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# Process description of joint procurement of security and warning technology in Agder

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National program for supplier development

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## 1 Background for joint acquisition of security and warning technology in Agder

### 1.1 Public procurement

A joint procurement means that several public enterprises, such as municipalities, merge into a joint procurement process. It will often be organized by a project owner being allowed to choose a procurement group consisting of representatives from the municipalities that participate and procure on behalf of affiliated municipalities. In January 2017, the Agder municipalities announced a joint procurement of security and notification technology, where a regionally composed procurement group and steering group led the work of procuring the technology on behalf of affiliated municipalities.

#### *1.1.1 Joint procurement is a good way to ensure that scarce resources are used in a good way*

New societal challenges and scarcer resources will require service innovation rather than just technology innovation. Then there will also be a need for new ways of acquiring welfare technology. The National Program for Welfare Technology (Welfare Technology Program) under the auspices of KS emphasizes the importance of using resources in an efficient manner and is together with the trade association NELFO<sup>1</sup> of the opinion that joint procurement is a good process for the spread of welfare technology, market opportunities and municipalities.

NELFO states that the joint procurements have provided great value for their members by highlighting market opportunities and a larger volume when several municipalities merge.

For the municipalities, joining forces on procurements can provide value in the form of joint project management, legal assistance and greater volume. The fact that larger volumes are in demand can also make it more attractive for suppliers, ie increased competition, which in turn can mean better prices for the municipalities.

It is also a value in that collaborative structures established for such regional joint procurements are reused for future procurements. Organizing new structures for each new procurement is resource-intensive and it is conceivable that using already established regional and / or national co-operation structures in a better way contributes to cost efficiency and good quality in the procurements.

### 1.2 National recommendations

The Norwegian Directorate of Health recommended in October 2014<sup>2</sup> all municipalities in Norway, among other things, to start the transition from analogue to digital security alarms. The municipalities are free to choose whether they want to follow the recommendations.

Going from analogue to digital security alarms enables expanded use of security-creating technology that can contribute to more people being able to live longer in their own homes, despite illness or disability.

In 2015, the Norwegian Directorate of Health commissioned Agder to establish a public, national temporary response center (alarm reception) for digital security alarms and to carry out a joint procurement of digital security alarms. The Agder municipalities pointed to Kristiansand municipality as the project owner of the assignment, and

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<sup>1</sup>Nelfo is a national association in NHO and organizes the electrical, electronic and elevator companies in addition to the system integrators.

<sup>2</sup><https://helsedirektoratet.no/Lists/Publikasjoner/Attachments/120/Helsedirektoratets-anbefalinger-pa-det-Welfare-Technology-Area-IS-2225.pdf>

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this was anchored in the Rådmannsgruppen Regional Plan Agder. After a concretization phase, the assignment consisted of entering into agreements for the purchase of digital security alarms and other necessary security and notification technology for home residents and residents of institutions, as well as establishing a staffed municipal service for receiving alarms. It was initially limited to the municipalities in Agder.

Furthermore, the Directorate for e-Health in 2016 issued technical recommendations within welfare technology for municipalities, suppliers and others who are to implement security-creating technology in the services.<sup>3</sup> These recommendations also became important to take into account in the assignment Agder was to carry out.

### 1.3 The welfare technology investment in Agder

Agder consists of 300,000 inhabitants in 30 municipalities. Agder has ambitions to be a pioneering region for the introduction and application of welfare technology. The municipalities in the regions are investing in the use of welfare technology to be able to meet the challenges of the future in the field of health and care.

The municipalities have previously had a fragmented approach in this area. They have participated in smaller projects where the purpose has been to test whether different digital solutions could be used in the home. There has been little focus on a common technological platform and operating concept on a larger scale. The smaller pilot projects in the region have been an important experience background for taking the next step - a large-scale implementation of the digital solutions for ordinary operations in all Agder municipalities. It was considered important for professional quality, patient and information security that the municipalities were given a common and functional technological platform. If the municipalities agreed on a joint procurement, it would give a large volume of the order and available ordering competence could be utilized in the best possible way.

With this, the Agder municipalities wanted a more holistic approach to the introduction and application of welfare technology solutions across the municipalities. In 2016, the Regional Coordination Group e-Health and Welfare Technology (RKG) was established as a result of this request.

Mandate for RKG:

- that the municipalities in the region are leaders in the use of welfare technology in Norway
- to stimulate research, development and business development in the region
- increased inter-municipal coordination and anchoring in Agder

A common technical platform was and is today expected to give Agder great advantages in the operation and further development of welfare technology solutions for the inhabitants.

The welfare technology initiative is anchored in the Rådmannsgruppen Regionplan Agder (which has representatives of Rådmenn from the 30 municipalities).

Sørlandsrådet is the region's political coordination body for following up the Regional Plan Agder 2020. Sørlandsrådet has asked RKG to be a political update service (policy watch) within the field of health and welfare technology. Figure 1-1 shows an overview of the organization of the welfare technology initiative for the municipalities in Agder.

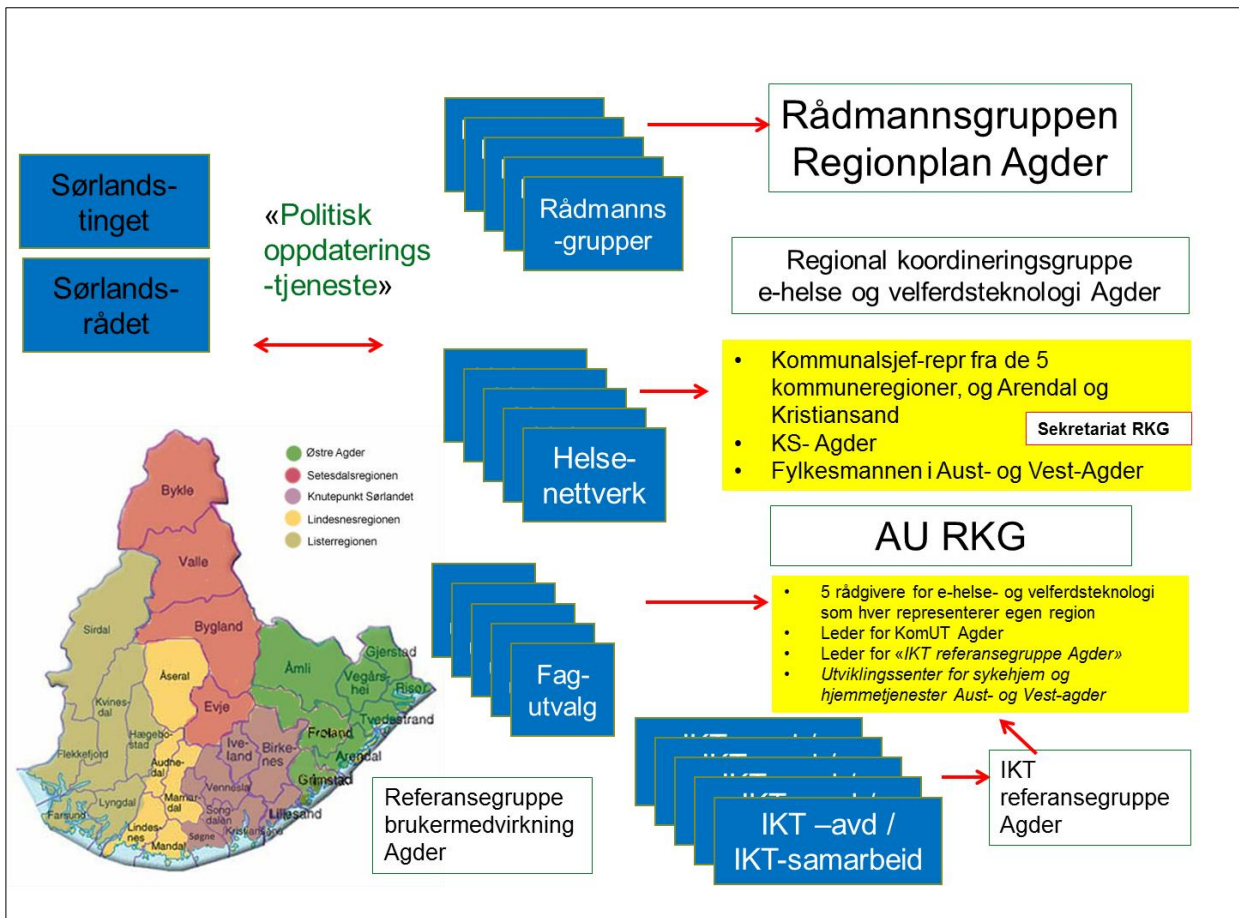
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<https://ehelse.no/Lists/Publikasjoner/Attachments/2/IS->

[2534% 20Recommendations% 20 linked% 20to% 20technical% 20requirements% 20-% 20over% 201.0.pdf](#)

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Figure 1-1. Organization of the welfare technology initiative for the municipalities in Agder. Source: Regional coordination group e-health and welfare technology Agder<sup>4</sup>



Several municipalities in Agder had a need to digitize the security alarms. In addition, several municipalities had a need to replace and use updated technology at the warning systems in nursing homes. Among other things, spare parts for existing technology were in some cases no longer available, and the warning system was not adapted to the real needs of today's users.

### 1.3.1 Participation in meeting places / learning arenas under the auspices of the National Program for Supplier Development

As part of the process of this joint procurement, Kristiansand municipality participated as leader of the steering group at several meeting places under the auspices of the National Program for Supplier Development around the country to acquire knowledge. The purpose of these meeting places is to help spread knowledge about the method for innovative public procurement, and to provide valuable knowledge about needs and the market. The meeting places are an arena where both clients and suppliers can meet.

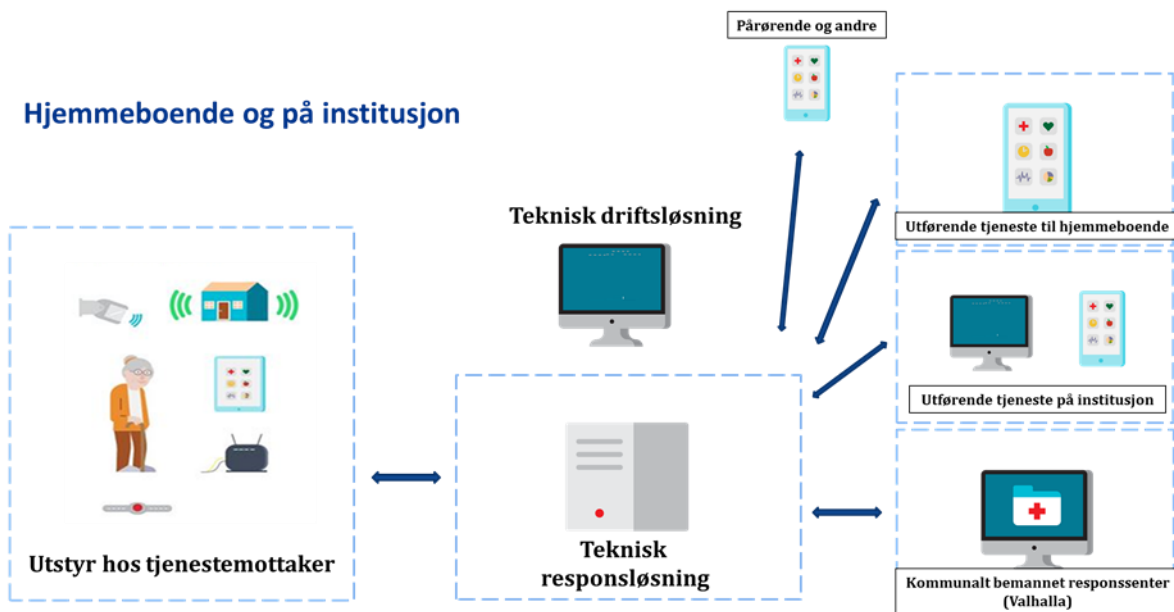
## 1.4 Extent of the joint procurement of security and warning technology

The scope of the procurement the municipalities in Agder agreed to make is illustrated in 2 and described in more detail below.

<http://regionplanagder.no/om-oss/regional-koordineringsgruppe-e-helse-og-velferdsteknologi/4>

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Figure 1-2. Scope of the procurement



Source: Safety and warning technology prerequisite document

### Equipment at the service recipient

Equipment for security-creating technology for both residents and residents of institutions. For example: digital security alarm, mobile security alarm, smoke alarms, motion sensor, location / tracking technology, digital surveillance, electronic keys, medicine dispenser, etc.

### Technical operation and response center solution

Technical operating solution that will provide support for technical installation, operational monitoring, technical remote control and technical maintenance of welfare technology solutions that are part of the response center service's area of responsibility.

Technical response solution is a common technical solution that the municipalities connect to, to receive alerts from the security and alert technology. Dissemination of alarms can be set up by the municipalities themselves and as each municipality wishes (to a staffed response center or direct response). Possibility for the municipalities themselves to add new service recipients and change existing service recipients as well as link equipment with service recipients (administrative routines).

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### Interface - customized information retrieval

So far, four different services / centers have been set up that retrieve and use information from the operations and response center:

- **Municipal staffed response center (Valhalla)**  
Interface for municipally staffed response center, located at Valhalla, in Kristiansand, which is a service that receives, assesses / filters, documents and responds to alerts from security and alert technology solutions. Possibility of disseminating alarms to the performing service as well as digital supervision in response to alarms.
- **Performing service at an institution**  
Interface for employees at the institution for receiving alerts from security and notification technology solutions from residents at the institution as well as the possibility of digital supervision in response to alarms.
- **Performing service for home residents**  
Interface for municipal or private care service, for receiving alerts either
  - via the response service, or
  - by direct response (the alerts are controlled directly),from security and notification technology solutions for home residents as well as the possibility of digital surveillance in response to alarms.
- **Relatives and others**  
Interface for relatives and others (voluntary sector) for receiving notifications from service recipients.

### 1.5 The benefits of joint procurement

There were several benefits to making the acquisition common. The benefits were both related to handling a large and complex procurement, professionalism, purchasing power and cost savings.

The implementation of the procurement led to a more holistic approach to the introduction and application of security and warning solutions across the municipalities in Agder. The procurement was complex and large in scope, and it would have been difficult for one municipality to make such a procurement on its own.

By making the procurement common, the municipalities could utilize the strongest resources in the subject area, across the municipalities. This helped to improve and professionalize the management of public procurement.

The fact that municipalities join forces to make a joint procurement can provide economies of scale, both in the form of more purchasing power to be able to achieve lower prices and in the form of lower operating and administration costs.

## 2 Anchoring and organizing

Anchoring the procurement among the municipalities that the person wished to participate in the procurement, and organizing the project was an important phase in the procurement process. This chapter describes the anchoring process and how the Agder municipalities organized themselves to carry out the joint acquisition of security and warning technology.

### 2.1 Project owner and host municipality

At a meeting with the Councilors' Group, Regional Plan Agder 2020, on 22 May 2015, the Norwegian Directorate of Health's request for more assignments to Agder was presented. At the meeting, the councilors' group was asked to take on the role of project owner on behalf of Agder. The councilors' group decided that they wanted to contribute to regional anchoring. They were positive about taking ownership of the strategy "Introduction of welfare technology Agder 2020" and supported that municipalities took project ownership for various national projects.

Based on this, the councilor group asked the functioning working group (the forerunner of the Regional Coordination Group e-Health and Welfare Technology Agder (RKG)) to provide a recommendation for the choice of host municipality for the various assignments. The working group proposed that Agder, with Kristiansand municipality as host municipality, should take responsibility for the project of establishing a municipal response center service and carry out a procurement process related to security and notification technology for the municipalities in Agder. The councilors' group - Regional Plan Agder - gave their approval to this.

### 2.2 Accession process for the municipalities

Project owner v / Kristiansand municipality and project manager for the procurement conducted information meetings in several rounds with the Agder municipalities. There were both joint meetings and meetings in the 5 municipal regions. In November 2016, an invitation was sent by e-mail to participate in the joint procurement. An e-mail was further sent to the municipalities with the necessary clarifications, and at the same time an extended approval deadline was set for 15 December 2016. In the affidavit, information was provided about who was to lead the procurement, as well as how it was to be carried out and what the procurement was to contain.

It was decided that the procurement should be carried out according to the competitive dialogue procedure. Further it was decided that Innkjøpsentralen Publik Fellesinnkjøp på Agder (OFA) should be responsible for the preparations and implementation of the procurement. OFA is a procurement collaboration that consists of the 2 county municipalities, 23 municipalities and approx. 10 public enterprises in Agder and has extensive experience with both joint procurement and the procurement procedure competitive dialogue.

The rationale for choosing a procurement procedure is described in more detail in Chapter 3 «Choosing a procurement procedure: Competitive dialogue».

By agreeing to the procurement, the municipalities would have the opportunity to use a joint agreement for Security and Alert Technology for home care and nursing homes, technical operating solution and technical response center solution (cf. Chapter 4). The accession should not entail a requirement for the municipality to use the agreement, or the scope of any order (eg number of alarms, etc.), and / or time for implementation / replacement in its municipality.

Information was also given that if the municipalities joined the agreement, and at some point in the agreement period decided to buy equipment covered by the agreement, then the agreement had to be used. If there was no need during the period, there was of course no obligation to buy.

The accession process resulted in 21 out of 30 municipalities agreeing to joint procurement. The remaining 9 municipalities chose to participate through an option. As a result of the accession process, the project's organization was adjusted to ensure regional involvement.

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Two projects were established a) «Municipal response center »and b)« joint procurement of notification and security technology ». The projects were organized with a project group and a steering group. Following the accession process, the project's joint acquisition of notification and security technology was organized with the following roles and municipalities involved:

Regionally composed steering group (at municipal manager level):

- Project owner v / Kristiansand municipality
- Representative from Østre Agder,
- Representative from Knutepunkt Sørlandet
- Representative from the Lindesnes region
- Representative from Arendal municipality

Project group joint procurement (subject level):

- Project manager hired through an agreement with Aust-Agder County Municipality
- Purchasing manager from OFA
- Representative from Arendal municipality
- Representative from Kvinesdal municipality
- Representative from the Kristiansand region's ICT
- Representative from ICT Agder s<sup>5</sup>

### 2.3 Information and communication to support the anchoring and connection process

In the phase of the anchoring and connection process, the project management had an ongoing dialogue with the Directorate for e-Health to ensure that the procurement followed national recommendations.

A lot of anchoring work was done, in the councilor group, with the health leaders and in the various professional groups. In addition, it was anchored towards the political level. Meetings were held with the Councilors' groups, the health and ICT networks in the 5 municipal regions. The purpose of these meetings was to anchor the project, invite joint procurement and possibly answer questions. As RKG was established in parallel with the anchoring and connection process, the RKG structure was used for information flow to the municipalities in Agder.

A website was established for the project «municipal response center and joint procurement», where information was shared. A newsletter was prepared, where interested parties could sign up for summer recipients.

In addition, several information meetings and gatherings were held with all the Agder municipalities.

### 2.4 Success factors for a successful anchoring and organization

According to experiences from the project group, the following factors are important for a joint procurement to succeed

- Good information and communication flow to all municipalities throughout the accession process.

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<sup>5</sup>There were 5 different ICT collaborations in Agder (DDØ, DDV, ICT Agder, Setesdalens IKT and KR-IKT). In order to get the various ICT environments involved, both KR-IKT and IKT Agder joined procurement group.

<sup>6</sup><http://www.kommunalresponsentertjeneste.no/>

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- To ensure regional anchoring, the project group for the procurement must have the trust of the other municipalities. It has been a conscious strategy that the group consists of representatives from the participating municipalities. It has been important that the municipalities feel represented and as equal participants in the project, so that it is not perceived as if the largest municipalities or the host municipality prioritize their needs at the expense of the small or other municipalities. In order to have the trust of the municipalities, the project group
- should be able to assess the professional part in connection with the procurement, in this case both the health professional and ICT. In addition, the project group should have expertise in procurement processes.
- Leadership anchoring.

The project group should have good knowledge of municipal organization, so that they know who to talk to and who is informed during the process.

### 3 Selection of procurement procedure: Competitive dialogue

OFA was responsible for the preparation and implementation of the procurement. The procurement was carried out according to the competitive dialogue procedure, as OFA had extensive experience of carrying out joint procurements following a competitive dialogue.

An example of a joint procurement the same project manager has previously done is DDA (Det Digitale Agder). This was a project for the development of digital infrastructure throughout Agder. Through the Digital Agder project, good practice was developed in the implementation of a joint procurement with a competitive dialogue and trust from the municipalities. The project owner believes that the project manager's experience and the trust gained by the management in the Agder municipalities have been of great importance for a successful process in this procurement. Both because welfare technology was unknown to health managers and councilors, and because the health sector had no previous experience with regional technology procurement.

Previous experience with the procurement process carried out after a competitive dialogue was that this process contributes to a better result for end users because the methodology stimulates competition in the market, business development and innovative thinking. The fact that the buyer has a dialogue with the suppliers about the solution proposals contributes to the buyer not preparing a requirements specification that will be an obstacle to good and innovative solutions.

## 4 Completion of the procurement

The implementation of a competitive dialogue began with the project group assessing the municipality's needs. Then they entered into a dialogue with different suppliers to find out what solutions were on the market and what could cover different needs. Furthermore, the project group was able to concretize and define the municipalities' needs. Below is a more detailed description of the activities that were carried out.

Throughout the procurement process, the project group had the assistance of a lawyer with special expertise in procurement. It was important to make the procurement in accordance with current regulations, including preparation of tender documents, documents and contracts etc.

### 4.1 Needs assessment and descriptive document

The need for the Agder municipalities was linked to technology enabling people to feel safe and given the opportunity to live longer in their own homes despite illness or disability. In addition, there was a need to digitize the security alarms and use updated technology in nursing homes and institutions.

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Agder wants to be a pioneering region for the use of welfare technology. This means that the agreement that was entered into must have future-oriented functionality with the possibility of continuous development of the services.

Based on the municipality's needs, the following goals for the procurement project were specified:

- The municipalities were to enter into an agreement in the procurement to buy / lease / lease security-creating technology, such as security alarms, personnel alerts, div. sensors, signaling systems for institutions, establishment of a technical response center solution in Kristiansand and associated communication solutions.
- The agreement was to ensure favorable prices, future-oriented functionality, good administrative solutions and ensure current development during the agreement period.
- The agreement was to ensure compliance with future national recommendations / requirements.

A descriptive document (tender documents) was prepared and published when the competition was announced. The document described:

- Buyer's goals with the procurement
- Information about the process competitive dialogue
- Conditions
- Requirements for mobile coverage on mobile communication solutions
- Requirements for suppliers to take care of development within the security and notification technology area during the contract period.

Suppliers then had the opportunity to submit proposals for the first solution sketch. The project group had made a reservation about the right to reduce the number of providers already after this phase. The project group chose to include all five providers further in the competition.

The descriptive document further served as a basis for the dialogue rounds in the competition.

### **4.2 Dialogue with suppliers**

There were five suppliers who could deliver according to the requirements in the descriptive document. The purpose of the dialogue was to identify and define how the client's needs could best be met. The starting point for the dialogues was, as I said, the descriptive document.

The project group had a dialogue with all five suppliers. Four rounds of dialogue were conducted, with all suppliers. All aspects of the procurement were discussed with the suppliers, both technical solutions, legal and financial matters and project implementation. The dialogues were carried out individually to optimize the individual provider's solution based on the specified needs and goals.

After three rounds of dialogue, the project group prepared a draft prerequisite document (requirements specification), which the suppliers had the opportunity to provide input to in a fourth round of dialogue.

After four rounds of dialogue, the project group prepared a final prerequisite document, which became the final prerequisites the provider had to fulfill in its tenders. All five suppliers were then invited to make a final offer based on the solutions they had presented and specified in the dialogues. The final offers were to contain all the elements that were mandatory and necessary to implement the solutions.

### **4.3 Important premises in the prerequisite document**

Two premises were particularly central in the prerequisite document: Facilitation of good implementation and development and innovation during the contract period.

### 4.3.1 Arrangements for good implementation

Already in the needs assessment, good implementation of the solutions was considered a high-priority project goal for the procurement, and this was an item on the agenda for the dialogue with the various suppliers. The project group therefore requested a supplier with sufficient capacity for implementation / assembly of the solution and training in the use of the solution. The following was announced in the descriptive document:

*«After entering into a contract, delivery / implementation will be carried out in a large number of municipalities. This applies to delivery, installation, follow-up and quality assurance of equipment and communication solutions at private users, in institutions and in the response center. The supplier will also be given important tasks in connection with the training of users and personnel. Great demands will therefore be placed on the supplier's capacity for these types of tasks. »*

After the dialogue rounds in the competition, specific prerequisites were prepared that the suppliers had to fulfill in connection with implementation / assembly / training.

Suppliers had to deliver delivery plans with an overview of time consumption and milestones for the implementation phase for the procurements «response center solution», «security-creating technology» and «sick signal systems».

The buyer prepared an order for when the various orders were to be made. For «Response center solution» and «Security-creating technology», the implementation was to take place as follows:

- Order no. 1 (by Kristiansand municipality) could be implemented when the contract was signed. Order no. 2 (by one of the larger municipalities in Agder) can be implemented when Order no. 1 has been approved.
- Order no. 3 (by the relevant municipality in Agder) can be implemented when Order no. 1 has been approved. Order no. 4 (by the relevant municipality in Agder) can be implemented when Order no. 2 has been approved.

For "sick signal systems", the implementation was to take place as follows:

- Order no. 5 (by Kristiansand municipality) can be implemented when the contract is signed.
- Order no. 6 (by the relevant municipality in Agder) can be implemented when Order no. 5 has been approved.

For orders number 1 and 5, the provider was to prepare a ROS analysis <sup>7</sup> for delivery of resp. response center solution and security-creating technology, and «sick signal systems». These should at least deal with the elements in the milestone plan for orders no. 1 and 5. The ROS analysis had to show at least current undesirable events related to the milestone plan, with probability and consequence. In addition, the provider should describe measures to reduce the current risk.

Via RKG, a joint Introduction project was established in the implementation phase. A methodology has been developed that is implemented when the municipalities need training for the procurements «response center solution», «security-creating technology» or «sick signal systems». The municipalities contact the project manager for the implementation phase. A start-up meeting is arranged where the municipality, people from the introductory project and supplier meet via Skype and the ordering municipality presents the municipality's needs related to the order, presents its work with service innovation, agrees time for training, etc. The start-up meetings are a good arena for experience transfer between municipalities. Project manager for

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<sup>7</sup>A ROS analysis is the abbreviation for a risk and vulnerability analysis. It aims to map the probability and consequences of adverse events, such as power failure. In the analysis, risk areas shall be prioritized and measures shall be planned to prevent undesirable events or reduce their consequences should they occur.

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The implementation phase receives good feedback from the start-up meetings, that this is very useful for the municipalities that will start implementation.

### *4.3.2 Development and innovation during the contract period*

Current technological development during the agreement period was considered important in the needs assessment, and this was also an item on the agenda for the dialogue with the various suppliers. It was made clear that the dialogues were to deal with the topic that security and warning technology included in the procurement could be expanded with functionality and equipment within related areas during the contract period, if it was a natural consequence of the development in the security and warning technology area.

In the descriptive document, the project group requested suppliers with good ability to develop during the agreement period and requirements for this were specified in the dialogue phase.

Through dialogue with the suppliers, premises for this point were prepared. The following were entered as premises in the prerequisite document (requirements specification):

- It is assumed that the product list is updated whether there are new models, types or the like with improved or new functionality, as long as these naturally fall within the agreement's product categories. If new products are added that are outside the product groups, these must also be able to be delivered on the agreement if they are sufficiently closely related to the other that is delivered.
- Since the prices for these products are not known at the time of entering into the contract, such prices shall be calculated on the basis of the sum of the acquisition cost and shipping to the supplier's warehouse, with a maximum mark-up of 20%. The customer can carry out spot checks for price calculations carried out by an independent auditor.
- The listing of equipment in the "Price form" does not give a complete picture of what is / should be possible to obtain from sensors, alarms, etc. The listing in the attached price form will form the basis for evaluating the award criterion "cost". For equipment that is not listed in the attached price form, the prices will be determined in accordance with the point above.

The level of the mark-up was discussed with the various suppliers. This is to ensure the most neutral size of the mark-up, so that the supplier and procurer have a common interest in finding the best product / service regardless of substitute motives.

The surcharge of 20% is intended to be a surcharge that is not too low, so that the supplier wants to sell the products in the "Price form" anyway, because this is where they make money. The mark-up should also not be too high so that they want to introduce new products regardless of whether they have something for themselves or not.

## 4.4 Reference visits

The purchaser had reserved the right to carry out reference visits to one or more existing customers of the provider, without the provider itself attending the meeting. The results of the reference collection could be used in the final evaluation.

Halfway through the dialogue phase, the buyer made a reference visit to customers of the suppliers who participated in the competition. The buyer traveled around and looked at solutions that the suppliers had sold to other municipalities or players, both in Norway and abroad.

This was perceived as very useful for the buyer to carry out reference visits, as things are developing rapidly in the health sector and ICT.

### 4.5 Selection of supplier

An individual assessment was made of the providers for each of the three award criteria "Functionality", "Reliability" and "Capacity for establishing and following up contractual obligations". In addition, the award criterion cost was assessed. The evaluation matrix used was attached to the competition documents so that it was known to the bidders.

It was planned that the winning bidder would enter into a contract with each individual municipality that was involved in the procurement. The contract has a duration of 36 months, with the possibility of extension for 12 months + 12 months + 12 months. The winner of the competition was Telenor Objects AS.

### 4.6 Time course

From the time the acquisition was announced at Doffin until it was completed, it took just over 10 months. The list below shows some important dates in the procurement process.

- 19.01.2017: The acquisition announced at Doffin.
- 23.02.2017: Deadline for receiving offers or requests for participation (regulatory requirements minimum 30 days)
- 02.03.2017: Date for issuing an invitation to make offers or invitations to selected suppliers to participate.
- 10.2017: The acquisition of security and warning technology was completed.

### 4.7 Success factors for a successful completion of the procurement procedure

According to experiences from the project group, the following factors are important for the implementation of a joint procurement to be successful:

- The project group should have the right competence to evaluate the solutions offered. In this case, expertise in the health sciences and ICT.
- The project group should have good competence in the use of the procurement process used, and compliance with the procurement regulations.
- It is important to have a clear agenda for the dialogue rounds, so that the meetings are conducted effectively. Very important for the providers as they are not guaranteed payment for the work they do in the competition.
- The reference visits carried out at customers by the suppliers provided a lot of valuable information and knowledge to the project group.

### 4.8 Regional coordination to strengthen the successful introduction of welfare technology into operation

In order to ensure a good transition from procurement to implementation and operation of the procured solutions, some important factors from the project are pointed out. Through RKG, the municipalities in Agder have established a regional coordination group that has an overall perspective. RKG also coordinates and initiates other projects, which creates synergy effects between the projects. In order to ensure large-scale introduction of welfare technology, for example, RKG coordinated the joint applications for introduction that came after the joint procurement had been completed. These applications resulted in 30 municipalities being included in the national welfare technology program and 30 municipalities being included in the Agder Competence Improvement Welfare Technology project.

The joint introduction project handles the contact with the supplier on behalf of the municipalities, and then also ensures a coordinated and effective introduction and dialogue with the supplier (and subcontractors). The goal is for all 30 municipalities to have introduced welfare technology into operation by 2020.

## 5 The supplier perspective

A contract was entered into with Telenor Objects. The competitive form of competitive dialogue was new to this supplier in the field of welfare technology. They had previously participated in procurements carried out after competition with negotiation. Feedback from the supplier is that they doubt whether the Agder municipalities would have arrived at similar solutions if no dialogue rounds had been carried out prior to the preparation of

the requirements specification / prerequisite document. The supplier believes that this way of carrying out the procurement ensured that the Agder municipalities came up with a solution, where input, insight and experiences from the suppliers are used. The municipalities' requirements were developed and gradually sharpened through the dialogue rounds and thus well reflected the available solutions in the market.

### 5.1 Advance dialogue provides more effective preparation

For those as a supplier, it also provides dialogue in advance of a procurement announcing a gain. The time they spend on a purchasing process is related to the complexity of the request, whether dialogue or not. Dialogue in advance does not involve extra time spent by them, but it is rather economical because it provides a basis for them to prepare more efficiently.

Participating in the joint procurement carried out as a competitive dialogue was more time-consuming than other procurements they had participated in. But this is natural since it was a large procurement and several rounds of dialogue are carried out during the competition.

#### *5.1.1 Dialogue with the purchaser as a basis for the specification*

The supplier highlights several advantages of having a dialogue with the buyer before the requirements specification is prepared. The fact that the requirements specification was developed gradually through dialogue resulted in a set of requirements that everyone could deliver on. Furthermore, the requirements were real that could be solved with existing products and services. They also experienced that it was a fair and objective process, where the buyer did not have preferences for a supplier.

The fact that the buyer is willing to change and adapt the requirements during the dialogue rounds is highlighted as an important prerequisite for the implementation as a competitive dialogue to be good. No pre-purchase preferences on a specific supplier are cited as another important prerequisite.

#### *5.1.2 Joint procurement provides benefits - fewer variants and more efficient deliveries*

What does the supplier think about municipalities joining forces on large, complex procurements? They believe it is important to think holistically and consolidate solutions across the health service. When introducing welfare technology in the municipalities, local silo solutions with equipment that does not work with the underlying professional and medical record systems must be avoided. The fact that municipalities join forces on large, complex procurements such as in the Agder region contributes to solutions being standardized and facilitating (national) scaling of welfare technology in the health service. For suppliers, there will be fewer variants of solutions and more efficient deliveries and production.

#### *5.1.3 Trustworthy with quality assessment decoupled from price*

In general, the supplier experienced the process of competitive dialogue in the joint procurement as very good. One detail they highlight from the procurement is how price and quality were assessed by the buyer. They have been told that the buyer assessed the price and quality completely separately. Those who considered

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quality did not necessarily have insight into price. The fact that the quality assessment was made decoupled from the price was reassuring for the supplier and testified to an objective process.

The supplier has an input, to ensure continuity from procurement to implementation. The group of purchasers who participated in the procurement was dissolved when the procurement was completed. However, a number of questions arise afterwards about what was actually acquired. Therefore, it will be an advantage if those who are part of the steering group from the buyer follow the project until the acceptance is completed.

## 6 Summary and success factors

Several municipalities in Agder had a need to digitize the security alarms. In addition, several municipalities had a need to replace and use updated technology at the warning systems in nursing homes.

The Agder municipalities joined forces on a joint acquisition of security and warning technology for home care and nursing homes, technical operating solution and technical response center solution.

The fact that the municipalities joined forces on a joint procurement contributed to increased purchasing power, and to a holistic approach to the introduction and application of security and notification solutions across the municipalities.

For a successful anchoring among the municipalities, and organization in connection with the procurement process, there are some important experiences from the joint procurement carried out by the Agder municipalities that are worth noting.

The following points are important for a successful anchoring and organization:

- A clear joint strategic commitment from municipal leaders (councilor group and regional plan).
- Establishment of a project group consisting of representatives from the entire region for coordination of the procurement, to provide a basis for joint ownership of process and results.
- Good information and communication flow to all municipalities throughout the accession process. In order to ensure regional anchoring, the project group for the procurement must have the trust of the other municipalities. The group should consist of a dispersed representation of the participating municipalities. It is important that all municipalities feel represented, so that it is not perceived as if the largest municipalities or the host municipality prioritize their needs at the expense of the small or other municipalities. In order to have the trust of the municipalities, the project group should be able to assess the professional part in connection with the procurement, in this case assessing both the health professional and ICT. In addition, the project group should have expertise in procurement processes.
- The project group should have good knowledge of municipal organization, so that they know who to talk to and who is informed during the process.

Experiences about what contributes to a successful process between the client and suppliers are as follows:

- The project group should have the right competence to evaluate the solutions offered. In this case, expertise in the health sciences and ICT.
- The project group should have good competence in the use of the procurement process used, and compliance with the procurement regulations.
- It is important to have a clear agenda for the dialogue rounds, so that the meetings are conducted effectively. Very important for the providers as they are not guaranteed payment for the work they do in the competition.
- The reference visits carried out at customers by the suppliers provided a lot of valuable information and knowledge to the project group.

The most important success factor from the joint procurement in the Agder municipalities is first and foremost the value of a regional coordination structure. The establishment of the network structure in the region required leaders to take the initiative. The structure had to be anchored in administrative line management and political leadership locally and regionally. Through such a structure, the best competence has been used for the common benefit of all the municipalities in the region. By joining forces in the procurement, they also achieved a volume of procurement that made it attractive for leading suppliers in the market to offer their solutions. The joint procurement has put the municipalities in the driver's seat within the area of welfare technology. This will be of great importance for future service development. A common technological platform / infrastructure, operating and service models provide a good basis for good patient safety and cost-effective services in the future. It also provides a valuable and

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unique basis for knowledge development and research. The regional network structure is also the basis for the other investments in e-health in Agder as «a citizen - a journal» and telemedicine / distance follow-up.