

Report of Shona McFarlane, Deputy Director – Adults and Health

Report to Director of Adults and Health

Subject: To approve the award for the supply of Telecare equipment 1/9/2019 – 31/8/2020

Date: 5 August 2019

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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: 2, 3, 4, 5 and 6 of this report is exempt under the Access to Information Procedure Rules 10.4.3 as this contains commercially sensitive tender information relating to the organisations involved	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

The Telecare 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.

In October 2015 the Director of Adults and Health gave approval authorising a procurement strategy to set up four 12 month 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 ran from 1st September 2016 until 31st August 2017. This report is now seeking approval to award and appoint suppliers onto the fourth and final of the framework agreements which will commence 01 September 2019 being in place up until the 31st August 2020.

The decision to award the contract is a Significant Operational Decision.

2. Best Council Plan Implications

- Council Business Plan – this work contributes the outcome of people being able to live with dignity and stay independent for as long as possible.
- Best Council Plan 2019 – 20 – this work contributes making the Age-Friendly Leeds KPI by enabling people to live independently in a place of their choice

3. Resource Implications

- Capital funding for Telecare Equipment has been approved. There is £500K budget available for 2019/20 and £600K available in 2020/21

Recommendations

The Director of Adults and Health is requested to –

- (a) Approve the appointment onto a 12 month framework agreement (for the supply of Telecare Equipment listed in appendix 2) the nine suppliers listed in appendix 5,
- (b) 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 2019.
 - (c) The Service Delivery Manager- Assisted Living Leeds will be the officer responsible for the implementation.
 - (d) The estimated value of the framework is £500K 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 Adults and Health to approve the following –
- 1.2 To appoint the suppliers as detailed in Appendix 2 to the fourth and final framework agreement, to run from 1st September 2019 to 31st August 2020, following a competitive tendering exercise.
- 1.3 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.

2. Background information

- 2.1. On 8th October 2015, approval was given via delegated decision by the Director of Adults and Health for 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. Suppliers who are awarded at least 1 item on lot 1 will automatically be appointed to lot 2. Suppliers were not able to apply for lot 2 in its own right.

- 2.3. Companies were invited to tender for the two Lots within the Framework.
- 2.4. This procurement has been carried out in collaboration with 3 other Local Authorities with Leeds City Council being the lead authority. The framework covers the requirements of Leeds City Council for goods being delivered directly to Assisted Living Leeds and also to Middlesbrough Borough Council, Hartlepool Borough Council and Kirklees Council.

3. Main issues

- 3.1. This framework contract is for the Supply of Telecare Equipment to Leeds City Council in collaboration with Middlesbrough Borough Council, Hartlepool Borough Council and Kirklees Council.

- 3.1.1. Suppliers are appointed to the framework for a 12 month period and ranked by order of price on a line by line basis. The lowest priced item will be ranked in first place the next lowest priced item will be ranked in second place and so on. All Customers will procure goods from this Lot as a direct call-off without competition, and will endeavour to obtain value for money by procuring the cheapest goods available from the ranked list of framework goods.

- 3.2. The purpose of this report is to seek approval to award the fourth and final of the 12 month frameworks which will commence on 1st September 2019. Approval was

given to procure four consecutive 12 month framework agreements in October 2015. The advantages of this framework being procured on an annual basis are:

- 3.2.1. It allows new entrants into the market to be appointed on to the framework should they submit a successful bid.
- 3.2.2. An annual product specification refresh, allowing for any upgrades to the technology or changes to the equipment required.
- 3.2.3. New innovations – allows the frameworks to keep up with current and new technologies
- 3.2.4. 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.
- 3.2.5. 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.
- 3.2.6. With the above in mind the Framework is set up in such a way which also enables the Customer to procure an alternative framework item where the cheapest framework item may not be appropriate.
- 3.2.7. 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. Testing the market on an annual basis through a competitive tender ensures that the Tele Care Service can keep in touch with new product developments and take advantage of testing new equipment.
- 3.3. The tender was advertised on the Council's tender website www.yortender.co.uk and in the EU via an OJEU (Official Journal of European Union) Contract Notice on 09 May 2019 under the open procedure that enabled all interested providers including the incumbents to submit a tender.
- 3.4. Consultation took place with other Local Authorities with Middlesbrough Borough Council, Kirklees Council and Hartlepool Borough Council expressing an interest in collaborating in order to utilise the framework once it was in place. The OJEU notice was advertised to enable these Local Authorities to utilise the framework under a collaborative exercise.
- 3.5. In order that the resulting framework has as wide range of 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.
- 3.6. 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 or datasheets or web links to identify if the proposed product was compliant and suitable for use. The tender was evaluated in 2 stages.

- 3.7. A two stage product evaluation was conducted (refer to Appendix 3 that lists the items and provides a summary of the overall evaluation process).
- 3.8. (a) **Stage 1 – Desktop evaluation** to review the proposed products against the specification, utilising the catalogues, datasheets or web links provided. Each product which met or exceeded the individual product criteria passed the desktop assessment and was requested for sampling progressing to Stage 2 of the evaluation. In line with the Tender Instructions, where a missing or incorrect product code was identified during the desktop evaluation, the evaluation panel did not make a best guess as to which product the supplier was proposing, and as such that item would fail the evaluation and be eliminated from the tender process.
- 3.9. (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. Suppliers were invited in to demonstrate equipment to confirm suitability and compliance with the essential product criteria. Each item that passed both the Stage 1 and Stage 2 assessment would be placed onto the framework on a ranked basis per line item.
- 3.10. 14 companies submitted bids for a variety of equipment. Lot 1 was divided into 4 product categories; Alarm Units and Pendants, Stand Alone Equipment, Telecare Devices and GPS Equipment. There were 30 individual product items in the pricing schedule with 44 items in total proposed. The additional 14 items relate to spare parts that may be required for some of the proposed awarded items i.e. replacement batteries, power cables etc.

Of the 14 bids submitted 2 suppliers submitted non-compliant submissions having not returned a completed price schedule and Form of Tender. 12 bids were evaluated at Stage 1: Desktop Evaluation. Under the first phase of the evaluation process (desktop assessment) out of the 30 individual items 3 suppliers were eliminated from the tender process following the desktop assessment. The remaining 9 suppliers provided a total of 53 individual items for sampling that resulted in a proposal of 27 awards and 3 non awards that will be awarded on a line by line basis to multiple suppliers. Of the non-award items 2 received no bids. The remaining non award item is the Telecare Devices Product Item L - Gas Sensor Unit which is to be withdrawn from the Framework offer following TSA safety advice received by the service in June 2019.

- 3.11. Appendix 2 - lists the items for award and itemises the companies to which it is recommended that each award is given.
- 3.12. Appendix 3 Product quality evaluation summary - provides the evaluation results of all items considered.
- 3.13. Appendix 4 Savings summary - shows the annual cost difference between the current price and the lowest tendered items that will be purchased over the next 12 months. The total savings based on purchasing the estimated quantities over 12 months as detailed in the price schedule equates to a saving of £17, 755.90
- 3.14. Appendix 5 List of Suppliers - contains the details of all suppliers with items awarded for Lot 1 and contains the details of the unsuccessful suppliers.
- 3.15. Appendix 6 Discount from Price List - contains the details of the discount offered by companies on the Framework

3.16. Equipment will be ordered through the Council's Financial Management System. The equipment ordered will be determined by the service user requirements as defined in the service specification.

4. Corporate considerations

4.1. Consultation and engagement

4.1.1. The Procurement process included officers from Telecare Services, ICT Services, Middlesbrough Borough Council, Hartlepool Borough Council and Kirklees Council and the process was overseen by Procurement and Commercial Services. 3 members of Leeds City Council Telecare Service and 2 Kirklees Council representatives formed the Evaluation Panel. An officer from Procurement and Commercial Services was also present to oversee the process.

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 (Appendix 1) 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.

4.3. Council policies and the 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. Climate Emergency

4.4.1. At Full Council on 27 March 2019, Leeds City Council passed a motion declaring a Climate Emergency. In addition, the Leeds Climate Commission have proposed a series of science based carbon reduction targets for the city so that Leeds can play its part in keeping the increase in global average surface temperatures to no more than 1.5°C. A 'City Conversation' is planned for the summer of 2019, to raise awareness, review and refine the options and to start to build public, business and political support for transformative action.

4.4.2. Environment and Sustainability considerations were taken into account while developing the specification. Provisions are included which advises that the service

will work with suppliers to ensure that they assist Leeds City Council to achieve their carbon reduction targets and reducing emissions across its fleet and operations.

- 4.4.3. In terms of specifics for this contract, the provision of telecare equipment is a preventative measure that may reduce or eliminate the need for additional transport for the customer to hospital and also may reduce the package of care to the customer therefore reducing the number for visits from homecare staff. Both of these impacts are carbon positive in as much as they are removing the need for unnecessary journeys.

4.5. Resources, procurement and value for money

- 4.5.1. A full OJEU compliant competitive 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.
- 4.5.2. 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.
- 4.5.3. Suppliers are appointed ranked by order of price on a line by line basis. The lowest priced item will be ranked in first place the next lowest priced item will be ranked in second place and so on. All Customers will procure goods from Lot 1 as a direct call-off without competition, and will endeavour to obtain value for money by procuring the cheapest goods available from the ranked list of framework goods.

4.6. Legal implications, access to information, and call-in

- 4.6.1. On 09 May 2019 Procurement and Commercial Services (PACS) advertised the service in the Official Journal of the European Union to comply with the Public Contracts Regulations 2015. The contract was also advertised on the Council's tendering website www.Yortender.co.uk
- 4.6.2. The information contained in appendices 2,3, 4,5 & 6 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.
- 4.6.3. This decision to award is the implementation of a Key Decision dated October 2015 and subsequent delegated decision dated 15th March 2019. As such it is a consequence of that previous Key Decision so it is not subject to call-in and will be treated as a Significant Operational Decision.

4.7. Risk management

- 4.7.1. If Year 4 of the framework is not now awarded the Service would have to purchase all equipment as "non contract" due to no contracts being in place. There would be no contract prices which would be very likely to result in higher costs for equipment.
- 4.7.2. The higher unit costs on the budget would have a direct impact on customer waiting times for equipment.

- 4.7.3. The aim of the Service, to provide the right equipment quickly to enable people to live independent and inclusive lives, would be compromised should no contract be formalised.
- 4.7.4. Following an OJEU Compliant competitive procurement process, where subsequent to evaluation, successful bidders are not appointed to the framework agreement, the Local Authority must provide justifiable reasons for abandoning the processor risk challenge

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. Approval was given in October 2015 to procure and award a framework contract for the Supply of Telecare Equipment for 4 periods of 12 months on an annual basis. The current Year 3 Framework contract is due to expire 31 August 2019. Following an OJEU compliant competitive Tender Exercise 9 suppliers have been evaluated and recommended for award onto Lot 1 and 2 of Year 4 of the framework.
- 5.3. The 9 Suppliers outlined in Appendix 2 are recommended for award and ranked in terms of price and compliance to the specifications on a line by line basis against products and are as such deemed as the best value for money. The proposed framework will provide contractual security for the Telecare 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 –
- (a) Approve the appointment onto a 12 month framework agreement (for the supply of Telecare Equipment listed in appendix 2) the nine suppliers listed in appendix 5,
- (b) 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 2019.
 - (c) The Service Delivery Manager- Assisted Living Leeds will be the officer responsible for the implementation.
 - (d) The estimated value of the framework is £500K during the twelve month period.

7. Background documents¹

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.