

Report of: Shona McFarlane, Chief Officer, Assessment and Care Delivery

Report to Director of Adult Social Services

Date: 24th August 2016

Subject: To approve the award for the supply of Telecare equipment

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| 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: 10.4 (3) Appendix number: 4 & 5b | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Summary of main issues

The Tele Care service provides a range of telecare equipment to disabled adults, older people and children within Leeds. There are currently 16,000 people connected to the service. The telecare sensors are used to monitor the environment (for example to detect smoke or gas) or the person themselves (for example to detect a fall or to alert that the person has left their home).

Assessors across health and social care make recommendations for the provision of telecare with each telecare package designed to meet the need of the individual person. It can make a significant reduction in the risks for people at home and contributes to reducing and delaying the need for home care and residential services.

There is currently no suitable contract or arrangement in place that the Tele Care Service can utilise for the purchase of telecare equipment, which meets the needs and requirements of both the Tele Care Service and the service users themselves.

Tele Care Services are currently procuring telecare equipment 'non-contract'. The results of this are that there are no contracted prices or Terms and Conditions by which to contract manage the service provision. In order to comply with the requirements of EU Procurement Regulations the requirement for the supply of telecare equipment must be subjected to competition to establish a new framework agreement.

In October 2015 the Director of Adult Social Services gave approval authorising a procurement strategy of setting up four consecutive separate framework agreements with the first being set up in year one, followed by subsequent tendering exercises in years two, three and four. This effectively gives new suppliers in the market an opportunity to be appointed to one of these framework agreements and allows the council to expand the number of items available to service users by asking bidders to submit new prices against a revised schedule of items. This was recorded as a Key Decision.

This procurement strategy provides the flexibility and innovation required by the service to ensure customers' needs are met by the most up to date product. The first framework agreement will commence 1st September 2016 until 31st August 2017 and the fourth and final framework agreement will expire 31st August 2020.

The purpose of this report is to seek approval to appoint the suppliers listed in appendix 2 to the framework agreement for year 1 following a competitive tendering exercise.

Recommendations

The Director of Adult Social Services is requested to –

- (i) Approve the appointment onto a 12 month framework agreement (for the supply of Telecare Equipment listed in appendix 2) the ten suppliers listed in appendix 5,
- (ii) Approve the undertaking of further tendering exercises in years two, three and four to create further framework agreements which effectively gives new suppliers in the market an opportunity to supply the goods and allows the council to expand the number of items available to service users by asking bidders to submit new prices against a revised appendix 2.
- (iii) Note that –
 - (a) Implementation discussions will take place with the suppliers once the contract is awarded;
 - (b) The proposed timescale for implementation is 1st September 2016; and
 - (c) The Service Delivery Manager- Assisted Living Leeds will be the officer responsible for the implementation.
 - (d) The estimated value of the framework is £400,000 during the twelve month period.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval via delegated decision by the Director of Adult Social Services to approve the following –
- (i) The appointment onto a 12 month framework agreement (for the supply of Telecare Equipment listed in appendix 2) the ten suppliers listed in appendix 5,
 - (ii) To undertake further tendering exercises in years two, three and four to create further framework agreements which effectively gives new suppliers in the market an opportunity to supply the goods and allows the council to expand the number of items available to service users by asking bidders to submit new prices against a revised appendix 2.
- 1.2 This procurement strategy provides the flexibility and innovation required by the service to ensure customers' needs are met by the most up to date product .The first framework agreement will commence 1st September 2016 until 31st August 2017 and the fourth and final framework agreement will expire 31st August 2020.

2 Background information

- 2.1 On 8th October 2015, approval was given via delegated decision by the Director of Adult Social Services for the permission to procure four consecutive 12 month framework agreements for the supply of Telecare Equipment.
- 2.2 A number of Telecare products were specified in the framework. The framework has 2 lots;
- Lot 1 will be for the frequently required telecare products (framework items)
 - Lot 2 will be a discount from price list for less commonly required products.
- 2.3 Companies were invited to tender for the two Lots within the Framework;

3 Main issues

- 3.1 This framework contract is for the supply of telecare sensors to Leeds City Council. The estimated contract value is approx. £1,600,000.00, over the four years based on expenditure in 2015/16.
- 3.2 It is proposed that a 12 month framework is established, which will be re-tendered each subsequent year for a further three years. The advantage of this procurement strategy is:
- New entrants into the market to quickly get on the following years framework
 - An annual product specification refresh, allowing for any upgrades to the technology or changes to the equipment required

- New innovations – allows the frameworks to keep up with current and new technologies

- 3.3 Service user need is the key driver for the Tele Care Service and the allocation of equipment. Customers are provided with a range of products purchased from a number of different suppliers. Some of these products will have very similar functionality, however by having access to a range of products the customer's individual needs and circumstances can be met. For example; there are currently, three different suppliers of fall detectors. Each of these products have very similar functionality, however a person's weight and height effects how well the fall detector works for that individual. If a person is less than five feet tall and weighs less than 6 stones, two of the current products on the market do not alert when that person falls.
- 3.4 Connectivity is also a key feature of the products purchased as there needs to be interdependencies between the equipment purchased and the call monitoring system. Case studies were used in the specification, to illustrate that service user requirement is the key driver for the allocation of devices and not just price.
- 3.5 The Tele Care Service is often asked by suppliers to trial new products and give feedback before the products go out to the open market. Telecare is an area of assistive technology where there is a rapid development of products and systems.
- 3.6 The tender was advertised on the Council's tender website www.yortender.co.uk and within the EU via an OJEU (Official Journal of European Union) notice under the open procedure and everyone invited to tender including all current providers.
- 3.7 Consultation took place with other Local Authorities with Middlesborough expressing an interest in utilising the framework once it was in place, with Bradford being interested in joining once their current contract expires.
- 3.8 In order that the resulting framework has as much equipment as possible, the equipment pricing schedule was structured in such a way that suppliers were encouraged to propose more than 1 item of equipment per product specification.
- 3.9 The tender was advertised on Yortender on 8th December 2015 with a deadline for bids to be received of 12 noon on Wednesday 20th January. However, due to the flooding over the Christmas period and the sudden increase in workload of the evaluation panel, a decision was taken to extend the deadline to Wednesday 3rd February which a) enabled providers a longer period to complete their bids, and b) gave the evaluation panel time to deal with the emergency situation.
- 3.10 Each product item required had essential elements that all proposed items must meet and desirable elements for additional functionality. Bids were assessed against individual product specifications utilising the supplier's catalogues to identify if the proposed product was suitable. The tender was evaluated in 2 stages.

- 3.11 A two stage product evaluation was conducted.
- (a) **Stage 1 – Desktop evaluation** to review the proposed products (as detailed for each item within Appendix 3 – Telecare evaluation summary.) against the specification, utilising the catalogues provided. Each product which met or exceeded individual essential product criteria passed the desktop assessment and was requested for sampling.
- (b) **Stage 2- Product samples** were assessed against the individual essential and desirable product criteria and its compatibility with other equipment and the call centre where applicable. Each item that passed this assessment was placed onto the framework.
- 3.12 The new deadline saw 15 companies submit bids for a variety of equipment. There were 58 individual product items in the pricing schedule with 311 items in total proposed. Of those 311 items 102 items across 6 suppliers were eliminated following the desktop assessment. 209 items were requested for sampling. With 131 items passing the specification check and being awarded onto the framework. The 131 items will be provided by 10 of the 15 suppliers who submitted tenders. The equipment is to be awarded on a line by line basis to multiple suppliers.
- 3.13 Appendix 2 Items for award - lists the items for award and itemises the companies to which it is recommended that each award is given
- 3.14 Appendix 3 Product quality evaluation summary - provides the evaluation results of all items considered.
- 3.15 Appendix 4 Savings summary - shows the cost difference between the items which were awarded below the current price. The annual impact of this is estimated at **£49,246.25** a year.

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| Savings per annum | £ 52,355.70 |
| increase per annum | -£ 3,109.45 |
| | |
| total savings (savings minus increase) | £ 49,246.25 |

- 3.16 Appendix 5a List of Suppliers - contains the details of all suppliers with items awarded for Lot 1.
- 3.17 Appendix 5b Discount from Price List - contains the details of the discount offered by companies on the Framework
- 3.18 Equipment will be ordered through FMS. The equipment ordered will be determined by the service user requirements.

Consequences if the proposed action is not approved

- 3.19 The Service would have to purchase all equipment “non contract”. There would be no contract prices which would be very likely to result in higher costs for equipment.
- 3.20 The effect higher unit costs on the budget would have a direct impact on customer waiting times for equipment
- 3.21 The aim of the Service to provide the right equipment quickly to enable people to live independent and inclusive lives would be compromised.
- 3.22 If the Contracts were not awarded to the successful bidder following a proper procurement process, the Local Authority must provide justifiable reasons for abandoning the process or risk legal challenge.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Procurement process included officers from Tele Care Services and Occupational Therapist services and ICT Services.
- 4.1.2 A detailed Communications and Engagement Plan was developed to ensure that all relevant stakeholders were informed / consulted to appropriate levels of information at the appropriate times in the procurement process.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality Impact Assessment screening tool has been undertaken for the purposes of this recommendation, and has indicated that an EIA does not need to be carried out. There will be no adverse effect on any particular groups of people within the city by the proposal. Appendix 1

4.3 Council policies and Best Council Plan

- 4.3.1 The service contributes to National Indicator 142: the percentage of vulnerable people supported to achieve independent living.
- 4.3.2 Council Business Plan – this work contributes the target to increase the number of people successfully completing a programme to help them relearn the skills for daily living; increase proportion of older people (65 and over) who were still at home 91 days after leaving hospital into rehabilitation services; increase the percentage of service users who feel that they have control over their daily life.
- 4.3.3 Best Council Plan 2015 – 20 – this work contributes to the Better Lives programme and to the breakthrough project of making Leeds the best place to grow old.

4.4 Resources and value for money

- 4.4.1 A full procurement process has been undertaken in order to ensure that the Council obtains best value for money, in terms of fit for purpose products at the best price.

- 4.4.2 Using a contract will ensure items of Telecare equipment are purchased at best value rates. The service will be able to purchase equipment in a timelier manner and plan the year's expenditure. Officer time will be saved by working to the framework rather than obtaining competitive quotes for individual items and orders.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Projects, Programmes and Procurement Unit (PPPU) advertised the service in the Official Journal of the European Union to comply with the Procurement Regulations of 2015. The contract was also advertised on the Council's tendering website www.Yortender.co.uk
- 4.5.2 PPPU will advertise the tender in the Official Journal of the European Union (OJEU) to comply with the Procurement Regulations (2015), for each year of the four tender exercises. The frameworks will also be advertised on the Council's tendering website www.YORtender.co.uk and Contracts Finder.
- 4.5.3 The information contained in appendices 4 & 5b are exempt from publication under Access to Information Procedure Rules 9.2 and 10.4 (3) as they contain financial details and evaluation scores of all organisations based on information given in confidence by those organisations. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 4.5.3 The Delegated Decision to go out to tender for this procurement strategy was agreed on 13th October 2015 and notice was given that this was a key decision. Therefore this is a significant operational decision and not subject to call-in.

4.6 Risk Management

- 4.6.1 Without the Framework contract in place, the service would not be able to meet the demand for Telecare equipment, and would have to rely on buying off contract and recycling used equipment. This would result in a waiting list for equipment and the service not being able to purchase up to date equipment particularly to meet the needs of customers with more individual and complex needs.

5 Conclusions

- 5.1 The Leeds Tele Care Service has a responsibility to provide high quality telecare equipment for the people of Leeds.
- 5.2 There is currently no suitable contract or arrangement in place that the Tele Care Service can utilise for the purchase of Telecare equipment, which meets the needs and requirements of both the service and the service users.
- 5.3 The proposed framework will provide contractual security for the Tele Care Service, whilst allowing the Service to purchase a range of products that meet service user requirements without stifling innovation or technological advancements.

6 Recommendations

6.1 The Director of Adult Social Services is requested to –

- (i) Approve the appointment onto a 12 month framework agreement (for the supply of Telecare Equipment listed in appendix 2) the ten suppliers listed in appendix 5,
- (ii) Approve the undertaking of further tendering exercises in years two, three and four to create further framework agreements which effectively gives new suppliers in the market an opportunity to supply the goods and allows the council to expand the number of items available to service users by asking bidders to submit new prices against a revised appendix 2.
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 - (d) The estimated value of the framework is £400,000 during the twelve month period.

7 Background documents¹

7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.