

To: Finance, Resources and Customer Services Policy Board

On: 29 January 2020

Report by: Joint Report by Chief Executive and Director of Communities, Housing and Planning Services

Heading: Contract Award: Sensor Monitoring Equipment for Domestic Properties
(RC-CPU-19-204)

1. **Summary**

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a Supplies Contract for Sensor Monitoring Equipment for Domestic Properties (RC-CPU-19-204) to IOPT Limited.
- 1.2 The recommendation to award a Contract follows a procurement process conducted via an Open procedure under the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts for an above EU Threshold Supplies contract.
- 1.3 A Contract Strategy was approved by the Head of Planning and Housing Services and the Strategic Commercial and Procurement Manager on 31 October 2019.

2. **Recommendations**

2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:

- a) Authorise the Head of Corporate Governance to award a Contract for Sensor Monitoring Equipment for Domestic Properties (RC-CPU-19-204) to IOPT Limited;
- b) Note the initial contract term of two (2) years with the Council having the option to extend for up to 12 months on two (2) separate occasions, subject to contract performance and the availability of further funding. The anticipated starting date is Friday 21st February 2020. The actual starting date will be confirmed in the Council's Letter of Acceptance to IOPT Limited;
- c) Authorise the maximum contract value of up to £1,047,290.51 excluding VAT. Note the value for the initial two (2) year contract is up to £475,650.24 and the value for the optional extension periods is up to £571,640.27; and
- d) Note the award of this Contract is subject to the provision of Contractors All Risk insurance to the level required by the Council, as indicated within the tender documentation.

3. **Background**

3.1 The Council have identified potential areas of improvement that could be achieved through early identification and intervention of rot works before they escalate and require greater repair costs. These issues primarily relate to temperature and humidity levels within the properties that could, over time, promote and accelerate mould growth and other rot related conditions.

3.2 This follows a small scale pilot project undertaken by the Housing Investment team to measure internal environmental conditions following the installation of external wall insulation, in order to assess the impact of these works. This piloted the use of sensor technology to measure temperature, humidity and carbon dioxide (CO₂) emissions within 60 council houses whose tenants had opted into the programme.

- 3.3 The data generated from this pilot project allowed the Council to measure the impact of energy efficiency improvement works as well as highlight cases where further action may be required to help tenants fully realise the benefits from the improvement works.
- 3.4 The Council now wishes to extend this project and requires a single contractor to supply an end to end service to monitor the internal environmental conditions (including temperature, humidity and Co2 levels) within the Council's housing stock. The contractor will provide all sensors, a network for connection to a software system and a software as a service system to collate and provide the Council with data, reports and analysis of any environmental data collected including recommendations on a per property basis as detailed in the Specification. The contract will involve installation of sensors within void (empty) Council houses. The sensors will be installed by the Council's in-house maintenance team and the contractor will provide appropriate warranties for the sensors.
- 3.5 In addition to the maintenance aspect, the Council wants to offer support to tenants who may require assistance in ensuring their home is heated and ventilated adequately. The Council is committed to promoting affordable warmth and tackling fuel poverty and it is anticipated that the use of this technology will help identify tenants who may need energy advice and who can then be signposted to our Energy Advocacy service.
- 3.6 The Council has been awarded £150,000 from Scottish Enterprises Can Do Innovation Challenge fund and the project will also be supported from existing resources within Communities Housing and Planning Housing Revenue Account (HRA) Capital Programme. The acceptance of funding and the use of HRA resources was approved by the Communities, Housing and Planning Policy Board at its meeting of 21st May 2019.
- 3.7 A contract notice for this tender was dispatched via the Public Contracts Scotland advertising portal to the Official Journal of the European Union (OJEU) with the notice published on OJEU on 31 October 2019 and the tender documentation available for downloading from the Public Contracts Scotland – Tender platform on this date.
- 3.8 During the tendering live period sixty-two (62) economic operators expressed an interest in the Contract. By the closing date set, 12 noon, Tuesday 3 December 2019 for return of electronic tender submissions seven (7) economic operators submitted a tender response, nine (9) economic operators issued decline notifications and forty-six (46) economic operators failed to respond.

- 3.9 The seven (7) economic operators (tenderer) submissions contained a completed European Single Procurement Document (ESPD) which were each evaluated against those pre-determined set of criteria by representatives from Communities Housing and Planning Services, the Corporate Procurement Unit, Corporate Risk and Corporate Health and Safety.
- 3.10 All seven (7) tenderers complied with the minimum criteria of the ESPD and progressed to evaluation and Award Criteria which was based on a weighting of 60% Quality and 40% Price.
- 3.11 During this part of the evaluation two (2) tender submissions failed to meet the Specification required by the Council and these tender submissions were deemed not compliant and were both rejected.
- 3.12 The scores relative to the award criteria for each of the remaining 5 tenderers and their respective tender submissions are noted below:

		Quality (60%)	Price (40%)	Total (100%)
1	IOPT Limited	54.75%	40.00%	94.75%
2	Capgemini Nederland B.V.	35.10%	35.99%	71.09%
3	Netmore IoT Solutions Ltd	36.20%	28.87%	65.07%
4	A consortium led by Easy Heat Systems Ltd*	35.40%	27.22%	62.62%
5	Ambisense UK Ltd	32.25%	17.37%	49.62%

*Other members of the consortium; Pinacl Solutions UK Ltd and Chameleon Digitization Ltd

- 3.13 The evaluation of tender submissions received identified that the tender submission by IOPT Limited was the most economically advantageous to the Council.
- 3.14 Community Benefits were requested as part of the procurement process and IOPT Limited confirmed that the following Community Benefits would be made available to the Council for this Contract:

Community Benefit Description	No of People / Activity
Modern Apprentice	1
Work Experience Placement for an individual 16+ years of age	2

Work Experience Placement for an individual aged 14 to 16 years of age	1
Industry Awareness Event	4
Industry Skill Transfer to Schools	3
Non financial support for a Community Project	2

Implications of the Report

1. **Financial** - The cost for the initial two (2) year period of this contract will be met through funding secured from Scottish Enterprise CAN DO Innovation Challenge Fund and Communities Housing and Planning Housing Revenue Account (HRA) Capital Programme.
2. **HR & Organisational Development** - No TUPE implications have arisen or are anticipated
3. **Community/Council Planning –**
 - Our Renfrewshire is fair - Tenderers were assessed within this procurement process regarding their approach to ensuring fair working practices throughout their organisation and supply chain i.e. payment of the living wage, training and development opportunities.
 - Our Renfrewshire is well – Tackling inequality and improving housing conditions benefitting tenants. Addressing fuel poverty.
 - Building strong, safe and resilient communities – The houses in which people live are fundamental to quality of life. This project will identify potential issues and or damage within the Council's housing stock and proposes when to act.
 - Creating a sustainable Renfrewshire for all to enjoy – IOPT Limited has committed to deliver numerous Community Benefits as detailed within section 3.10 of this report.
4. **Legal** - The procurement of this Supplies Contract with related services and installation work has been conducted as an Above EU Threshold Open Competition Procurement Procedure in accordance with the Public Contracts (Scotland) Regulations 2015.
5. **Property/Assets** – Potential areas of improvement could be achieved within the reactive maintenance budget, through early identification and intervention of rot works before they escalate and the subsequent

reduction of associated budgets due to this intervention. The project will measure internal environmental conditions within the Council's housing stock using innovative sensor technology.

6. **Information Technology** – This is a managed service so there will be minimal involvement from ICT during the contract period.
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – IOPT Limited health and safety credentials were evaluated by Corporate Health and Safety and met the Council's minimum requirements regarding health and safety.
9. **Procurement** – The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.
10. **Risk** – IOPT Limited Employer and Public & Product insurances have been assessed and evaluated to confirm that they have met the minimum requirements regarding insurable risk. IOPT Limited confirmed they would obtain Contractors All Risk insurance to the level required by the Council.
11. **Privacy Impact** – No Privacy Impact implications have been identified or are anticipated.
12. **Cosla Policy Position** – No COSLA Policy Position implications have arisen or are anticipated.
13. **Climate Risk** – No climate risk implications have arisen or are anticipated.

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