the ISP currently does not have.
 - b) Frameworks Explored;
 - i) Fusion 21 – The Framework does not cover all elements of the scope of works.
 - ii) Efficiency North - The EN Procure Installations Framework only covers installations and does not cover servicing and maintenance.
 - iii) Northern Housing Consortium - This is an existing Framework and is the preferred procurement route. This Framework is an established framework for Technology Enabled Care Services. Specifically Lot 2: Service, maintenance and repair. This framework has already been subject to an EU Compliant competitive tender exercise comprising of 6 known specialist providers being appointed to this lot, it is proposed that a mini competition exercise will be run.
- 4.10 The PPPU Commercial team and Legal Team have assessed the NHC framework and have determined it was procured in compliance with the rules. Therefore, this report is also seeking approval for the framework to become an approved LCC framework.
- 4.11 Budget for the service is available. The funding will come from the Directorate's revenue budgets.
- 4.12 A detailed project plan has been produced for the procurement. A high level timetable is provided below:

Develop Scope	February 2016
Approval to commence Procurement: Delegated Decision Report	May 2016

Develop and Finalise Tender Documentation	May 2016
Tender Issue	w/c 6 th June 2016
Tender Return	6 th July 2016
Tender Evaluation	w/c 11 th July 2016
Contract Award	w/c 8 th August 2016
Mobilisation	w/c 22 nd August 2016
Contract Commencement	w/c 26 th September 2016

4.13 Leeds City Council have a duty of care to residents in sheltered housing to ensure safe living conditions. Warden Call and Fire detection systems are there to ensure properties are safe. In case of an emergency it is essential that this equipment is fully functional to protect and provide emergency aid for older and vulnerable people. Establishment of a formal contract will ensure we meet our obligations to the relevant residents of Leeds.

5. Corporate Considerations

5.1 **Consultation and Engagement** There has been detailed internal consultation in developing this procurement strategy. This has focussed within Housing Leeds both in the Property & Contracts and Housing Management sections and Programmes, Projects and Procurement Unit, all of whom are represented on the project group.

5.1.2 In addition, a consultation exercise was undertaken in January 2016 with the Housing Leeds Sheltered Housing Team to seek their input on what should go into the specification from a customer service aspect and how the new contract should operate. This will be taken on-board and implemented within the new contract.

5.2 Equality and Diversity / Cohesion and Integration

5.2.1 The Equality, Diversity, Cohesion and Integration Screening document has been considered and completed. No adverse or otherwise impacts have been identified.

5.3 Council policies and the Best Council Plan

5.3.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness and procured in line with Leeds City Council's Contract Procedure Rules.

5.3.2 Such contract arrangements will assist to achieve the authority's six strategic objectives 2015-16. Specifically objectives of supporting the community and delivering the better lives programme. The procurement will contribute to the authority's breakthrough projects specifically in that it will contribute to making Leeds the best place to grow old. Equipment is installed within sheltered housing and the Council has a duty of care to ensure a safe living environment.

5.3.3 The servicing of the equipment which will be covered by this contract will ensure emergency response in times of need for vulnerable and elderly people of Leeds.

5.4 Resources and value for money

- 5.4.1 The procurement will be carried out in an open and transparent manner in line with Public Contract Regulations and EU Public Procurement Directives whilst ensuring competition is sought to identify best value when initially establishing the framework, as well as throughout the framework term.
- 5.4.2 Monetary and quality (non-monetary) benefits will result from this procurement. Competitive tendering will test the market and result in a value for money provision. Savings are achievable through a more efficient service delivery through a properly specified service as well as reduced unit costs which come through tendering.
- 5.4.3 The project will be contract managed by the Electrical Services Manager within the Property and Contracts division of Housing Leeds. A contract management plan is under development for these works as is required by Contract Procedure Rule 3.1.16.

5.5 Legal Implications, Access to Information and Call In

- 5.5.1 The PPPU legal team will undertake due diligence of the contract documents prior to tender out.
- 5.5.2 This report is seeking approval to make the NHC framework (Technology Enabled Care Services including Telecare, Telehealth, Telemedicine and Associated Services Lot 2: Service, Maintenance and Repair) an approved LCC framework.
- 5.5.3 The Chief Officer for Property and Contracts, Head of Housing Contracts and PPPU officers have been consulted during the pre-tender processes.
- 5.5.4 This is an Administrative Decision and will not be subject to call in.

5.6 Risk Management

- 5.6.1 A risk register will be developed as part of the contract. This will highlight all risks and register how contract risks will be managed. The risk register will also form part of the scheme's Contract Management Plan which is currently being developed.
- 5.6.2 There are a number of low impacts risks to be aware of at the commencement of the procurement;
- No bids returned due to a lack of interest from the market. This may be linked to nature, scope and value of the contract or may be due to the equipment to be serviced.
 - No bidders are appointable based on quality and /on price. The current provision would then continue on a non-contract basis via a waiver until such time as a further exercise could be carried out.
 - Appointed provider cannot deliver compatible servicing for Tunstall Healthcare (UK) Ltd equipment. To mitigate this, it will be a condition that the provider must meet the required specification and if they cannot, then their bid will be rejected during the evaluation process.
 - There is currently an informal established relationship with Tunstall Healthcare (UK) Ltd, the outcome of the procurement may be that a new provider is

appointed who cannot deliver to an equivalent/suitable level. Clear service levels should be built into the spec and contract management meetings/reviews etc, to help build a successful relationship.

- The current situation with non-contract spend will be mitigated with this procurement.

6. Conclusions

- 6.1 There is a requirement to procure a new contact to provide servicing and maintenance of warden call and fire detection equipment installed in communal areas in sheltered housing schemes across the city.
- 6.2 Based on the review of the procurement options, the most suitable option is to utilise the Northern Housing Consortium framework agreement.
- 6.3 The procurement will be supported by a clearly defined specification, stock data and robust arrangements for contract management.

7. Recommendations

The Director of Environment and Housing is recommended to:

- 7.1 Grant the authority to procure a new contract to provide servicing and maintenance of warden call and fire detection equipment which is installed in communal areas in sheltered housing schemes across the city with an anticipated annual value £50,000 per annum. The total value of the agreement, inclusive of extensions, will be approximately £250,000.
- 7.2 To approve the proposed procurement route and model in line with CPR 3.1.8 to utilise the Northern Housing Consortium framework via a mini competition. This is the Framework Agreement for Technology Enabled Care Services including Telecare, Telehealth, Telemedicine and Associated Services Lot 2: Service, Maintenance and Repair.
- 7.3 To approve the Northern Housing Consortium framework (Technology Enabled Care Services including Telecare, Telehealth, Telemedicine and Associated Services Lot 2: Service, Maintenance and Repair) to become an approved Leeds City Council framework.

8. Background documents

- 8.1 N/A