

PAPER NO. 4

REPORT TO THE EXECUTIVE MEETING OF JULY 13TH 2015

Meeting: Executive

Date: July 13th 2015

Subject: Procurement of Lifeline equipment maintenance service

Report of: Jonathan Ward-Langman

Portfolio Holder: Councillors Rosita Page and Phil King

Status: For information

Relevant Ward(s): All

1. Purpose of the Report

1.1. To inform the Executive of procurement without competition of a contract of more than £10,000 in value under an exemption from the Council's Statement of Required Practice for Procurement ('the Procurement SORP').

2. Recommendation:

2.1. **That the Executive notes the procurement of the Lifeline equipment maintenance service from Jontek Ltd.**

3. Summary of Reasons for the Recommendations

3.1. The Harborough Lifeline service provides a social alarm system for vulnerable customers and also supports Harborough's CCTV provision, the Council's out-of-hours service and monitoring of lone working.

3.2. The ICT system that delivers the service was procured in 2013; the Council entered into a contract with Jontek Ltd. which included supply of equipment, installation, and maintenance and support. The contract for support services expired in March 2015.

3.3. To secure continued provision of the service on a safe and reliable basis, a new contract for support is essential.

3.4. The procurement of the new contract with Jontek Ltd. was undertaken without competition as allowed by the Council's Procurement SORP. The Procurement SORP requires that when contracts of more than £10,000 in value are procured without competition, the exemption from normal procurement rules must be reported to the Executive for information.

3.5. The value of the contract signed with Jontek Ltd. is £12,269 with options to extend for a further two years (until March 2018); this report is therefore to inform the Executive of the decision and action taken.

4. Key Facts

4.1. The Harborough Lifeline service provides a social alarm system for approximately 480 vulnerable customers across the district, and services outside the district through contracts with Melton Borough Council and Rutland County Council. Services are also provided to tenants of a number of smaller housing providers. The service also supports Harborough's CCTV provision, the Council's out-of-hours service and provides monitoring of lone working officers.

4.2. The system that delivers the service was procured in 2013 from Jontek Ltd. through a Crown Commercial Service (formerly Government Procurement Service) framework agreement; the contract included supply of equipment, installation and maintenance and support. The contract for support services expired in March 2015.

4.3. It is essential that the Council has access to a reliable support and maintenance service in order to ensure the resilience and security of the system. The manufacturers of the system, Jontek Ltd., are uniquely equipped to provide this service. Moreover, it is likely that any attempts to maintain or repair the system by a third party supplier (or by employees of the Council) would invalidate the licence granted to HDC for use of the relevant software. It was therefore determined that there would be no scope for competition when procuring a new contract.

4.4. The procurement of the new contract with Jontek Ltd. was undertaken without competition as allowed by the Council's Procurement SORP on the grounds that:

“6.1.4. The work to be executed, or the goods or materials to be supplied, consist of repairs to or the supply of parts of existing proprietary machinery or plant.”

4.5. The Procurement SORP requires that:

“7. Where a contract worth more than £10,000 is exempt from the tendering procedure, the contract and the exemption relied upon shall be reported to the Executive for information”

4.6. The value of the contract signed with Jontek Ltd. is £12,269 per annum for 2015-16 with options to extend for a further two years (until March 2018); there may be a slight variation in price for future years, but this will not increase the overall value above the relevant procurement threshold. This report is therefore to inform the Executive of the decision and action taken. The relevant delegated decision form is included as Appendix A: the signed and dated document has been filed by Legal and Democratic Services.

5. Legal Issues

5.1. The Head of Legal and Democratic Services was consulted prior to conclusion of the contract with Jontek Ltd. and approved the decision. There would be legal risks if the Council failed to maintain the Lifeline system properly or failed to comply with procurement law.

6. Resource Issues

6.1. None: the service provided will be funded within the existing Lifeline budget. Failure to maintain the system properly could however incur additional costs.

7. Equality Analysis Implications/Outcomes

7.1. None: the decision to award the contract and secure the service will ensure continued protection of vulnerable customers.

8. Risk Management Implications

8.1. Failure to maintain the Lifeline system properly would expose customers to significant risk. It would also expose the Council to risk of financial loss and legal challenge. The action taken mitigates these risks to the maximum extent possible.

9. Consultation

9.1. Consultation has only been undertaken within the Council as no change of policy or to customer service results from the decision.

10. Options

10.1 The Council could have chosen not to enter into a contract for maintenance; the risks that this would entail (loss of a critical service or excessive and unplanned expenditure in the event of breakdown) were considered too substantial to be considered.

11. Background Papers

11.1 None

Previous report(s): None

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N/A

Appendices:

A: Delegated decision form 'Delegated Decision Jontek contract 28052015.doc'