

Report of: Exchange and End User Device Manager

Report to: Chief Digital and Information Officer

Date: 7th March 2017

Subject: Request to invoke contract procedure rule 21.2 to extend LCCITS120016 ICT Goods and Services Agreement by a period of 12 months to 6th July 2018.

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 checked="" type="checkbox"/> Yes	<input 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

- 1.1. The contract with Specialist Computer Centres Limited (SCC) for the supply of ICT Goods and Services support expires in July 2017. The contract includes a final extension option of 1 x 12 months.**
- 1.2. The contract is critical for the on-going successful delivery of ICT Services.**
- 1.3. LCC has the opportunity to provide goods and services for the city, going to tender for a new contract before these requirements are gathered poses the risk of not meeting the city's requirements**
- 1.4. It is recommended that the final available 12 month extension is utilised during which time a new procurement will be planned and carried out to put in place a new contract from 6th July 2018**

Recommendations

- 1.5. The Chief Digital and Information Officer is recommended to approve the extension of the contracts for ICT Goods & Services agreement for a further period of 1 x 12 months with an estimated value of £3,128,000**

1 Purpose of this report

- 1.1 The purpose of this report is to explain the rationale behind requesting an extension to the existing contract with Specialist Computer Centres Limited for the ICT Goods & Services agreement contract and to explain how this provides value for money.
- 1.2 This report will seek approval for the extension of LCCITS120016 Supply of ICT Goods and Services agreement with Specialist Computer Centres for a period of 1 x 12 months from 7th July 2017 to 6th July 2018

2 Background information

- 2.1 The ICT Goods & Services agreement was awarded to Specialist Computer Centres Limited following an OJEU procurement exercise on the 7th July 2013 alongside the LCCITS13008 Enterprise Server Hardware and Software Maintenance and Support contract
- 2.2 The contract award was for 36 months with 2 x 12 month extensions.
- 2.3 The LCCITS13008 Enterprise Server Hardware and Software Maintenance and Support contract has not extended for a further 12 months. There is a procurement exercise in progress to award a new contract
- 2.4 The software supply part of the LCCITS120016 Supply of ICT Goods and Services contract is sourced using contract LCCITS150046 ICT Software Framework.
- 2.5 As part of the City Wide agenda discussions are taking place for Leeds City Council to provide goods and services to organisations across the city. These requirements have not been gathered at the time of writing this report
- 2.6 This agreement is critical to the function of the ICT department and is used to purchase commoditised off the shelf hardware, warranty repair services on hardware, disposal services, resource and other professional services.
- 2.7 The agreement total spend for the contract is:
 - Year One: £5,168,089 (Hardware £2,564,543, Software £1,542,967, Services £1,060,579).
 - Year Two: £4,921,803 (Hardware £2,158,960, Software £1,931,465, Services £831,378)
 - Year Three: £4,362,249 (Hardware £2,332,674, Software £1,257,862, Services £771,713)

- Year Four: £3,127,160 (Hardware £2,669,825. Software £17,827, Services £439,508), this includes estimated spend for March 2017 and Q4 2017

2.8 Total spend over the first four years of the contract has been £17,579,301 the SCC savings report indicates the contract has delivered a saving of £2,119,578 which as a proportion of spend is 12%. (this includes estimated savings for March 2017 and Quarter 4 2017)

2.9 It is expected that spend will remain in line with these totals over the extension period of the contract.

2.10 Planning has started to undertake a procurement for a replacement contract starting in 2018,

3 Main issues

3.1 The ICT Goods & Services agreement underpins day to day ICT service delivery and is critical to the operation of the department. Wherever possible all hardware purchases are made through this agreement. Software purchases are now under a different contract with Comparex

3.2 To drive efficiencies elements of the service have been moved entirely across to Specialist Computer Centres Limited. For example the build, configuration and delivery of desktop and laptop devices.

3.3 Specialist Computer Centres Limited is also tasked with projects related to technology, for example the Enterprise Voice solution was designed by Specialist Computer Centres Limited via this contract.

3.4 A desktop engineering resource is assigned to the account and is tasked with work to supplement the delivery of the service.

3.5 The agreement also provides services such as the disposal of obsolete hardware to ensure that it is disposed of in accordance with Waste Electrical and Electronic Equipment legislation and also ensures all data is wiped from devices to the appropriate standard in accordance with Data Protection legislation. Any equipment still deemed as a saleable asset is then sold with revenue provided back to the Digital and Information Service.

3.6 The agreement also provides ICT with a resource rate card to be able to select ICT technical professionals to support the delivery of projects and programmes.

3.7 SLA performance across both contract is measured quarterly through a service review meeting with the Customer Services Manager. SLA's are being met in accordance with the targets set and where issues do arise these have been addressed in a prompt and effective manner.

3.8 The requirements for the city agenda have not been detailed to date. To enable LCC to fulfil the city agenda requirements these need to be included in the new procurement requirements.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Consultation has taken place with the Deputy Chief Digital and Information Officer.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no issues relevant to Equality and Diversity / Cohesion and Integration with this decision.

4.3 Council policies and Best Council Plan

4.3.1 These contracts underpin the delivery of Council Policies and the Best Council Plan.

4.4 Resources and value for money

4.4.1 Supply of goods via the ICT Goods & Services agreement is provided at cost plus zero, therefore there is no mark-up added to the purchase price of hardware via the supplier. Quarterly benchmarking reports are produced which demonstrate the savings made.

4.4.2 The hardware break fix service is provided at an extremely competitive price point and provides the council excellent value for money.

4.4.3 The disposal service is effectively run at a zero cost; this is due to the value of assets sold netting off the cost of the collection, cleaning and data removal on hardware.

4.4.4 Specialist Computer Centres Limited provide a dedicated Customer Services Manager one day per week to Leeds City Council

4.5 Legal Implications, Access to Information and Call In

4.5.1 These contract extensions are a key decision due to the contract values exceeding £250k per annum and will be subject to the forward plan and call in process.

4.5.2 The ICT Goods & Services agreement was procured using the Restricted Procedure of the Public Contract Regulations 2006 and includes the option to extend by 2 x 12 months. This extension takes advantage of the final 1x12 month option

4.6 Risk Management

4.6.1 The contract is managed in line with the contract management plans.

5 Conclusions

- 5.7 LCCITS120016 Supply of ICT Goods and Services agreement contract with Specialist Computer Centres Limited (SCC) expires in 2017. There is the option to extend for a further 1 x 12 months.
- 5.8 The contract is critical for the on-going successful delivery of ICT Services.
- 5.9 The contract is delivering value for money and from a service perspective there are no issues with service provision
- 5.10 The city wide requirements are not yet finalised, if a new contract was awarded now we may not be able to meet these requirements.

6 Recommendations

- 6.1 The Chief Digital and Information Officer is recommended to approve the extension of the contracts for ICT Goods & Services agreement for a further period of 1 x 12 months

7 Background Documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.