

Finance and Resources Committee

10.00am, Thursday, 27 August 2015

Extension of Contract for Telecare Technology (Installation, Maintenance and Responsive Repair)

Item number	7.17
Report number	
Executive/routine	
Wards	All

Executive summary

It is recommended that Committee authorises a waiver of the Contract Standing Orders and the award of a contract extension to SPIE Scotshield for the installation, maintenance and responsive repair of telecare technology until 31 March 2016, at a value of approximately £90,000.

The waiver will bring the end dates of the two existing contracts in line with each other, therefore allowing them to be merged into a single contract. The benefits of merging the contracts are:

- Direct financial savings to the Council; and
- Improved consistency of technical works across mainstream and sheltered housing units.

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Extension of Contract for Telecare Technology (Installation, Maintenance and Responsive Repair)

Recommendations

- 1.1 It is recommended that Committee authorises a waiver of the Contract Standing Orders and the award of a contract extension to SPIE Scotshield for the installation, maintenance and responsive repair of telecare technology until 31 March 2016, at a value of approximately £90,000.

Background

- 2.1 The Council currently uses Warden Call and Smart technology to assist in providing telecare and assistive technology to the city's vulnerable residents. Warden Call technology is in place in sheltered housing, and Smart telecare technology is used in individual homes, both by Council tenants and private residents. This telecare service is paid for by individual customers, and the technology contracts are currently managed by the Housing Asset Management team in Services for Communities. Warden Call technology is currently serviced by McGill Electrical, and Smart technology by SPIE Scotshield.
- 2.2 In previous years, the Warden Call and Smart technology contracts have been managed separately. It has been identified that there are clear synergies within the remit of both contracts.
- 2.3 On 14 October 2014, the Housing & Regeneration Procurement Board considered this situation and agreed that the best course of action was to merge these two individual contracts in to a single contract to achieve best value. This is anticipated to have the following benefits:
- Direct financial savings to the Council; and
 - Improved consistency of technical works across mainstream and sheltered housing units.

Main report

- 3.1 The procurement timetable to arrange the provision of a four year contract for both Warden Call and Telecare Smart Technology is now projected to complete by the end of 2015. The current contract in place with Scotshield for Telecare Smart Technology has been previously extended by waiver from 1 October 2014 until 30 June 2015. This waiver anticipated spend of £90,000 (with spend expected to be approximately £80,000 to the end of June).

- 3.2 Preparation for procurement has taken longer than initially anticipated. The reasons for this include collating appropriately robust management information, complexities resulting from the transfer of the team which manages the Telecare service to Health and Social Care, and the complexity of merging service requirements from two specifications into one.
- 3.3 Although contract award is now expected in December 2015, this waiver allows for a further tolerance in timescales, mitigating against any further unforeseen issues. To ensure there is no risk to provision of service to these vulnerable residents, this waiver requests that a contract extension is put in place until the end of March 2016, at a value of approximately £90,000.00.
- 3.4 The Contract Standing Orders (CSOs) state that, for services in excess of £25,000, a public advertisement followed by an invitation to tender should be carried out before the award of contract. Under Paragraph 9, the CSOs can be waived if justified as a legislative exemption or in the Council's best interests. It is considered that in these circumstances a waiver is justified in the Council's best interests.
- 3.5 The continuation of the current Warden Call contractual arrangements with McGill Electrical was approved on 1 June 2015 by Corporate Procurement Services and Head of Housing and Regeneration by a separate waiver under Delegated Authority from 1 July 2015 to 31 March 2016, to a maximum value of £25,000.

Measures of success

- 4.1 The Contract Standing Orders (and waiver process) set out the basis and application of strong authorisation and internal controls which require to be applied in a consistent manner for and on behalf of the Council.
- 4.2 The measure of success in this instance will be the continuity of service levels until the new contract for telecare technology is awarded.

Financial impact

- 5.1 The total value of the waiver is £90,000 to cover the period from 1 July 2015 to 31 March 2016. There is a service level agreement in place between Community Alarm Telecare Service and Housing Asset Management. Health and Social Care fund the Telecare provision with the provision of Sheltered Housing Warden Call funded from the Housing Revenue Account (HRA) budget 2015/16.
- 5.2 Through merging these Warden Call and Smart technology contracts, it is anticipated that there will be financial savings to the Council, the value of which will be ascertained as the procurement process progresses.
- 5.3 The continuation of Warden Call contractual arrangements has been approved on 28 May 2015 by Cathy King, Head of Service by separate waiver under Delegated Authority from 1 July 2015 to 31 March 2016. This is anticipated at a

maximum value of £25,000 which is also provided for within the current HRA Capital budget 2015/16.

Risk, policy, compliance and governance impact

- 6.1 It is currently anticipated that the risk of legal challenge from the market is low. Formal procurement process is expected to commence in August which will give competitors an opportunity to take part in open competition.
- 6.2 If the contract is not extended there is significant risk to frail and vulnerable residents who require the installation and maintenance of Telecare equipment. There is an increased risk of delayed discharge, as NHS patients who could be discharged home with Telecare support will be occupying beds that could be used for new admissions.
- 6.3 There is a probability of significant reputational risk for the Council should the waiver not be agreed due to the end users of this requirement being vulnerable residents.
- 6.4 After an assessment of risk, these services have continued to be delivered in order to minimise disruption; however, approval of a waiver would ensure full compliance with Contract Standing Orders until the new contract is in place.

Equalities impact

- 7.1 There is no negative equality or human rights impact arising from this report. The Warden Call equipment installed in Sheltered Housing allows vulnerable people to continue to live in the community with minimal support.
- 7.2 The installation of Telecare in client homes enables them to continue living independently but still have access to support if required.
- 7.3 These technologies have a positive equalities impact by allowing vulnerable people to continue to be part of and contribute to the wider community as well as fostering tolerance, understanding and equality within neighbourhoods across the city.

Sustainability impact

- 8.1 There is no sustainability impact relating to these proposals.

Consultation and engagement

- 9.1 Consultation between Housing Asset Management and Commercial and Procurement will ensure that requirements of users will be appropriately considered and incorporated into the tender for the new contract to be procured.

Background reading/external references

n/a

John Bury

Acting Director of Services for Communities

Contact: Alex Burns, Asset Manager

E-mail: alex.burns@edinburgh.gov.uk | Tel: 0131 529 5890

Links

Coalition pledges	P8
Council outcomes	CO16
Single Outcome Agreement	SO4
Appendices	n/a