

Report of ICT Strategic Sourcing Manager
Report to Chief Information Officer
Date: 24 July 2015
Subject: ICT Services Framework Contract

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Chief Information Officer approved the commencement of a procurement to establish a framework contract for the provision of a range of specialist IT and Digital services on 12th May 2015 (D42351).
2. Following the conclusion of the evaluation stage of the procurement, this report seeks approval to appoint the three tenderers that scored the highest combined score of quality and price, as detailed within the tender evaluation criteria, to the framework.

Recommendations

3. The Chief Information Officer is recommended to approve the appointment of Fujitsu Services Ltd, Lockheed Martin Business Technology Solutions Ltd and Methods Advisory Ltd to the ICT Services framework.

1 Purpose of this report

- 1.1 This report details the process and outcome of the procurement process to appoint three companies to an ICT Services Framework.

2 Background information

- 2.1 The Chief Information Officer approved the commencement of a procurement to establish a framework contract for the provision of a range of specialist IT and Digital Services on 12th May 2015 (D42351).
- 2.2 The procurement was conducted using the Open Procedure of the Public Contract Regulations 2015.
- 2.3 An Invitation to Tender was published on the Council's procurement portal Yortender, with advertisements sent to the Official Journal of the European Union and Contracts Finder on 29th May 2015 with a closing date for receipt of tenders of 1st July 2015.
- 2.4 Tenders were received from 12 companies as detailed within Appendix A.
- 2.5 The following evaluation panels were established to evaluate responses to the Invitation to Tender:

Part A

Assistant Development & Support Manager (Richard Bartlett)
Head of ICT Service Delivery (Bev Fisher)
Orchestration & Automation Manager (Ron Weston-Bartholomew)
Solutions Architect (Terry Booth)

Part B

Assistant Development & Support Manager (Richard Bartlett)
ICT Strategic Sourcing Manager (Robert Greaves)
Orchestration & Automation Manager (Ron Weston-Bartholomew)
Solutions Architect (Terry Booth)

- 2.6 As detailed within the tender documentation, the Council chose not to divide this procurement into Lots. Whilst it was theoretically possible to divide into Lots based upon technologies or skillsets, as the exact nature of work packages to be awarded under the framework is unknown this could make the framework excessively onerous on the Council to manage as it is likely individual work packages will comprise of several technologies and skills sets, the exact makeup of which is unknown in advance.

3 Main Considerations and Reasons for Contract Award

- 3.1 Tenderers were required to demonstrate their experience, skills, resources and capacity to be appointed to the framework (Part A Evaluation). Those that did not demonstrate this were not evaluated further.
- 3.2 Of those tenders that successfully passed the Part A evaluation, the submissions were evaluated on 60% quality and 40% price.
- 3.3 The minimum quality threshold was set at 30% of the 60% available for quality to ensure minimum quality standards are met.

- 3.4 The evaluation of price was conducted on the maximum day rates the tenderers would charge against any work commissioned under the framework. This element of the evaluation was only conducted on those tenders that met the minimum quality threshold.
- 3.5 The full tender evaluation criteria can be found at Appendix B.
- 3.6 Appendix A details those companies that did not pass the Part A evaluation, those that did not meet the minimum quality threshold; together with the scores each tenderer achieved. Those companies will be provided with further details as to the reasons their bid was unsuccessful in accordance with the provisions of the Public Contracts Regulations 2015.
- 3.7 The following three companies scored the highest combination of price and quality:
- Fujitsu Services Ltd
 - Lockheed Martin Business Technology Solutions Ltd
 - Methods Advisory Ltd
- 3.8 As the exact scope of individual work packages to be procured under this framework is not known, the exact share of work to be delivered by SMEs cannot be estimated, however, Methods Advisory Ltd is itself an SME and all three suppliers have confirmed their intention to use an eco-system of SME subcontractors to deliver work packages under this framework where appropriate.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 No consultation has taken place with key stakeholders as to whether the contract should be awarded to the successful tenderers or not as this is determined by the evaluation of the tenders received. However, consultation with key stakeholders was undertaken when the particular procurement route was chosen.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This award has no direct impact on Equality and Diversity / Cohesion and Integration, however, where individual work packages to be procured under the framework have an impact on these areas they will be considered as part of that decision.

4.3 Council Policies and City Priorities

- 4.3.1 As detailed within the decision to commence this procurement, creating the basic capacity and capability to develop and deploy solutions to underpin our priorities and city outcomes is a fundamental requirement. This arrangement will also be fundamental in assisting with the delivery of our key '21st Century City' ambitions and will look to utilise the capabilities of niche providers to help with the co-production and support of solutions across the city and region.

4.4 Resources and Value for Money

- 4.4.1 The evaluation criteria included maximum day rates for the delivery of services under this framework. In addition, each work package issued under the framework will be subject to a further competition to further ensure value for money. All work packages issued will be subject to their own business case.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This procurement was conducted under the Open Procedure of the Public Contract Regulations 2015.
- 4.5.2 The decision to commence this procurement was a Key Decision and subject to call-in. This decision to award the contract is a significant operational decision and is not subject to call-in.
- 4.5.3 The decision to undertake any work package under this framework will be considered in relation to the Council's constitution and the appropriate decision level.

4.6 Risk Management

- 4.6.1 A contract management plan will be put in place following contract award and risks under the framework will be included as part of the contract management arrangements.
- 4.6.2 Risks for individual work packages issued under this framework will be managed as part of that project or programme of works.

5 Recommendations

- 5.1 The Chief Information Officer is recommended to approve the appointment of Fujitsu Services Ltd, Lockheed Martin Business Technology Solutions Ltd and Methods Advisory Ltd to the ICT Services framework.

6 Background documents

- 6.1 None.

Appendix A – Companies submitting a tender

Company	Part A Evaluation	Part B Evaluation¹	Price Evaluation²	Overall Score
Arrk Group Limited	Fail			
BJSS Limited	Pass	27%		
Esteem Systems Limited	Pass	27%		
Exa Networks Limited	Fail			
Fujitsu Services Limited	Pass	38%	24.46%	64.46%
HiveMind Network Limited	Pass	37%	11.46%	48.46%
Lockheed Martin Business Technology Solutions Limited	Pass	44%	40.00%	84.00%
Maindec Computer Solutions Limited	Pass	28%		
Methods Advisory Limited	Pass	46%	28.32%	74.32%
Software Box Limited	Fail			
Trustmarque Solutions Limited	Pass	24%		
Xuper Limited	Fail			

¹ In accordance with the Tender Evaluation Criteria, only those companies that successfully passed Part A were evaluated on Part B.

² In accordance with the Tender Evaluation Criteria, only those companies that scored at least the minimum threshold on Part B (30%) were evaluated on price.

Appendix B – Tender Evaluation Criteria

1.0 Introduction

- 1.1 This document describes the method the Council will use to evaluate your tender submission, which must contain sufficient information to demonstrate how you will meet the requirements of the Requirements Specification. It is important to ensure that any information you submit is relevant to the Quality Criteria detailed below. Information which is not relevant will not be taken into account.

2.0 Evaluation Criteria

- 2.1 Your tender submissions will be evaluated on both quality and price. A score will be awarded for each element of the evaluation criteria. The maximum amount of marks available for price will be 40%. The maximum amount of marks available for quality will be 60%.
- 2.2 Your tender submission will be assessed and scored by an evaluation panel comprised of staff with the relevant experience to assess the technical, operational and commercial aspects of your submission.
- 2.3 In addition to the evaluation panel the Council may consult, where appropriate, with other employees of the Council or other public service partners. To enable this consultative process it will be necessary to share tenderers' responses with Consultees. They may read and review relevant aspects of the submission and provide comments to the evaluation panel in the form of strengths and weaknesses to be taken into account by scorers. Consultees may also attend tenderer's presentations to provide additional feedback to the evaluation panel. Consultees do not score the tender submissions.
- 2.4 The quality evaluation criteria that will be used to assess the compliance of offers to the Statement of Requirements (section 2) are detailed in item 3.0.

3.0 Selection and Quality Criteria

3.1 Selection Criteria

The following Selection Criteria will apply:

Section 7 Company Information	Pass / Fail on overall section
Section 6 References	Pass / Fail
Section 2 Part A	Item
Selection Questionnaire	A1 Pass / Fail
	A2 Pass / Fail
	A3 Pass / Fail
	A4 Pass / Fail

3.2 The following quality criteria has been determined and weighted in accordance with its relative importance to the Statement of Requirements.

Section 2 Part B	60%
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3.3 A minimum threshold of 30% applies to the quality criteria. That is, tenderers must score a minimum of 30% out of the 60% available for quality to pass this section.

4.0 Evaluation Approach

4.1 Tender responses to Section 2 Part A will be collectively evaluated by an evaluation panel. Each item will be evaluated on a pass/fail basis and you must provide sufficient information within your response to enable the evaluation panel to determine that you have the relevant experience, skills, resources and capacity to be appointed to the framework. Should you obtain a fail on any individual item your tender submission will be deemed unsuccessful and your tender submission will not be considered further.

4.2 Tender responses to the Quality Criteria (Section 2 Part B) will be collectively scored by an evaluation panel using the following criteria:

Score	Interpretation
10	Outstanding: The response covers all elements of the criterion, and associated specified contract requirements and standards; and with a high level of relevant and detailed information, backed up with clear evidence; and demonstrates a robust and coherent understanding of the council's requirements; and with no issues, weaknesses or omissions.
9	Excellent: The response covers all elements of the criterion, and associated specified contract requirements and standards; and with relevant and detailed information, backed up with clear evidence; but with limited minor issues, weaknesses or omissions in the information/evidence only.
8	Very good: The response covers all key elements and almost all of the other elements of the criterion, and associated specified contract requirements and standards; and with relevant and detailed information, backed up with clear evidence; with a few minor issues, weaknesses, or omissions in the information/evidence.

Score	Interpretation
7	Good: The response covers all key elements and the majority of the other elements of the criterion, and associated specified contract requirements and standards; and with relevant information, backed up with evidence, but lacks detail in some areas; some minor issues, weaknesses, or omissions in some areas of information/evidence.
6	Better than satisfactory: The response addresses all key elements of the criterion, and associated specified contract requirements and standards; but is not fully detailed or fully backed up with clear evidence in some areas; a number of minor and/or one or two more significant issues, weaknesses, or omissions in some areas.
5	Satisfactory: The response addresses all key elements of the criterion, and associated specified contract requirements and standards; but is not fully detailed or fully backed up with clear evidence in some areas; with a large number of minor, and/or a number of significant weaknesses, issues or omissions in the detail/evidence.
4	Less than satisfactory: The response has some weaknesses, issues or omissions, lacking detail, clarity and/or evidence with regard to at least one key element of the criterion, and associated specified contract requirements and standards with respect to this criterion.
3	Weak: The response has some weaknesses, issues or omissions, lacking detail, clarity and/or evidence with regard to several key elements of the criterion, and associated specified contract requirements and standards.
2	Poor: The response has material weaknesses, issues or omissions, lacking detail, clarity and/or evidence with regard to many key elements of the criterion, and associated specified contract requirements and standards.
1	Very poor: The response does not meet the criterion, or does not include sufficient information or clarity or evidence or information in support, to determine whether the solution meets the council's requirements or standards.
0	Unacceptable: Failed to provide a response, or the response provided is wholly inconsistent with the council's specified contract requirements and standards with respect to this criterion.

Once the final score for each question has been determined, the appropriate weighting will be applied.

- 4.3 Tenderers may be required to attend the Council to present their proposal to the evaluation panel. Based upon the presentations the evaluation panel will review the tender submissions and determine the extent to which the requirements have been met. The scores which were awarded to each requirement in 4.2 (above) may be adjusted up or down as a result of the presentations. In particular, if a tenderer has made claims in the written submission which cannot be adequately demonstrated during the presentation, this may result in a reduced score for that requirement
- 4.4 Should your tender not meet the minimum quality threshold detailed in 3.2 it will be deemed unsuccessful and your tender submission will not be considered further.

- 4.5 Section 7 will be evaluated concurrently with 4.1 and 4.2 above. This section seeks answers to general questions regarding your organisation, including your financial standing, health and safety practices, insurance details etc. These questions are not allocated a mark but will be assessed for compliance and all questions must be answered. Tenderers may be rejected where either a response is not provided or the response gives the Council cause for concern, e.g. financial status, non-compliance with our stated minimum insurance requirements, etc. Where no response is provided or the response is missing the requested information, a tenderer may be rejected.

The tenderer must be in a sound financial position to participate in this procurement and provide on-going services for the duration of the contract. Organisations submitting a tender for this project should be aware that the council will use the following factors and criteria to evaluate their financial status:

- Tenderer's existing annual turnover should be at least half the annual estimated contract value.
- The net worth quoted on the latest year of a bidder's balance sheet should be positive.
- Credit reference check.

Tenderer's not meeting these requirements may be excluded from the tender.

The section will be reviewed by an ICT Strategic Sourcing officer, with any areas of concern raised and discussed by the evaluation panel prior to the panel agreeing a pass/fail score.

Where a tenderer receives a fail on Section 7, their tender will not be considered further.

- 4.6 References will be sought from those organisations provided in Section 6 and will be evaluated concurrently with 4.1, 4.2 and 4.3 above. Should unsatisfactory references be received, your tender will be deemed unsuccessful and your tender submission will not be considered further.

5.0 **Price**

- 5.1 The price evaluation will only be undertaken on those tenders that successfully pass all elements of the selection and quality evaluation, that is: Section 2 Part A, Section 7, score at least the minimum threshold in the evaluation of Section 2 Part B, and provide satisfactory references.

- 5.2 The cost used for evaluation will be the total of all day rates provided in Section 5, i.e. the sum of the Junior and Senior day-rates for every role listed. Failure to provide a day-rate for every role at both Junior and Senior level will result in your tender being rejected. Where the maximum day-rate is the same for both these levels the same rate may be entered in both boxes.

- 5.3 The lowest total cost will be awarded the full 40% of tender marks available for price. For the remaining qualifying tenders, the difference between that cost and the lowest cost will be calculated. This difference will be expressed as a percentage of the lowest cost and that percentage difference will then be deducted from the available marks for cost. This means in practice that a tender that is 50% higher than the lowest cost tender will only score 50% of the available marks; a tender that is double the lowest cost tender (i.e. a difference of 100%) will not score any marks; the minimum score for price will be zero: that is a bid that is more than double will score 0% and a negative mark will not be awarded.

Example Price Evaluation

Cost % of total marks **40%**

	Tenderer A	Tenderer B	Tenderer C	Tenderer D
Cost of Ownership	£30,000	£25,000	£27,500	£60,000
difference to lowest price	£5,000	£0	£2,500	£35,000
% Difference	20%	0%	10%	140%
% Points to deduct	8%	0%	4%	40%
Price Score	32.0%	40.0%	36.0%	0.0%

5.4 Tenderers should be aware that in evaluating costs the council will consider the credibility of the price submitted. If officers believe the cost is abnormally low (e.g. unrealistically low prices for resources), the council will seek clarification from the Tenderer to understand further the basis of the price submitted. If clarification does not satisfy the council's concerns, the council reserves the right to discount the proposal from further evaluation and the tender will be discounted from the process. Tenderers should note that prices cannot be altered after tenders have been submitted.

6.0 **Appointment to framework**

6.1 The three tenderers that score the highest combined score for Quality and Price will be recommended for appointment to the framework. Where more than three tenderers are eligible to be appointed to the framework due to one or more suppliers obtaining equal scores, those appointed will be determined first by highest score and then by the drawing of lots.