

**Report of** Shona McFarlane, Deputy Director Social Work & SC Service, Adults & Health

**Report to** Director of Adult Social Services

**Date:** 25<sup>th</sup> March 2020

**Subject:** Authority to undertake a procurement exercise in accordance with Contracts Procedure Rule (CPR) 3.1.6 for the supply of Telecare Equipment

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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	

## Summary

### 1. Main issues

The Telecare service provides a range of telecare equipment to disabled adults, older people and children within Leeds. 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 gave new suppliers in the market an opportunity to be appointed to one of these framework agreements and allowed 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 procurement strategy provided the flexibility and innovation required by the service to ensure customers' needs are met by the most up to date product. This framework ends on the 31st August 2020 with no option to extend. Not to have a contract in place will lead to significant non-contract spend and therefore, a new contract is required to meet the existing demand for the products for the service.

The report requests that a Key Decision is made to approve the identified procurement route in compliance with Contract Procedure Rule 3.1.6.

## **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 scheme 33089 for Telecare Equipment has been approved. There is £450k available in 2020/21 and £600k is available in 2021/22.
- There is new capital scheme 33084, for the transition from analogue to digital switchover, which will be available from 2020/21. This will provide a further budget of £500k for the purchase of digital equipment and £100k for the replacement Alarm Receiving Centre (ARC) in 2020/21 and £500K for the purchase of digital equipment in 2021/22
- The total capital budget available in 2020/21 is £950K and £1.1m in 2021/22, 2022/23, with £600k available in 2023/24.

## **Recommendations**

The Director of Adults and Health is requested to –

- Approve the authority to undertake a procurement exercise in accordance with Contracts Procedure Rules (CPR) 3.1.6 to procure a 2 year framework agreement for the supply of Telecare Equipment to commence 1<sup>st</sup> September 2020 until 31<sup>st</sup> August 2022 with an option for the Council to extend up to a further period of 24 months.
- Implementation discussions will take place with the suppliers once the contract is awarded
- The proposed timescale for implementation is 1<sup>st</sup> September 2020.
- The Service Delivery Manager- Assisted Living Leeds will be the officer responsible for the implementation.

## **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 undertaking of a procurement exercise to procure a 2 year framework agreement for the supply of Telecare Equipment, which will commence 1st September 2020 until 31st August 2022 with an option to extend up to a further 24 months.
- 1.2 The anticipated value of the 2 years Framework contract will be £2.05m and the value of total framework contract including the option to extend up to a maximum of 24 months will be £3.75mm.
- 1.3 Approve the proposed evaluation criteria and methodology as outlined in this report in line with CPR 3.1.8
- 1.4 This procurement strategy as outlined in this report 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 8<sup>th</sup> 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 is for the frequently required telecare products (framework items)
- Lot 2 is a discount from price list for less commonly required products. Suppliers who are awarded at least 1 item on lot 1 were automatically appointed to lot 2. Suppliers were not able to apply for lot 2 in its own right.

- 2.3. This procurement was 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.
- 2.5 This framework contract expires on 31<sup>st</sup> August 2020 with no option to extend.

## **3. Main issues**

- 3.1.1 The current framework contract has worked well for Leeds Tele Care Service. During the four years of the contract the following other authorities have utilised the framework, Middlesbrough Borough Council, Hartlepool Borough Council and Kirklees Council but the process is time consuming.
- 3.1.2 The process allowed new entrants into the market to be appointed on to a new framework should they submit a successful bid. Over the last four years we can

successfully demonstrate that the market has successfully registered their interest in the Leeds Telecare service and a longer term arrangement is more appropriate.

- 3.1.3 At present the telecare industry is focused on the analogue to digital switchover. Over the last two years the product innovation has been centred on the digital offer and there has been very little change to the equipment specification. It is anticipated that there will be limited further innovation over the next two years and possibly beyond until the digital switchover deadline is reached in 2025.
- 3.1.4 It is proposed that a 2 year framework is established with an option to extend up to a further 24 months if deemed necessary, otherwise the service will be re-tendered prior to the end of the first two year framework contract, to allow for:
- Leeds Tele Care service to commence the digital switchover of telecare equipment alongside the Telecare Alarm Receiving Centre transferring to a digital solution.
  - At the end of the first 24 months and if deemed necessary by the Service Delivery Manager, all new entrants into the market will be able to tender their products because a decision would have been reached not to exercise the option to extend the contract.
  - A product specification refresh, allowing for any upgrades to the technology or changes to the equipment required.
  - New innovations – allows the council not to exercise its right to extend the frameworks so to keep up with current and new technologies.
- 3.1.5 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 appointed to the contract to supply 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.
- 3.1.6 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.
- 3.1.7 With the above in mind the proposed Framework will be set up in such a way which will enable the service to procure an alternative framework item where the cheapest framework item may not be appropriate. Call offs can be made based on an individual's needs and circumstance.
- 3.1.8 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 through a competitive tender ensures that the Tele Care Service can keep in touch with new product developments, take advantage of testing new equipment and obtain contractual prices.

3.1.9 A number of Telecare products will be specified in the framework. The framework will have 2 lots;

**Lot 1** will be for the frequently required telecare products (framework items) and

**Lot 2** will be a discount from price list for less commonly required products.

3.1.10 The Evaluation methodology for this procurement will be based 100% on price and compliance to products specifications. Under Lot 1 Goods initially tendered will be evaluated on a pass/fail basis against the specifications, and all goods that meet the required essential standards will be ranked by price on a line by line basis and appointed to the framework agreement for the 24 month duration.

3.1.11 Goods will be procured from Lot 1 as a direct call-off without competition, in order to obtain value for money by procuring the cheapest goods available from the ranked list of framework goods. However, end user need is the key driver for the Telecare service and as such there will be situations where other factors come into play in relation to procuring equipment that best meets the needs of the end user. There are situations where it is not appropriate for the Customer to procure the cheapest framework item and where instead an alternative framework item will be procured based on the essential needs of the service user.

3.1.12 Contractors who are awarded at least one item on Lot 1 will automatically be appointed to Lot 2. Suppliers cannot apply for Lot 2 in its own right. If the less commonly purchased item(s) become a frequent purchase via Lot 2 over the framework period, on the conclusion of the first 2 years of the framework contract the specification will be refreshed and include all frequently purchased items, if the option to invoke the extension is not exercised.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

4.1.1 The Procurement process will be conducted in collaboration and include officers from Telecare Services, ICT Services, Middlesbrough Borough Council, Hartlepool Borough Council and Kirklees Council and the process will be overseen by Procurement and Commercial Services.

4.1.2 A detailed Communications and Engagement Plan will be developed to ensure that all relevant stakeholders are 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.
- 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 will be 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 Procurement and Commercial Services (PACS) will advertise the tender in the Official Journal of the European Union (OJEU) to comply with the Procurement Regulations (2015). The framework will also be advertised on the Council's tendering website YORtender and Contracts Finder.

4.6.2 This is a key decision and is subject to call-in. The report does not contain any exempt or confidential information under the Access to Information Rules.

#### **4.7 Risk management**

4.7.1 The Service would have to purchase all equipment "off contract". 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 process or risk challenge for successful bidders.

#### **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 Once the current contract ends 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. Alternative procurement options have been considered as part of an options appraisal including the use of a Dynamic Purchasing System and External Framework. However, these are considered not to be suitable due to the lack of flexibility on both options.

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**

The Director of Adults and Health is requested to –

- Approve the authority to undertake a procurement exercise in accordance with Contracts Procedure Rules (CPR) 3.1.6 to procure a 2 year framework agreement for the supply of Telecare Equipment to commence 1st September 2020 until 31st August 2022 with an option for the Council to extend up to a further period of 24 months.
- Implementation discussions will take place with the suppliers once the contract is awarded

- The proposed timescale for implementation is 1<sup>st</sup> September 2020.
- The Service Delivery Manager- Assisted Living Leeds will be the officer responsible for the implementation.

**7. Background documents<sup>1</sup>**

None.

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<sup>1</sup> 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.