

Cabinet – 9 December 2020

Contract for the Supply of IT Goods and Services

Portfolio: Councillor Bird, Leader of the Council

Related portfolios: All

Service: ICT, Resources and Transformation

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 To ensure that the Council has a contract in place to allow for the compliant and efficient procurement of IT Goods and Services.

2. Summary

- 2.1 The Council currently uses the Sprint ii Framework Contract to purchase IT Goods and Services. The Sprint ii contract will expire on 04 March 2021. A similar call-off framework contract is required to replace Sprint ii so as to ensure that the Council can continue to deploy new technology at a rapid pace to meet demands.
- 2.2 This is a key decision as the expenditure over the lifetime of the contract will be significant, potentially rising to £10,000,000 dependant on what IT goods and services are required throughout the lifetime of the contract.
- 2.3 The new contract will support the delivery of the Walsall Proud Programme with particular focus on underpinning technology required by the Enabling Technology work stream. It will also support the Proud Service Transformation Plan, the implementation of the ICT Strategy and the ICT Cloud Migration and Transformation Programme of work.
- 2.4 The contract will enable the Council to purchase IT goods and services both compliantly and efficiently whilst also giving assurance that value for money will be achieved.
- 2.5 There is no legal or contractual obligation to purchase all IT goods and services through this contract, other routes to market can and will be utilised if they are deemed to be more appropriate or provide a financial benefit.

3. Recommendations

- 3.1 That Cabinet award a contract to Specialist Computer Centres Plc for the Supply of IT Goods and Services. The initial contract shall be for 2 years and there will be two optional one year extension periods. The anticipated value of the contract over the 4 year period (05 March 2021 – 04 March 2025) could be up to £10,000,000.
- 3.2 That Cabinet delegate authority to the Executive Director of Resources and Transformation to sign the relevant agreements with the Framework Provider and Specialist Computer Centres Plc on behalf of the Council and to subsequently authorise signing of any associated contracts, deeds or other related documents.

4. Report detail – know

Context

- 4.1 The Council has been using the Sprint ii Framework agreement to compliantly purchase IT goods and services for the past 7 years. The Sprint ii Framework was initially tendered by Crown Commercial Services and has been used successfully by many public sector organisations.
- 4.2 Having access to a framework agreement in place such as Sprint ii delivers many benefits; the primary one being a route to market that ensures compliance with all EU regulations – this means that purchasing IT goods and services can be carried out efficiently and without the need to undertake time consuming and costly tenders.
- 4.3 In addition to a compliant and efficient route to market, having a framework agreement in place with a single supplier provides opportunity to:
 - build a partnership with the supplier;
 - engage the supplier to support local communities;
 - exploit the suppliers buying power with manufacturers;
 - implement online catalogues and purchase to pay technologies;
 - access supplier benefits often at a reduced cost and sometimes free of charge; these benefits can range from pre-sales consultancy and proof of concept projects though to scheduled delivery time slots and use of storage facilities.
- 4.4 Whilst using the Sprint ii Framework Contract; ICT has carried out regular bench marking exercises to ensure that the Council is achieving best value. The results of the bench marking exercises have continuously reinforced that having a single supply contract achieves financial benefits alongside service efficiencies.

Procurement Process

4.5 Following the success of utilising the Sprint ii Framework, ICT and Procurement began to explore potential replacement options. The following 3 frameworks were identified for a further options appraisal:

- Technology Products 2 (RM3733) provided by Crown Commercial Services (CCS)
- ICT Solutions provided by Health Trust Europe
- ICT VAR Provided by East Midlands Strategic Commercial Unit (EMSCU)

Of the above frameworks, the EMSCU ICT VAR was identified as the most appropriate route for the following reasons:

- Significant flexibility within the framework terms and conditions in terms of exclusivity and competitive charging allowing Walsall Council, if necessary, to procure IT goods and services elsewhere.
- Robust mandatory benchmarking processes in place, ensuring suppliers are not only pricing competitively but also in line with market rates
- The framework actively promotes the use of direct award which works to overcome time and resource constraints within ICT
- A significant number of public sector organisations are successfully utilising this framework due to its simple but effective nature.
- The financial benefits associated with a direct award, as explored below.

4.6 The framework further offers a financial incentive for direct awards. This comes in the form of a 5% discount against list pricing and is in addition to the preferred supplier's standard channel and volume discounts. This incentive is not available should contracting authorities engage in a Secondary Competition.

4.7 A number of other Public Sector Organisation have utilised the Direct Award provision within the framework, these include, but are not limited to:

- Crown Prosecution Service (CPS)
- The Scottish Police Authority
- Nottinghamshire Police

Benchmarking

4.8 Ahead of approaching a single supplier from this framework a formal benchmarking activity was carried out via the Council's e-Tendering portal In-tend. This was conducted to provide a point in time assessment of the Framework supplier's costs to check rates were in line with market rates as well as providing an understanding of supplier mark ups ahead of direct award.

4.9 All 8 framework suppliers were invited to provide a quotation for a list of products frequently purchased by the Council.

- 4.10 Of the quotations submitted, Specialist Computer Centres Plc (SCC) were the most economically advantageous.
- 4.11 SCC demonstrated overall costings which were around 8% cheaper than the most expensive quote as well as the lowest average mark-up of all framework suppliers.
- 4.12 Having demonstrated the best value for money Specialist Computer Centres Plc were asked to respond to the Council's specification for the supply of IT Goods and Services.
- 4.13 SCC's response to the Council and the results of the benchmarking exercise coupled with the 5% discount for **not** facilitating a competitive tender have resulted in a recommendation that in this instance a direct award is the most appropriate and cost-effective way of ensuring the Council has a contract in place for the ongoing supply of IT goods and services.
- 4.14 If the Council does not have a contract in place for the Supply of IT Goods and Services the speed at which technology solutions can be delivered will be severely impacted as of March 2021.

Council Corporate Plan priorities

- 4.15 ICT is an internal underpinning support service which is integral to all areas of the Council delivering its services to citizens. ICT will enable the Council to deliver upon its priorities set out in the corporate plan.

Risk management

- 4.16 The risks associated with entering into this contract are minimal; as per the Framework Conditions, the Council does not have to use the contract at all, it can choose to use different routes to market at any time.

Financial implications

- 4.17 Any spend commitment against this contract will be from within the Council's approved budget.
- 4.18 The following spend has been made against the Sprint ii Framework contract over the past 3 years:

17/18	£1,963,540
18/19	£3,984,642*
19/20	£3,245,959*
Total	£9,194,141

**It should be noted that during 18/19 and 19/20 capital projects to replace end users devices were undertaken.*

- 4.19 Potential savings and efficiencies include;

- The potential of saving £500,000 over the lifetime of the contract should the previous spend level be repeated over the next 4 years.
- A reduction in transaction costs - through the use of SCC's Lifecycle portal the Council will benefit in a reduction in overall transaction costs being processed via our payment systems as these orders are paid via Lodged P-Card.
- Any savings made as part of review of the Council's standard items.

4.20 Any savings that are realised will be reflected in reduced purchase prices therefore these savings will be passed directly to the service areas that are procuring the goods and services or it will be used to purchase additional goods and services to further the Council's aims and objectives.

Legal implications

4.21 The new contract will be evidenced by a written contract in a form required by the framework provider East Midlands Strategic Commercial Unit (EMSCU).

4.22 The contracts which will be signed between the Council and East Midlands Strategic Commercial Unit and Specialist Computer Centres Plc contain fixed terms and conditions which EMSCU already negotiated; the contracts will be executed in accordance with the Council's Contract Rules.

Procurement Implications/Social Value

4.23 Advice and guidance has been given by the Corporate Procurement Team throughout this process. The sourcing exercise which the Council has carried out has been undertaken in accordance with the requirements of the Public Contracts Regulations 2015 and gives consideration to social value in line with the Public Services (Social Value) Act 2012 and was in compliance with the Council's Contract Rules.

Property implications

4.24 None.

Health and wellbeing implications

4.25 There are no direct health and wellbeing implications associated with awarding this contract however the IT equipment and services procured via the contract may impact upon individuals; consultation will be undertaken as necessary with appropriate user groups to ensure issues of inequality are addressed.

Staffing implications

4.26 None.

Reducing Inequalities

- 4.27 The implications for reducing inequalities have been taken into account; the award of the contract does not have any equality implications however further consultation will be required when purchasing IT goods, services and software that will be implemented across the organisation - for example when the tablet rollout project was undertaken a consultation exercise with a set of IT users from across the organisation was carried out – this ensured that the devices selected catered for end users individual and unique characteristics and requirements have been taken into account and catered for ie lighter weight or smaller equipment or equipment with larger displays, larger monitors, dual monitors, software to enlarge screen reading or to read aloud, different mouse/keyboard layouts, voice recording software, software configuration to enhance screen displays was all included within the scope of the tablet roll-out project.
- 4.28 Entering into this contract will not have a visible effect or impact on any existing policy, procedure or service.

Consultation

- 4.29 Informal consultation has been carried out with internal stakeholders including:
- ICT Teams – who will use this contract to order goods and services
 - Finance Teams – who will be required to process invoices associated with this contract.

5. Decide

- 5.1 Cabinet is requested to approve the recommendations made in section 3 of this report.

6. Respond

- 6.1 In the event that Cabinet approve the award of this contract ICT will work closely with the successful supplier and EMSCU to ensure that all contractual paperwork has been completed prior to 28 February 2021.

7. Review

- 7.1 Contract management meetings will take place monthly.
- 7.2 Spend analysis and financial analysis will be undertaken and reported on a quarterly basis.
- 7.3 Schedule 8 of the Framework Agreement outlines the mandatory benchmarking activity. SCC are required to take part in a benchmarking exercise carried out by the Framework Authority every six to twelve months, failure to participate can result in the them being removed from the framework.
- 7.4 Ad-hoc benchmarking may, where necessary, be carried out by the Service Lead. Should more favourable rates be obtained by the Council, SCC must

match these rate as per the Competitive Pricing clauses within the Framework terms and conditions.

Background papers

Equality Impact Assessment 10/20

Author

Sharon Worrall
ICT Commercial & Customer Services Manager
☎ 655552
✉ Sharon.worrall@walsall.gov.uk



Deborah Hindson
Interim Executive Director
Resources & Transformation
09 December 2020



Councillor Bird
Leader of the Council

09 December 2020