

Scotland Excel

To: Executive Sub-Committee

On: 18 August 2023

**Report by:
Chief Executive of Scotland Excel**

Tender: Provision of a Shared Alarm Receiving Centre (ARC) Technology solution

Schedule: 04/22

Period: 6 years from the commencement date with a break clause after 4 years

1. Introduction and Background

The Provision of a Shared Alarm Receiving Centre (ARC) Technology solution is a single supplier framework agreement that enables councils, Health, and Social Care Partnerships (HSCPs), Housing Associations and other organisations in their roles as Telecare Service Providers (TSPs) to deliver digital telecare services to their service users (citizens). The framework is a first-generation framework and has been developed with extensive engagement with councils and stakeholders, including the Digital Office for Scottish Local Government.

The framework was advertised as a single supplier framework and will provide the participating members a mechanism to procure a technology solution to contribute to a smooth transition from the current analogue connections to digital connections within their Alarm Receiving Centres. It is anticipated that the analogue network will be permanently switched off in December 2025. The proposed framework agreement for a single supplier will help to ensure that the solution being delivered is a consistent and a co-ordinated approach is used across Scotland.

This proposed single supplier framework agreement will be for a period of six years from the commencement date, unless terminated earlier in accordance with its terms (including in exercise of a contractual break option after year 4). Standard frameworks usually run for no longer than 4 years however the exceptional timeframe of six years is to ensure security and stability for the benefit of the vulnerable end-user of the solution. The framework period of six years has also factored in the impending switch-off of the analogue telephone system which is scheduled to be completed in the year 2025. Subject to approval and completion of a standstill period, the framework agreement is intended to commence on 01 September 2023.

2. Scope, Participation and Spend

The framework will be available to the 32 councils, Health, and Social Care Partnerships (HSCPs), Housing Associations and other organisations in their roles as Telecare Service Providers (TSPs).

Councils are at different stages of readiness for adoption of a Shared Digital ARC and Scotland Excel will continue to work closely with councils and the Digital Office for Scottish Local Government, along with the awarded supplier, to agree an overall approach to mobilisation and contract uptake in the months following contract award.

The advertised value of the framework is £15 million over its lifetime of six years. This equates to approximately £2.5 million per annum, however it should be noted that spend could vary significantly depending on the number of connections, and the additional services that are added to the solution taken by each council.

Appendix 1 – Early Adopter Summary, notes councils that have indicated an intention to migrate services to the framework quickly. However, no specifics on spend or savings are given, due to councils not having like-for-like solutions in place currently. Scotland Excel will work with participating councils during the lifetime of the contract to develop an overall approach to savings, based on the solution that they currently utilise for this requirement.

The Digital Office for Scottish Local Government has been working with councils and TSPs to ascertain their readiness to utilise a digital solution. This information will be utilised during contract mobilisation to determine the order in which early adopters migrate to the solution.

There are no lots on the framework.

3. Procurement Process

Strategy Development

A Prior Information Notice (PIN) was published in February 2022 with suppliers noting their interest in further engagement. Twelve suppliers attended a workshop on 4 March 2022. From the workshops, five suppliers attended a further PIN meeting that included discussions about market trends and developments, tender timelines, cost drivers, price stability and innovations. The PIN meetings allowed discussion on high-level requirements to be communicated to the potential tenderers.

The strategy was developed with engagement from councils and information gained from the PIN meetings, along with the Digital Office for Scottish Local Government.

All councils were invited to attend a User Intelligence Group (UIG) on 25 October 2022. The UIG discussed the strategy that Scotland Excel proposed to take. The UIG endorsed an Open Tender Procedure along with development of the tender. The UIG discussed the procurement of a multiple supplier framework for these services, however, for practical and technical reasons related to interoperability of systems, a multiple supplier framework was considered not to be achievable.

A working group was convened following the strategy UIG to discuss and develop the technical specification to be used in the tender. This group included participants from councils, TSPs and Digital Office for Scottish Local Government, along with specialist support. The main aim of the working group was to develop the Technical Specification and gain insight into different approaches that could be utilised to structure the scoring criteria.

The overall approach was approved at a UIG meeting on 1 March 2023, where the proposed procurement route, technical specifications and commercial model were presented and endorsed.

Procurement Process

An evaluation process assessed the tenderers against the established award criteria. In order to be eligible for award, tenderers were required to pass the minimum standards of bidder selection which were assessed using the Single Procurement Document (SPD).

The procurement process followed an open tender procedure to ensure maximum competition and flexibility with the tender being available on 17 March 2023 until 10 May 2023.

All bidders were assessed against the advertised Qualification selection criteria using the Single Procurement Document (SPD) and award criteria, concurrently.

The award criteria included technical and commercial sections. The impending switch off of analogue services together with the nature and importance of the solutions technical abilities to citizens was reflected in the marks available for the technical section. The published award criteria weightings were:

Technical: 70%

Commercial: 30%

Within the technical section, tenderers were required to meet 52 mandatory requirements with a selection of the mandatory requirements incorporating a video demonstration. Scotland Excel retained discretion to reject bids which did not meet the mandatory requirements where it felt it was appropriate to do so. All bids continued in the evaluation process.

Tenderers were also required to evidence their knowledge and experience by responding to seven technical specification method statements and several additional method statements.

The technical method statements covered:

- Core Operational Requirements;
- Additional Operational Requirements;
- Technical Requirements;
- Service Management;
- Cyber Security;
- Implementation and Migration; and
- Service Innovation Development of the tenderer's proposed solution.

The tenderers were also required to respond to four additional method statements which consisted of exit management, sustainability, fair work first practices and community benefits.

Within the commercial section, tenderers commercial submissions were evaluated on a scenario of a medium-sized council's information. This was the scored element of the commercial section. The tenderer was also required to supply their costing on additional add-ons to the solution, their discount methodology, the cost breakdown of

the solution, and day rates. Although, the elements were not scored it was mandatory that the tenderer provided the information for their bid to be deemed compliant.

Table 1:

| Question | Award Criteria Marks | Sub-Criteria | Scoring Methodology |
|--|----------------------|-----------------------------------|--------------------------------------|
| Qualification Envelope | Pass/Fail | | Pass/Fail |
| Technical Envelope | 70 | | |
| Conditions of Contract | Pass/Fail | | Pass/Fail |
| Company Pending Changes | 0 | | Non-Scored Question |
| Serving of Notices | 0 | | Non-Scored Question |
| Ability to Transact | 0 | | Non-Scored Question |
| Certificates | Pass/Fail | | Pass/Fail |
| No Collusion Certificate | 0 | | Non-Scored Question |
| Tender Declaration | 0 | | Non-Scored Question |
| Letter of Authority | 0 | | Non-Scored Question |
| Human Trafficking Declaration | 0 | | Non-Scored Question |
| Modern Slavery Act | 0 | | Non-Scored Question |
| Living Wage | 0 | | Non-Scored Question |
| Mandatory Specification | | | |
| Mandatory Requirements | Pass/Fail | Mandatory criteria | Pass/Fail |
| Video Demonstration | Unscored | N/A | Unscored |
| Technical Method Statements:- | | | |
| 1. Operational Requirements - Core | 50 | High, Medium and Low requirements | Five Point Evaluation Methodology |
| 2. Operational Requirements - Additional | | High, Medium and Low requirements | Five Point Evaluation Methodology |
| 3. Technical Requirements | | High and Medium requirements | Five Point Evaluation Methodology |
| 4. Service Management | | High and Medium requirements | Five Point Evaluation Methodology |
| 5. Cyber Security & Data Protection | | High requirements | Five Point Evaluation Methodology |
| 6. Implementation & Migration | | High and Medium requirements | Five Point Evaluation Methodology |
| 7. Service Innovation & Development | | High and Low requirements | Five Point Evaluation Methodology |
| 0422 – MS Community Benefits | 5 | N/A | Yes = 5 marks, No = 0 marks |
| 0422 – MS Fair Work First | 5 | N/A | Five Point Evaluation Methodology |
| 0422 – MS Exit Management | 5 | N/A | Five Point Evaluation Methodology |
| 0422 – MS Sustainability | 5 | N/A | Five Point Evaluation Methodology |
| 0422 - Commercial Response | 30 | | |
| Core_system – Worksheet | 30 | Mandatory | Scored as per section 3.6 of the IIT |
| Section 1 of the Core_system | 30 | N/A | Commercial Evaluation Methodology |
| Section 2 of the Core_system | 0 | Mandatory | Non-Scored Question |
| Section 3 of the Core_system | 0 | Mandatory | Non-Scored Question |
| Cost Breakdown- Worksheet | 0 | Mandatory | Non-Scored Question |
| Section 1 Cost Breakdown | 0 | Used with Section 1 Core_system | Non-Scored Question |
| Section 2 Cost Breakdown | 0 | Used with Section 1 Core_system | Non-Scored Question |
| Add ins - Worksheet | 0 | Mandatory | Non-Scored Question |
| Day Rates Worksheet | 0 | Mandatory | Non-Scored Question |
| Final Score | 100 | | |

4. Report on Offers Received

The tender was accessed by 39 organisations, with 5 tender responses received by the specified closing date and time.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of all compliant offers received was completed. Appendix 3 confirms the overall scoring achieved by each supplier.

Two of the tenderers did not accept the terms and conditions published with the tender documents, and therefore their bids were deemed non-compliant.

5. Recommendations

Based on the evaluation undertaken, and in line with the advertised criteria and weightings summarised above, it is recommended that the single supplier framework arrangement is awarded to Chubb Fire & Security Limited as outlined in Appendix 3.

The recommended supplier submitted the most economically advantageous tender and offers best value. By awarding the framework to a single supplier, it is anticipated that the objective of securing a national shared solution would be met.

The Executive Sub Committee is accordingly requested to approve the recommendation to award this framework as detailed within Appendix 3.

6. Benefits

Savings

Framework benchmarking figures have not yet been produced for this new framework due to a number of factors. Councils utilising the framework will be changing the overall approach they take and the technological solution they use, therefore direct comparisons at this stage are not possible.

However, tenderers were asked to include a discount methodology within their commercial submission, based on the number of call handlers utilising the solution. This approach allowed tenderers to enhance cost savings when the platform is shared across organisations, building on economies of scale across councils and TSPs.

Throughout the lifetime of the contract, Scotland Excel will work with councils and TSPs to provide bespoke mobilisation documents including benchmarking methodologies incorporating the available discount. The overall enhancement of value created by this approach will be recorded and shared with councils.

It is also anticipated that there will be opportunities for further added value and savings to be achieved throughout the contract lifetime, for example through shared costs and resource efficiencies, innovations and development activity.

Price Stability

The framework terms include a 24 month fixed pricing period. Thereafter, all requests for price increases will be evaluated according to the Terms and Conditions of the framework and require to be supported by documentary evidence.

Rebate

A rebate of 0.75% payable to Scotland Excel will be applied to annual framework spend above £50,000 per annum (excluding the initial £50,000) and will be calculated based upon all framework spend with the supplier reported through management information returns.

Sustainable Procurement Benefits

Scotland Excel is committed to maximising community benefits delivery for its members. Tenderers were asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community benefits method statement. The recommended supplier committed to the delivery of community benefit throughout the lifetime of the framework. The community benefits aim to be reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals.

Councils will accrue 'community benefit points' based on their level of spend with a supplier. These 'points' correlate to a negotiable benefit that the council can elect to receive at any given point throughout the lifetime of the framework. The recommended supplier has committed to delivering these benefits. Scotland Excel will continue to engage with the appointed supplier to drive maximum adoption and delivery of community benefits where appropriate.

Within the published tender documents, suppliers were given a list of indicative community benefits that could be agreed with councils. Examples of these are:

- Employability workshop or event
- Sponsorship of local sports teams and community events
- Work placements for school students from Purchasing Authority area.
- Donation of IT equipment to community groups
- Recruitment of apprentices and full-time employees

Fair Work First including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated and well-led. Workers should have access to appropriate opportunities for training and skills development, are diverse and engaged in decision making.

Within the technical section of the tender, tenderers were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. The recommended supplier pays the Real Living Wage however is not accredited. The criteria applied to the assessment of Real Living Wage is set out in Appendix 2.

During the framework Scotland Excel will encourage the supplier to gain the accreditation to the Real Living Wage and will continue to monitor Fair Work Practices, as part of contract and supplier management activity.

Other Benefits

The other benefits that will be achieved through the framework are:

- Economies of scale – multiple systems would dilute the overall buying power and may increase the price for each council.
- Standardisation – a single base system should make standardising data sets and processes significantly easier than attempting to coordinate multiple suppliers.
- Call-handling innovation – it is intended that call handling innovations between services, such as support during a sudden increase in calls, will be explored through contract management.
- Development and innovations – a single system allows councils to undertake a 'once for Scotland approach' to subsequent development of the system and introduction of innovations. This is anticipated to reduce development costs for all councils purchasing the solution.

7. Contract Mobilisation and Management

As part of the mobilisation process, the supplier will initially complete the on-boarding through a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. The Supplier will meet with Scotland Excel and the Digital Office for Scottish Local Government to discuss the plan of migrating the participating members to the solution, including early adopters of the system. All participating members will be issued with a mobilisation pack containing all required details to utilise the framework.

In accordance with Scotland Excel's established contract and supplier management programme, in terms of risk and spend as detailed, this framework is classified as class B.

8. Summary

This first-generation framework for the Provision of the Shared Alarm Receiving Centre Technology solution aims to maximise collaboration, promote added value and deliver best value for customers. A range of benefits can be reported in relation to price stability, innovation, sustainability and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 3.

Appendix 1 – Early Adopter Summary

Provision of the Shared Alarm Receiving Centre (ARC) Technology solution 04/22

| Member Name | Early Adopter of the Contract |
|-----------------------------|-------------------------------|
| Aberdeen City Council | Yes |
| Aberdeenshire Council | Yes |
| Angus Council | Yes |
| Argyll & Bute Council | No |
| City of Edinburgh Council | Yes |
| Clackmannanshire Council | No |
| Comhairle nan Eilean Siar | Yes |
| Dumfries & Galloway Council | No |
| Dundee City Council | Yes |
| East Ayrshire Council | No |
| East Dunbartonshire Council | Yes |
| East Lothian Council | Yes |
| East Renfrewshire Council | No |
| Falkirk Council | No |
| Fife Council | No |
| Glasgow City Council | No |
| Highland Council | No |
| Inverclyde Council | No |
| Midlothian Council | No |
| Moray Council | Yes, via Aberdeen |
| North Ayrshire Council | No |
| North Lanarkshire Council | Yes |
| Orkney Islands Council | No |
| Perth & Kinross Council | Yes |
| Renfrewshire Council | No |
| Scottish Borders Council | No |
| Shetland Islands Council | No |
| South Ayrshire Council | Yes |
| South Lanarkshire Council | Yes |
| Stirling Council | Yes |
| West Dunbartonshire Council | Yes |
| West Lothian Council | No |
| Associate Members* | Yes |

*Both Bield Housing and Care and Hanover (Scotland) Housing Association (both Scotland Excel Associate Members) are participating as Early Adopters.

Appendix 2 – Recommended Supplier SME and Living Wage Status
Provision of the Shared Alarm Receiving Centre (ARC) Technology solution 04/22

See the Living Wage Status Reference and Living Wage Status Descriptions below.

| Living Wage Status Reference | Living Wage Status Description | Recommended Supplier |
|-------------------------------------|---|-----------------------------|
| 1 | Accredited Living Wage Employer and commit to maintaining this for the duration of the Framework Contract | 0 |
| 2 | Currently going through the process of becoming an accredited Living Wage Employer and commit to gaining accreditation over the initial two year period | 0 |
| 3 | Not an accredited Living Wage Employer but commit to gaining accreditation over the initial two year period of the Framework Contract. | 0 |
| 4 | Not an accredited Living Wage Employer but pay the Living Wage to all employees (except volunteers, apprentices and interns) and commit to maintaining this for the duration of the Framework Contract. | 1 |
| 5 | Not an accredited Living Wage Employer and do not currently pay the Living Wage to all employees (except volunteers, apprentices and interns) but commit to paying the Living Wage to all employees (except volunteers, apprentices and interns) within the initial two year period of the Framework Contract | 0 |

| TENDERER'S NAME | SME STATUS | LOCATION | PAYS THE LIVING WAGE | LIVING WAGE STATUS REFERENCE | AWARDED |
|-------------------------------|-------------------|-----------------|-----------------------------|-------------------------------------|----------------|
| Chubb Fire & Security Limited | Large | Ashford, UK | Yes | 4 | Yes |

Appendix 3 - Scoring and Recommendations

| Framework Bids | | |
|----------------------------------|---------------|--------------------------------|
| TENDERER NAME | TOTAL SCORE | Recommended for award (Yes/No) |
| Chubb Fire & Security Limited | 84.5 | Yes |
| E.Novation UK Limited | 74.0 | No |
| Digital Modus Ltd | 44.9 | No |
| Legrand Electric Limited | Non-compliant | No |
| Tunstall Healthcare (UK) Limited | Non-compliant | No |