

Cabinet – 5 February 2014

Model contract for the supply of ICT goods and services (to extend the benefits of the Sprint ii framework)

Portfolio: Councillor Towe - Resources

Related portfolios: None

Service: ICT

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 The Council currently purchases ICT goods and services from Specialist Computer Centres under a government framework agreement called Sprint ii. Cabinet gave approval for the use of this framework on 15 September 2010 – the framework terminates on 15 March 2014.
- 1.2 Correct application of the Sprint ii framework ensures that the Council
 - achieves best value when purchasing ICT goods
 - is compliant with EU and UK legislation
 - does not have to undertake lengthy and costly procurement exercises
- 1.3 An alternative arrangement to continue to contract using extended Sprint ii terms and conditions needs to be in place before the Sprint ii framework expires.

2. Recommendations

- 2.1 That authority be delegated to the Executive Director, Resources in consultation with the portfolio holder for Resources to sign a Model Contract which will allow the Council to choose to transact with Specialist Computer Centres under extended Sprint ii terms and conditions for a period of up to 4 years.

3. Report detail

- 3.1 **Sprint ii**; was developed in collaboration with HMRC. The purpose of Sprint ii was to deliver a simple one stop shop framework agreement that was quick and easy to use.

Through a tendering process HMRC selected Specialist Computer Centres (SCC) to be the sole provider on the Sprint ii framework; SCC is based in Birmingham.

The framework agreement includes capped mark ups and the ability to benchmark and audit SCC throughout the life of the framework agreement.

SCC can run vendor competitions (tenders) on the Council's behalf; these competitions are fully transparent/open book based on a statement of requirements provided by the Council; the competitions further reduce costs.

3.3 **Benefits;** Using a sole provider and a framework agreement has many benefits for the Council, including;

- procurement of goods and services without the need for lengthy and costly tendering processes,
- implementation of streamlined processes which enables the Council to easily transact on line with real time information,
- having standard items held in stock in order to respond quickly to a customers' needs,
- being able to monitor spend and assets easily which in turn enables the Council to respond to Freedom of Information Requests accurately and in a timely manner,
- through working closely with the Council, Specialist Computer Centres understands the Council's IT requirements and the wider requirements of both local and national government, which brings benefits such as knowledge sharing which are not always present when ad-hoc suppliers are utilised.

3.4 **Bench marking and competition;** The Council is not tied in to the contract and can continue to obtain alternative quotations for ICT goods and services from other suppliers;

- When alternative quotations from other suppliers prove favourable the Council will use the alternative supplier.
- SCC know that the Council regularly seek alternative quotations and carry out frequent bench marking exercises. This ensures they maintain a competitive edge against other suppliers and provide best value.

3.5 **Timescales;** The Sprint ii framework terminates on 15/03/14; prior to the expiry of the framework we can put in place a model contract to continue operating under the terms of the Sprint ii Framework for a further 4 years.

3.6 **Termination;** The model contract can be terminated at any time with 90 days notice and the Council can chose to purchase ICT goods and services from anywhere else during the term of the model contract.

4. **Council priorities**

4.1 ICT provides an underpinning service to all areas of the Council therefore indirectly supporting all Council priorities.

5. Risk management

Not having a contract in place to continue contracting under the terms of Sprint ii will mean that each procurement the Council makes for ICT goods and services will have to individually comply with EU Procurement Directives and the UK Procurement Regulations.

6. Financial implications

Extension of the current model contract will not add additional financial costs to the ICT budget, and on the basis the contract can be terminated at any time with 90 days notice and the Council can chose to purchase ICT goods and services from anywhere else during the term of the model contract, the Council are not locked into a permanent commitment.

Over the last three financial years, (including the latest 2013/14 forecast position), the Council have spent the following with Specialist Computer Centres (SCC):

2011/12 - £1,945m

2012/13 - £1,773m

2013/14 - £1,117m (forecast position)

The previous two years high expenditure relating to SCC will in part be as a result of the Councils Smarter Workplaces agenda. Future spend with SCC is likely to be more consistent with 2013/14 forecast position, on an extended 4 year period, the Council can expect to spend an estimated £4,468m with SCC.

7. Legal implications

Whilst the Sprint ii framework provides for call-off agreements of up to 7 years, the Council's extension period shall be limited to 4 years which is the maximum duration of a call off agreement, in the absence of any exceptional circumstances.

The contract will ensure that the Council is in compliance with EU Procurement Directives and the UK Procurement Regulations, as well as the Council's Contract Rules 2010.

8. Property implications

None.

9. Health and wellbeing implications

None.

10. Staffing implications

None.

11. Equality implications

None

12. Consultation

Legal Services

Background papers

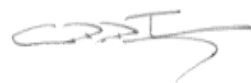
None.

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