

**ICT Hardware & Services Supplier Contract for 2011–2014 (3 years)****Date of Meeting:** 9 December 2010**Report of:** Strategic Director, Resources**Contact Officer: Name:** Paul Colbran **Tel:** 29-0283**E-mail:** paul.Colbran@brighton-hove.gov.uk**Key Decision:** Yes **Forward Plan No:** CAB17694**Wards Affected:** All**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT:**

- 1.1 The existing ICT hardware contract between Brighton and Hove City Council (BHCC) and Dell for the provision of ICT hardware expires on 31<sup>st</sup> March 2011. The council current annual spend on commoditised ICT hardware supplies & services is £1,265,177. This is spread across 14 suppliers, with 67% spent on 2 suppliers.
- 1.2 A new contract will need to be tendered to comply with EU and UK Public Procurement legal requirements and Contract Standing Orders and to ensure a more flexible solution whilst achieving value for money by reducing the total cost of the current provision.
- 1.3 This report seeks approval from Cabinet to undertake a competitive tendering exercise for a 3 year commoditised ICT Hardware, Supplies and Services supplier contract (from April 2011 – March 2014) with an option of a twelve month extension period. The contract will be for the provision of ICT hardware, supplies & related services including thin client devices, laptops, computers, servers, licenses, maintenance, consumables, consultancy and other sundry services.

**2. RECOMMENDATIONS:**

- 2.1 That Cabinet approves the tendering of an ICT Hardware Supplies and Services contract for a three year period with the option to extend for twelve months at the Council's discretion.
- 2.2 That Cabinet grants delegated authority to the Head of ICT, in consultation with the Leader and the Member for Central Services, to award the contract to the successful bidder following evaluation and recommendations of the evaluation team and to determine whether to award the twelve month extension when such consideration becomes due.

### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The current contract with Dell expires at the end of March 2011 following a previous extension.
- 3.2 The procurement will be conducted in accordance with the relevant EU and UK legislation and let using a current Framework agreement. Given that this is a commodity offering there is no need to go to full OJEU tender as there are a number of suitable Framework agreements available to use eg Buying Solutions Commoditised IT Hardware & Software (CITHS) & Pro 5.
- 3.3 The tenders will be evaluated on a 50% technical / quality and 50% cost price split. A cross - functional evaluation panel consisting of representatives from procurement and ICT technical teams will evaluate the tenders according to a methodology set out in the invitation to tender and evaluation guidelines.

### **4. CONSULTATION**

- 4.1 Benchmarking: Procurement, in association with ICT Services, have been benchmarking current suppliers with other contracts within similar Authorities to BHCC, especially in the SE7 group. The current suppliers were found to be expensive and not very flexible when it came to negotiations. Poor service has been highlighted by the users as well as inflexibility of arrangements.
- 4.2 Soft market testing: The authority has been in discussion with a number of potential suppliers in the market as well as other authorities as to how best to service BHCC's needs now and in the future. Developing a strategic ICT supply chain is seen as a key cornerstone in enabling ICT to deliver services to Delivery and Commissioning units that citizens need in a timely & cost effective manner.

### **5. FINANCIAL & OTHER IMPLICATIONS:**

#### Financial Implications:

- 5.1 Through the competitive tendering process the Authority will be able to achieve the best value for money for this provision. The consolidation of suppliers to a more strategic & manageable number will relieve a significant supplier relationship management burden on staff. The contract will also be structured to allow for additional services to be called off (subject to benchmarking & value for money) that will mean the release of staff time from mundane activities. Areas such as Configuration, Installation & maintenance support are obvious candidates for these services. Cost of procurement is also negated.

*Finance Officer Consulted: Patrick Rice*

*Date: 08/11/10*

#### Legal Implications:

- 5.2 The value of this supplies contract exceeds the threshold at which the procurement process must comply with the Public Contracts Regulations 2006 (S.I. 2006/5) and, in this instance, regulation 19 ('Framework agreements') in particular. Paragraph 3.2 above indicates the intended use of a suitable framework agreement, which would comply with the Regulations.

- 5.3 Under the council's contract standing orders, contracts worth in excess of £500,000 may not be entered into without the approval of Cabinet or a Cabinet Member, which explains the need for the recommendations at paragraph 2 above.

*Lawyer consulted:*

*Oliver Dixon*

*Date: 08/11/2010*

Equalities Implications:

- 5.4 The specification & tender documentation that will be sent out to interested providers will include a set of questions related to inclusion and diversity that will ask them whether they have appropriate policies relating to equal opportunities and other statutory obligations under UK and EU equal opportunities /discrimination legislation and codes of practice relating to employees.

Sustainability Implications:

- 5.5 All packaging must be kept to a minimum and be completely recyclable. The ITT will establish whether the supplier has an environmental or sustainability policy and/or an environmental management process in place.

Crime & Disorder Implications:

- 5.6 All ICT hardware is security marked and asset tagged when received. The new supplier may be able to supply this service.

Risk & Opportunity Management Implications:

- 5.7 A full risk assessment on all bids will be carried out as part of the tender evaluation process.

Corporate / Citywide Implications:

- 5.8 The tendering of this contract will achieve value for money.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Do nothing: This is not considered a viable option as the council would incur significant additional cost if it does not control spend through a contract with a supplier
- 6.2 Extend the contact again: We are unable to extend the current contract again
- 6.3 Tender for a new hardware, software and associated services contract: This is the preferred solution. A renewal of this contract has significant benefits in terms of value for money. In order to achieve value for money we are looking for one supplier who can supply all our ICT hardware, software & associated services. As we move to thin client technology we need a supplier who can supply thin client devices, servers, computers, laptops and related ICT accessories at competitive prices. It is unlikely that we will be able to achieve value for money if we have more than one supplier.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 It is essential that we undertake a procurement exercise as from 1<sup>st</sup> April 2011 we will not have an ICT hardware supplier contract in place and we are unable to extend the existing contract as this could be in breach of European Procurement Regulations
- 7.2 A new contract will allow greater flexibility in the provision of this service allowing us to call off services as required with greater leverage to negotiate on price and service
- 7.3 A new contract ensures compliance with contract standing orders.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents in Members' Rooms**

None

### **Background Documents**

None