



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

Report to Director of Adults and Health

Date: 24 June 2020

Subject: Request to use the current telecare services framework agreement to directly enter into new call-off contracts under the framework agreement DN406243 for The Supply of Telecare Equipment commencing 1st September 2020 for 12 months

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 9.2 and 10.4	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- This report sets out the recommendation to use the current telecare services framework agreement to directly enter into new call-off contracts with the providers listed at Appendix 2 for 12 months at a total value not to exceed £879,600.
- Leeds City Council currently have a framework agreement in place with 9 providers appointed for the supply of telecare equipment. The current contract expires 31 August 2020. The framework agreement is used by the Leeds Tele Care service, which is part of Leeds City Council.
- On the 25 March 2020 the Director of Adults and Health approved the authority to undertake a procurement exercise in accordance with Contracts Procedure Rule (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. The current Covid-19 pandemic has resulted in an unprecedented situation which has significantly

impacted on the procurement timetable and the inoperability of the market to undertake a competitive procurement exercise as a result of measures imposed by the UK Government to contain the spread of Covid – 19 which has impacted on the lack of capacity in the market. In addition the Council would be unable to conduct a transparent procurement process with regard to tender evaluation, specifically the product sampling which requires face to face demonstrations and product evaluation due to the current social distancing measures.

- The telecare service provides a range of telecare equipment to disabled adults, older people and children within Leeds. Directly calling off new contracts under the current framework agreement is required due to the genuine, unforeseeable emergency which now means we are unable to go through a competitive procurement process. Due to the unknown timescales related to the period of restrictions and the vulnerable nature of individuals requiring continued supplies of this essential telecare equipment, it is recommended that new direct call-off contracts be entered into for 12 months with the current providers to allow sufficient time to re-engage the market due to the current lock down restrictions and undertake a competitive procurement exercise with a new start date of 1st September 2021.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- 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 £479.6k available to 31st March 2021 and £600k is available to spend from 1st April 2021 until 31st March 2022.
- 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 spend for 2019/20 was £700k, the spend in 18/19 was £526K and 17/18 £573K
- The general Telecare capital budget was increased from an annual budget of £500K to £600K in 2019/20.
- In 2019/20 the expenditure was £700K. Permission was given in March 2020 to draw down £150K of 2020/21 budget in 2019/20. Not all of the additional £150K was spent in 2019/20 and £29.6K (underspend) has been carried forward into 2020/21 budget.
- The digital equipment includes the IP units which cost £98.00 more from the cheapest supplier although we do get a £50.00 credit for any old analogue units we return.
- We also need to replace a lot of the peripheral equipment because:

1. It's too old life span ranges from 1 year to 10 years depending on the equipment
 2. It is not compatible with the digital unit.
- We have already committed to not over spending this year and drawing down from next years' budget so for 20/21 there is £479.6K from scheme 33089 for normal telecare equipment and £600.00 for the analogue to digital switchover scheme 33084 which includes the ARC replacement and digital equipment.
 - In 2021/22 we have £600K in scheme 33089 and £500K in scheme 33084 plus any underspend.
 - The contract spend will be within the available budget and will not exceed the annual budget.

Recommendations

The Director of Adults and Health is requested to –

- a) Approve the use of the current telecare services framework agreement (DN406243) to call-off and directly award new contracts with the contractors listed at Appendix 2, for a period of twelve months.
- b) Approve the proposed timescale for implementation from 1st September 2020. The total value of these contracts will be no greater than £879.6K.
- c) Note that 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 from the Director of Adults and Health to approve the use of framework agreement DN406243 to call-off and directly award new contracts to the providers listed at Appendix 2. The proposed duration of each contract is twelve months commencing 1st September 2020 and the total value of the new contracts is up to £879.6K.

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 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. The 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.
- 2.4. The fourth and final framework contract expires on 31st August 2020 with no option to extend. The request to enter into new call-off contracts with the contractors listed in Appendix 2 is on behalf of Leeds City Council only.

3. Main issues

- 3.1. The current arrangement for the supply of telecare equipment has been successfully delivered over the last 4 years. The establishment of a 4 year framework which was tendered on a 12 monthly basis has resulted in new entrants in the market and new products being appointed to the framework. It has resulted in significant savings for the authority and ensures that Leeds Tele Care Services has access to a varied range of Telecare Equipment that caters for the individual needs of its customers.
- 3.2. On the 25 March 2020 the Director of Adults and Health approved the recommendation to undertake a procurement exercise in accordance with Contracts Procedure Rule (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. However, due to the fast paced nature of the current social distancing measures put in place by the UK Government, there is no longer an opportunity to carry out an effective and transparent procurement exercise with a fluid and buoyant market. The new contracts are required as there is a genuine, unforeseeable emergency and the timescales for the removal of Government restrictions are still not known.
- 3.3. In March 2020 the Government imposed the UK with unprecedented Stay at Home Social distancing measures that also impacted on the telecare market. The measures and restrictions imposed will have significant impact on the supply of goods, works and services to the public sector.
- 3.4. At present due to the measures introduced to reduce the spread of Covid-19 suppliers are focussing their service delivery on essential or critical service requirements. The telecare industry is focused on maintaining the supply of telecare products to vulnerable individuals who are the most at risk during this crisis. It is felt that the capacity of suppliers to respond to any competitive tender opportunities at this time will be significantly reduced. Furthermore, due to social distancing measures introduced, officers are unable to conduct a transparent procurement process with regard to tender evaluation, specifically the product sampling. It is essential that each item of telecare equipment is checked for compliance against the product specification. This is done through face to face product sampling and

supplier demonstrations. Due to current social distancing legislation there will be no opportunity to carry this out within the current procurement timetable.

- 3.5. The current arrangements have been delivered successfully in Leeds over the last twelve months and it is felt that a continuation of this for a further period will ensure continued access to a range of products that suit the customer's individual needs and circumstances. The telecare industry's 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.
- 3.6. Customer need is the key driver for the telecare 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 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.
- 3.7. Under Lot 1 of the framework suppliers are ranked by price on a line by line basis based on the compliance to the tender evaluation. Details of suppliers and rankings are detailed on the attached Appendix 2. Goods will continue to 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. Lot 2 will continue to be procured based on the tendered discount to price list.
- 3.8. The current contract is due to expire on 31 August 2020, however further approval needs to be sought to enter into new contracts for twelve months. This will ensure service provision remains in place until a new framework agreement can be established in accordance with the Public Contracts Regulations 2015. Due to the current uncertainty and future of the Government measures introduced following the Covid-19 pandemic, twelve months is deemed sufficient to ensure an open and transparent procurement process can be carried out and allow the new contract to commence 01 September 2021.

4. Corporate considerations

4.1. Consultation and engagement

4.1.1. Ongoing consultation has taken place involving officers from Leeds Tele Care Services, Middlesbrough Borough Council, Hartlepool Borough Council and Kirklees Council and the current Contractors.

- 4.1.2. The process will be overseen by Procurement and Commercial Services.
- 4.1.3. 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

5. Resources, procurement and value for money

- 5.1 The total amount incurred over the twelve month period will be £879.6K. The current contract value for the 4 year Framework as approved on 8th October 2015 was £2,000,000. The annual budget was increased from an annual budget of £500K to £600K in 2019/20.
- 5.2 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. Leeds Tele Care Service 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.
- 5.3 The new framework agreement will be subject to a competitive procurement exercise later in the year with a proposed start date of 1 September 2021. It is envisaged that through this procurement exercise further efficiency savings will be achieved.

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

- 6.1. Framework Agreements are governed by s33 of the Public Contracts Regulations 2015 (Regulations). S33 (3) of the Regulations confirm that the term of a framework agreement shall not exceed 4 years, save in exceptional cases duly justified, in particular by the subject-matter of the framework agreement. The current 4 year term of the framework agreement which is subject to this decision is due to expire on 31st August 2020. Due to Covid-19, it has not been possible to undertake a full procurement exercise to establish a replacement framework agreement. However, as confirmed by the Explanatory Note on Framework Agreements produced by the European Commission, call-off contracts can continue to be procured right up until the framework agreement itself expires, even if the performance of a specific call-off contract based on the framework agreement would take place after expiration of the framework agreement itself. However, the call-off contract must have been entered into before the framework agreement expires. Therefore, provided that the call-off contract(s) relevant to this decision are entered in to prior to 31st August 2020, then there would not appear to be any breach of the Regulations. This will enable individual orders to continue to be raised under the call-off contract(s) for the twelve month period whilst a full re-procurement takes place.
- 6.2. This is a Key Decision which is subject to call-in and there are no grounds for keeping the contents of this report confidential under the Access to Information Rules. A notice was published on the List of Forthcoming Key Decisions on 28th April 2020.
- 6.3. As the framework agreement was procured in accordance with the Public Contracts Regulations 2015 there are no legal implications but any call-off undertaken must be in line with the provisions laid down in the terms of the framework agreement.
- 6.4. In making their final decision, the Director of Adults and Health should note the above comments and be satisfied that the course of action chosen represents best value for money.

7. Risk Management

- 7.1. Should the recommendation not be approved, the UK Government's social distancing measures imposed as a result of Covid-19 pandemic, will ensure insufficient time to conduct the tender process or carry out a transparent tender evaluation. The Council 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. The equipment would not be tested for compliance and may not meet the essential product specifications.
- 7.2. Should no contract be formalised the higher unit costs on the budget would have a direct impact on customer waiting times for equipment. The ability of the Council, to provide the right equipment quickly to enable people to live independent and inclusive lives, would be compromised.
- 7.3. The contract will continue to be performance managed by officers of Leeds Tele Care Services. To date the contractors have delivered in accordance with the service requirements and performance criteria outlined in the specification.

8. Conclusions

- 8.1. The formulation of new contracts with the existing providers from September 1st 2020 for twelve months will ensure continuity of service as well as allow sufficient time to undertake procurement activity once social distancing restrictions imposed by the UK government as a result of the Covid-19 Pandemic are lifted. New contracts are required as there is a genuine, unforeseeable emergency and the timescales for the removal of the measures introduced by the government to reduce the spread of the Covid-19 are ongoing and a timeline for the end are still not known ultimately this will result in a delay of the procurement process.

9. Recommendations

- 9.1. The Director of Adults and Health is requested to –
 - i. Approve the use of the current telecare services framework agreement (DN406243) to call-off and directly award new contracts with the contractors listed at Appendix 2, for a period of twelve months.
 - ii. Approve the proposed timescale for implementation from 1st September 2020. The total value of these contracts will be no greater than £879.6K.
 - iii. Note that the Service Delivery Manager - Assisted Living Leeds will be the officer responsible for the implementation.

10. Background documents¹

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.

11. Appendices

11.1. Equality Impact Assessment

11.2. Suppliers list