

Report of: Exchange and End User Device Manager

Report to: Chief Digital and Information Officer

Date: 2nd January 2020

Subject: Approval to award a contract to CDW Ltd for the Supply and Delivery of ICT Hardware

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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: 9 Appendix number: A – Tender Score Breakdown	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- Approval is required to award a contract to CDW Ltd for the Supply and Delivery of ICT Hardware for a period of 4 years
- The Council recently terminated its existing contract for the Supply and Delivery of ICT Hardware (Lot 1 of LCCITS200291a ICT Goods Supply, Maintenance and Services Framework) due to unacceptable delivery of services.
- CDW Ltd were the second placed supplier following a procurement exercise in April 2019 and it is considered that the best value course of action to take is to award a contract to CDW Ltd whose tender exceeded the Councils quality requirements.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The lack of a supply of goods contract impacts on DIS ability to provide ICT goods across the Council.

3. Resource Implications

- Awarding a contract to CDW Ltd will require DIS resource time to transition to the new contract however past experience of working with CDW Ltd to implement Lot

Two of the Supply of Goods and Services Framework Agreement this work will be less than the time spent managing the contract with Insight Direct (UK) Ltd.

- Undertaking a new procurement exercise will take a minimum of 6 months plus a high percentage of officer time within an already busy end of year period.
- Additionally work to implement a new contract will require further time and effort before purchasing can commence.

Recommendations

- a) The Chief Digital and Information Officer is recommended to approve the award of a contract to CDW Ltd for Lot 1 Supply and Delivery of ICT Hardware - LCCITS200291a ICT Goods Supply, Maintenance and Services Framework Agreement. The contract will start in January 2020 for a period of 48 months to January 2024 and the total contract value will be between £10m and £20m.

1. Purpose of this report

- 1.1. The purpose of this report is to seek Chief Officer Approval to award a contract to CDW Ltd for Lot 1 Supply and Delivery of ICT Hardware - LCCITS200291a ICT Goods Supply, Maintenance and Services Framework Agreement. The contract will start in January 2020 for a period of 48 months to January 2024.

2. Background information

- 2.1. Leeds City Council DIS undertook a procurement exercise for LCCITS200291a ICT Goods Supply, Maintenance and Services Framework Agreement in April 2019 which comprised of 2 Lots. Lot 1 - Supply and delivery of ICT Hardware and Lot 2 – End User Compute services.

- 2.2. The procurement followed the Open Procedure of the Public Contract Regulations 2015 on behalf of Leeds City Council, Civic Hall, Leeds, LS1 1UR

- 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 27th February 2019 with a closing date for receipt of tenders of 3rd April 2019.

- 2.4. The duration of the framework is four years.

- 2.5. The estimated maximum value of the framework is £26,000,000, comprising of:

Lot 1 - £20,000,000

Lot 2 - £6,000,000

- 2.6. The evaluation panel for each lot comprised the following staff from within Digital and Information Services:

Quality

- Business Planning Team Leader
- Service Centre Manager
- Team Leader
- Strategic Services Support Officer

Price

- Business Planning Manager

2.7. The full tender scoring breakdown for Lot 1 can be found at Confidential Appendix A. The following provides a summary of the outcome.

2.8. The following tenderers submitted a response to the Councils Invitation to tender :

Tenderer	Lot 1
CDW Limited	x
Dynamode UK Limited	x
The DTP Group Ltd	x
Insight Direct (UK) Ltd	x
Software Box Limited	x
Specialist Computer Centres plc	x
The Pure Technology Group	x

2.9. The tender received from Dynamode UK Limited was non-compliant as the required tender documentation was not provided with their response.

2.10. Tenderers were required to demonstrate their experience, skills, resources and capacity to deliver the contracts by responding to a Standard Selection Questionnaire (SSQ) for each lot. Those that did not demonstrate this were not evaluated further.

2.11. Two tenders (Software Box Limited and The DTP Group Ltd) failed to pass the Standard Selection Questionnaire for lot 1 (Supply and delivery of ICT Hardware) and were not evaluated further.

2.12. Tenders which successfully passed the Standard Selection Questionnaire were then evaluated on both quality and price in accordance with the tender evaluation criteria detailed within the published tender instructions.

2.13. The maximum amount of points available for quality was 400 and was subdivided with minimum thresholds as detailed in Confidential Appendix A.

2.14. The points available for each method statement were related to the importance of that method statement to the delivery of the service.

2.15. The maximum points available for price was 600 and was subdivided as detailed in Confidential Appendix A.

2.16. The overall price and quality scores for each lot can be found in Confidential Appendix A and demonstrates best combination of price and quality was offered by

Insight Direct (UK) Ltd followed by CDW Ltd. As such, contracts were awarded for Lot 1 to Insight (UK) Ltd and Lot 2 to CDW Ltd.

3. Main issues

- 3.1. Whilst Insight Direct (UK) Ltd were awarded the contract for Lot 1 they failed to meet a number of key requirements and service levels leading to the termination of contract due to a fundamental breach. This has had a major impact on resources within DIS and a knock on effect to the council as certain items of computer equipment were not being delivered on time.
- 3.2. As DIS have an immediate requirement to engage a new supplier for the supply and delivery of IT hardware the council would like to award a contract to CDW Ltd, being that they were second place in the procurement exercise for the ICT Goods Supply, Maintenance and Services Framework Agreement in April 2019.
- 3.3. Conversations have taken place with CDW Ltd who were the second placed tender for lot 1 and they have indicated that they would be willing to enter into a contract with the Council for Lot 1 Supply and Delivery of ICT Hardware - LCCITS200291a ICT Goods Supply, Maintenance and Services as per their tender response submitted in April 2019.
- 3.4. There are companies in the current market who can provide this service. However, DIS are not aware of any new suppliers to the market since the original procurement took place and therefore see little point in undertaking a new procurement exercise.

4. Corporate considerations

4.1. Consultation and engagement

- 4.1.1. Strategic Sourcing, the Deputy Chief Digital and Information Officer, Acting Head of Operational Services and the Procurement Manager within Procurement and Commercial Services have been consulted.

4.2. Equality and diversity / cohesion and integration

- 4.2.1. The Equality Impact Guidance was reviewed and it was determined that this procurement did not require an equality impact assessment. The reasons for this are:
 - The procurement is to purchase equipment, undertake support and dispose of equipment, no internal processes will change as part of this procurement, for example DIS will continue with its current processes and procedures to provide support to staff with assistive requirements.
 - The only equality characteristic listed in the guidance that could be affected by this procurement is disabled staff, the only area where they would be affected is hardware support, for example if they have a specialist piece of

hardware. This procurement will not affect this as all accessories will be purchased under a separate contract for assistive hardware and the internal processes to support staff with specialist hardware/software will remain in-house.

4.3. Council policies and the Best Council Plan

4.3.1. The lack of a supply of goods contract impacts on DIS ability to provide ICT goods across the council.

4.3.2. The contracts underpin the supply and maintenance of ICT equipment to support Council Services, Policies and the Best Council Plan.

Climate Emergency

4.3.3. None

4.4. Resources, procurement and value for money

4.4.1. Awarding to CDW Ltd will require DIS resource time to transition to the new contract however past experience of working with CDW to implement Lot Two of the Supply of Goods and Services this work will be less than the time spent managing the contract with Insight Direct (UK) Ltd.

4.4.2. The amount of resource assigned to undertaking a new procurement exercise will take these key resources off other projects and the provision of services to council directorates.

4.4.3. To avoid the cost and resource associated with another procurement exercise the service wish to award a contract to CDW Ltd under the same conditions as per their tender response in the April 2019 procurement exercise.

5. Legal implications, access to information, and call-in

5.1.1. This is a Significant Operational Decision which is a consequence of an earlier Key Decision (DN44928) to undertake a procurement for ICT Goods Supply, Maintenance and Services. It is not subject to call-in and other than the confidential appendix there are no grounds for keeping the content of this report confidential under the Access to Information Rules.

5.1.2. The procurement was conducted in accordance with the Councils Contract Procedure Rules and the Public Contract Regulations 2015 using the OJEU Open Procedure.

5.1.3. Awarding the contract direct to CDW Ltd in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest that it has not been wholly transparent as it has chosen to revert to the previous procurement exercise to appoint CDW Ltd, rather than undertake a new procurement exercise. However, due to the circumstances set out at section 3 above and the fact that the Council is not aware of any new entrants

to the market since the previous procurement exercise was undertaken, the risks of such a challenge are considered to be mid-range.

5.1.4. In addition, these risks can be diminished somewhat by the publication of a Contract Award Notice in OJEU immediately after the contract has been awarded to CDW Limited as this will start time running for any potential claims for breach of the Regulations, which must be brought within 30 days of the date that an aggrieved party knew or ought to have known that a breach had occurred.

5.1.5. A complaint that the council has not followed reasonable procedures, resulting in a loss of opportunity would potentially give rise to an investigation by the Local Government and Social Care Ombudsman. A complainant would have to establish maladministration. Such an investigation would necessarily result in a finding of maladministration; however such investigations are by their nature more subjective than legal proceedings.

5.1.6. In making their final decision, the Chief Digital and Information Officer should be satisfied that awarding the contract to CDW Ltd is the best course of action to take from a service perspective.

6. Risk management

6.1.1. A goods and services contract is critical to the function of DIS and the purchasing of commoditised off the shelf hardware, warranty and secure off-site storage through a customised portal.

6.1.2. Without a contract it would be impossible to manage the supply and demand of the council including driving down costs for devices by working in partnership with a supplier.

6.1.3. Purchasing items without a contract tends to be more expensive and there is no option to bond stock at a supplier. This leads to the risk of items being stolen from council site or limitations on how much stock can be purchased at once which leads to the council not getting value for money with large purchases.

7. Conclusions

7.1.1. Due to the circumstances set out in this report it is recommended that a contract for Supply and Delivery of ICT Hardware is awarded to CDW Ltd who were the second placed tenderer for Lot 1 Supply and delivery of ICT Hardware as detailed in Confidential Appendix A.

8. Recommendations

8.1. The Chief Digital and Information Officer is recommended to approve the award of a contract to CDW Ltd for Lot 1 Supply and Delivery of ICT Hardware - LCCITS200291a ICT Goods Supply, Maintenance and Services Framework

Agreement. The contract will start in January 2020 for a period of 48 months to January 2024 and the total contract value will be between £10m and £20m.

9. Background documents¹

9.1.1. Report to Decision Maker for Termination of Contract.

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.