

Report of: Deputy Director, Adults and Health

Report to: Director of Adults and Health

Date: 09.08.2017

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

Are specific electoral wards affected? If yes, 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: 9.2 and 10.4 (3) Appendix number: 4 & 5b	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary of main issues

1. 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).
2. 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.
3. 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.
4. 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 ran from 1st September 2016 until 31st August 2017 and it is anticipated that the fourth and final framework agreements will be procured and in place up until the 31st August 2020.

5. The purpose of this report is to seek approval to appoint the suppliers listed in appendix 2 to the second framework agreement, to run from 1st September 2017 to 31st August 2018, following a competitive tendering exercise.

Recommendations

The Director of Adults and Health is requested to

1. 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.
2. Approve the undertaking of further tendering exercises in years 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 specification.
3. 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 2017; 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.
 - (e)

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval via delegated decision by the Director of Adults and Health 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 5a.
 - (ii) To undertake further tendering exercises in years 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 specification.
- 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 second framework agreement will commence 1st September 2017 until 31st August 2018 and the fourth and final framework agreements will be procured and in place up until the 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 value of all the proposed framework agreements is approx. £1,600,000.00, over the four years based on expenditure in 2015/16.
- 3.2 It is proposed that the second 12 month framework agreement is established, which will be re-tendered each subsequent year for a further two years. The advantage of this procurement strategy is:
- New entrants into the market may apply for appointment to the following years framework agreement;
 - An annual product specification refresh, allowing for any upgrades to the technology or changes to the equipment required. For this second year, four items were removed from the specification.
 - New innovations – allows the telecare sensors supplied under the framework agreement to keep up with current and new technologies

- 3.3 Service user need is the key driver for the Tele Care Service.. 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 interoperability 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.
- 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 This second year tender was advertised on Yortender on 15th June 2017 with a deadline for bids to be received of 12 noon on Monday 17th July 2017.
- 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 13 companies submitted bids for a variety of equipment. There were 54 individual product items in the pricing schedule with 221 items in total proposed. Of those 221 items, 98 items across 8 suppliers were eliminated following the desktop assessment. 123 items were either requested for sampling or if unchanged, accepted based upon last years sampling exercise. 14 items were eliminated at the sampling stage, largely due to non-attendance by 2 suppliers. 109 items passed

the specification check for award onto the framework, with 4 product items not being awarded. The 109 items will be provided by 10 of the 13 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 and the current price (year1 framework price). The annual impact of this is estimated at **£2,595.85** a year. The cumulative savings attributable to the current procurement strategy are:

	Yr1 Framework	Yr2 Framework
Savings per annum	£ 52,355.70	£ 16,369.85
increase per annum	-£ 3,109.45	-£ 13,774.00
total savings (savings minus increase)	£ 49,246.25	£ 2,595.85

- 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 discounts 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 Therapy services and LCC Digital and Information 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 On 15 June 2017 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 (Regulations). The contract was also advertised on the Council's tendering website www.Yortender.co.uk and Contracts Finder.

4.5.2 The tenders have been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, provided the works are still required and affordable, the winning bidders must be appointed to the framework agreement and call-off contracts awarded based on the criteria set out in the framework agreement. Thus, in making the final decision, the Director of Adults and Health should be satisfied that this contract represents best value for the Council.

4.5.3 A 10 day standstill period will be carried out in accordance with the Regulations to allow unsuccessful providers to view the outcome of the procurement exercise in an open and transparent manner.

- 4.5.4 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.
- 4.5.5 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 At the end of the current contract on 31 August 2017 there will be 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 Adults and Health 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 5a
 - (ii) Approve the undertaking of further tendering exercises in years 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 specification
 - (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 2017; 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

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.