



Report of Service Centre Team Leader

Report to Director of Resources & Housing

Date: 15th June 2020

Subject: Tender Evaluation report to award a contract for the Apex Data Centre Computer Room Air Conditioning (CRAC) Unit Replacement Project

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 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
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: 10.4 (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information). Appendix number: Appendix 1 and Appendix 2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- This report seeks the approval of the Chief Digital and Information Officer to award the Apex Data Centre Computer Room Air Conditioning (CRAC) Unit Replacement Project Contract.
- The council has undertaken a competitive procurement exercise for the delivery of design and installation of new CRAC units and reconfiguration of existing free cooling within the Apex Data Centre.
- The contract period will commence on the 1st July 2020 and will run for approximately 8 months. The contract will be awarded to one contractor.

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

- Information Communication Technology (ICT) is fundamental in enabling Leeds City Council (LCC) to provide services to users, citizens and partners. The number one priority for Digital Information Services (DIS) is to maintain day-to-day services. The availability of LCC's data centres is paramount in providing these services.

3. Resource Implications

- The cost of the contract has been budgeted for as part of the Council's Essential Services Programme
- Norfolk Property Services Leeds (NPS Leeds) have been appointed to provide pre and post contract services that involves project managing the tender process, including design, pre tender documents, tender specification, pricing documents, evaluation advice and post contract management to manage the works once on site through to final account.

Recommendations

- 4 It is recommended that the Director of Resources & Housing:
- a) approves the award of the contract for the Apex Data Centre CRAC Unit Replacement Project to Keysource Limited for the sum of £412,257.04
 - b) notes that it is estimated the works will take approximately 8 months to complete from 1st July 2020, as outlined in 3.11 of the report.

1. Purpose of this report

- 1.1 The purpose of this report is to document in detail the procurement processes undertaken, including how tenders were evaluated, to identify the preferred contractor to be appointed for the replacement of the Apex Data Centre CRAC Unit.
- 1.2 To obtain approval from the Chief Digital and Information Officer to award the contract.

2. Background information

- 2.1 A Significant Operational Decision was taken by the Chief Digital and Information Officer in July 2019 to approve the procurement strategy and the overall scope of this project.
- 2.2 This project is to replace the CRAC units at the Apex Data Centre due to them being in situ since 2005/2006 and are approaching end of life. This project will see the outdoor condenser units, along with all associated underfloor and external pipework being replaced.
- 2.3 These CRAC units provide cooling to LCC's primary Data Centre which supports ICT infrastructure and cooling the environment provides essential support in this infrastructure running effectively.

3. Main issues

- 3.1 An Expression of Interest was issued in September 2019 after which 16 contractors expressed an interest in bidding for this work.

- 3.2 A tender, restricted to 11 contractors, was issued on 18th November 2019 with the return date as 15th January 2020. Within this time the bidders were invited to arrange site visits with DIS and these took place between 25th November 2019 and 27th November 2019. 7 bidders attended these site visits.
- 3.3 Six contractors tendered. These were Airkool Contracts Ltd, FEL Group Limited, Holborn Projects Ltd, Keysource Limited, Sudlows Limited and Upnorth Engineering Services Ltd.
- 3.4 The tender submissions of these six were evaluated using a 60% price, 40% quality split as outlined in the tender invitation. .
- 3.5 For the quality element of the tender submission each tenderer was asked to respond and submit information to the 11 method statement questions. The quality element of the submissions was assessed and scored by a panel which included; ICT Infrastructure Management, Service Centre Team Leader and IT Support Officer. As outlined in the tender a consensus score mechanism was adopted and the panel was chaired by the Service Centre Team Leader. Additional specialist expertise and support was provided from technical consultant partners NPS and Powertechnix Ltd. Powertechnix Ltd were procured via direct award through a Significant Operational Decision, as specialist technical expertise, which isn't present within Leeds City Council and was required to support the project. Powertechnix Ltd also acted as consultants on a previous Data Centre upgrade, which provided familiarity of the site and detailed knowledge of the infrastructure.
- 3.6 One submission did not pass the overall minimum quality threshold of 200 so their price submission wasn't evaluated.
- 3.7 The tendered prices was evaluated by NPS Leeds Quantity Surveyors who produced a Tender Analysis Report, which is attached as a confidential Appendix 1.
- 3.8 Following the evaluation of the pricing, there were some post tender clarifications issued to the contractors regarding their pricing submissions. This was due to calculation errors within the pricing returns on the pricing document. Further details of these are contained within Appendix 1.
- 3.9 The summary of the evaluation scores are below:

Organisation	Price Score (max 600)	Quality Score (max 400)	Total Score
Airkool Contracts Ltd	Did not meet minimum quality threshold		
FEL Group Limited	Were disqualified due to not meeting the specification		
Holborn Projects Ltd	472.90	229	701.90
Keysource Limited	511.16	308	819.16
Sudlows	600	219	819
Upnorth Engineering Services Ltd	Withdrew their bid		

- 3.10 As a result the winning bidder proposed to be awarded the contract is Keysource Limited.
- 3.11 Indicative future timescales are:
- Contract Award: 1st July 2020

- Contractors Design Period (5 weeks): 1st July 2020 – 5th August 2020.
- Procurement Period for Equipment (up to 20 weeks): 5th August 2020 – 23rd December 2020.
- Works on Site (8 weeks): from January 2021 to early March 2021.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The DIS Leadership Team confirmed the need for this contract and have also been involved in the evaluation of the quality submission for this tender.
- 4.1.2 The Procurement and Commercial Services Team (PACS) have also been consulted on this report

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An equality and diversity, cohesion and Integration screening and impact assessment was completed on 23rd July 2019.
- 4.2.2 The screening has resulted in no further impact assessment being needed to be carried out.

4.3 Council policies and the Best Council Plan

- 4.3.1 This procurement has been carried out with openness, transparency and fairness throughout. It has been procured in line with Contract Procedure Rules.
- 4.3.2 ICT is fundamental in enabling the Council to provide services to users, citizens and partners. The number one priority for DIS is to maintain day-to-day services. The availability of the Councils data centres is paramount in providing these services.

Climate Emergency

- 4.3.3 At Full Council on 27th March 2019, a motion was passed declaring a Climate Emergency. In addition, the Leeds Climate Commission have proposed a series of science based carbon reduction targets for the city so that Leeds can play its part in keeping global average surface temperature increase to no more than 1.5c.
- 4.3.4 The winning bidder has been made aware of the LCC's Climate Emergency agenda and any emission savings that can be made during the contract period will be encouraged as per the tender submission from Keysource Limited.

4.4 Resources, procurement and value for money

- 4.4.1 The procurement process has been carried out in an open and transparent manner in line with the Contract Procedure Rules. It has been ensured that competition was sought to identify best value for money throughout the contract term.
- 4.4.2 Advice regarding any procurement exercise, including terms and conditions of contract / arrangement, was obtained from the Council's DIS Procurement Team with the assistance of PACS to ensure Council governance has been met, and fair competition has been observed.

4.4.3 Keysource Limited have been through a vetting process which looks into their Health and Safety policies, Accounts, Insurances, these have all come back as good. Two of Keysources' references have also been contacted and they have both come back as 'Excellent'. This provides LCC with assurance that Keysource are able to carry out the contract to a high standard.

4.5 Legal implications, access to information, and call-in

4.5.1 This report is a Significant Operational Decision and is not subject to call in. Other than confidential Appendices 1 and 2, there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

4.5.2 The information in Appendices 1 and 2 of this report has been identified as exempt/confidential under the Access to Information Rules 10.4 (3). The public interest in maintaining the exemption in relation to the confidential Appendix outweighs the public interest in disclosing the information and financial details which, if disclosed would adversely affect the business of the Council and the business affairs of a number of individual companies.

4.5.3 The tenders have been evaluated in accordance with the evaluation criteria set out in the tender documents and therefore, in making their final decision, the Chief Digital and Information Officer should be satisfied that this contract represents best value for money to the Council.

4.6 Risk management

Notable risks to this project are:

4.6.1 That the **timeline is delayed**. This is a risk to the project due to the fact that the work should be done during the cooler months. A contract management plan is in place to mitigate this risk and ensure works start and complete on time.

4.6.2 In addition, there is the potential for the units to fail, or need fixing, however the units are reaching end of life so there is a potential for any spare parts to become obsolete. The mitigation to this is the same as above

4.6.3 **Going over budget** - this risk will be mitigated and managed by NPS Leeds (the Council's technical design consultant partner), who will inform the Council of any issues, through regular meetings with the DIS team and also regular communication with procurement.

4.6.4 **Covid-19 risks** – during this global pandemic, as anyone who can is working from home, timelines may be delayed due to contractors not being able to go onto sites. To mitigate the risks of putting anyone at harm, Keysource Ltd have suspended their on-site works and it is only design works that can be done safely that is continuing. Please see Appendix 2 (confidential) for correspondence between Keysource Ltd and LCC regarding the measures Keysource Ltd are putting in place and their way of working during this uncertain time.

5. Conclusions

5.1 The procurement process has been undertaken in accordance with the Council's Contracts Procedure Rules, with full guidance and support from the procurements team.

- 5.2 Following the tender evaluation of all six bids the winning bidder has been identified as Keysource Limited. This has taken into consideration both quality and price submissions and therefore Keysource Limited has submitted the most economically advantageous tender for this scheme.
- 5.3 It can be concluded that Covid-19 has been taken into account, specifically with discussions with the service and the contractor about their ability to carry out the contract over the planned timetable. More detailed discussions with the contractor, Keysource Limited, can be seen in Appendix 2.

6. Recommendations

It is recommended that the Director of Resources & Housing:

- approves the award of the contract for the Apex Data Centre CRAC Unit Replacement Project to Keysource Limited for the sum of £412,257.04
- notes that it is estimated the works will take approximately 8 months to complete from 1st July 2020, as outlined in 3.11 of the report.

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.