

Approval to use Regulation 72(1)(a) of the Public Contracts Regulations 2015 to modify the Council's current contract with Sabio Ltd for the provision of Contact Centre System Support.

Date: 06/05/2022

Report of: Applications Manager, Shared Services

Report to: Chief Digital and Information Officer

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- Approval has been obtained to extend the Council's current contract with Sabio Ltd (DN373507 - ITS200581a) for Contact Centre Systems Support to expire on 31st March 2023. There are no options to extend. The original contract value (including extensions) was £814,584.80.
- The Contact Centre System is the main system used by the Council's Contact Centre staff and is the "enquiry line" which members of the public use to contact the Council in relation to any concerns, issues or questions they may have. It is also used by other Services within the Council, including Leeds Housing Offices, Leeds Building Services, Council Tax & Recovery as well as by NHS Digital Leeds. Its continued use requires the provision of support & maintenance services.
- In addition to the extension referred to above, the Council is seeking to modify the end date of the contract for a further 12 months to 31st March 2024. This will give the Council time will be used to carry out a full review of the Council's Contact Centre requirements and carry out a procurement exercise for a new system. The value of the proposed variation is £281,767.56 which equates to 35% of the original contract value.
- The modification to the contract contributes to the city's and council ambitions by:
 - Making best use of resources – in particular, using digital capabilities to provide improved services

Recommendations

- a) Chief Digital and Information Officer is recommended to approve the modification to the end date of the contract with Sabio Ltd for the provision of Contact Centre System Support.

- b) Modifying the end date of the contract for a further year to 31st March 2024 will incur a total cost of £281,767.56.

Why is the proposal being put forward?

- 1 The Council's current contract with Sabio Ltd for the provision of Contact Centre System Support expires on 31st March 2023. There are no options to extend. The original contract value (including extensions) was £814,584.80 and the value of the proposed variation is £281,767.56 which equates to 35% of the original contract value.
- 2 The Council has used the Contact Centre System for several years, which have provided significant operational efficiencies across various Service areas.
- 3 The Contact Centre System is used widely across Council, is proprietary to Sabio Ltd and as such only they are able to provide appropriate levels of support and maintenance, upgrades and fixes to the system.
- 4 The modification to the end date of the contract will allow time for the Council to complete a full review of current and future requirements and carry out a procurement exercise for a replacement system.

What impact will this proposal have?

Wards affected:

Have ward members been consulted? Yes No

- 5 No wards will be affected by this proposal.

What consultation and engagement has taken place?

- 6 Consultation has taken place with key stakeholders across the Council with regard to continued use of the Contact Centre System. The Council's Integrated Digital Service and Procurement and Commercial Services have also been consulted and support the recommendation to modify the current contract with Sabio Ltd.

What are the resource implications?

- 7 There are no resource implications associated with modifying the current contract with Sabio Ltd for Contact Centre System Support as it only a continuation of existing services.
- 8 If the modification to the contract for the period 1st April 2023 to 31st March 2024 is taken now, the cost to the Council is £281,767.56, which is the same as for the contract extension period 1st April 2022 to 31st March 2023. Should the modification to contract not be approved at this point, then the Council would incur an additional 4% cost to modify the contract at a later date.

What are the legal implications?

- 9 The decision to modify the contract with Sabio Ltd at a total cost of £281,767.56 is a Significant Operational Decision and is not subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

- 10 Provisions exist under the Public Contracts Regulations 2015 to agree a modification to an existing contract without a further procurement provided that the Chief Digital and Information Officer is satisfied that there are compelling reasons to do so as outlined in this report. Under the Regulations the provisions of Regulation 72(1)(a)(i) state that a contract can be modified when all of the following conditions are met –
72(1) Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:—
(a) where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses—
(i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used,
- 11 It is considered that all the above conditions are met due to the reasons set out in paras 1-4 above. However, if this Regulation is used incorrectly, and it is subsequently determined that the above conditions are not met, the council will be open to legal challenge that it has breached the procurement rules. Further, an aggrieved contractor could potentially argue that it has missed out on a competitive opportunity and thereby seek damages for that loss of opportunity.
- 12 Although there is no overriding legal obstacle preventing the use of Regulation 72(1)(a), the above comments should be noted by the Chief Digital and Information Officer in making the final decision and should be satisfied that doing so represents best value for the council.

What are the key risks and how are they being managed?

- 13 There are minimal risks associated with modifying the end date of the current contract with Sabio Ltd as it is a continuation of existing services which have been used by the Council for several years.
- 14 The decision to modify the end date of the current contract for a further 12 months to 31st March 2024 will ensure that various Service areas across the Council can continue to provide contact services and support to the public whilst a full review of its current and future requirements can be carried out.
- 15 If the contract is not modified, there would be significant impact on the Council's ability to provide contact services to the public.
- 16 Any risks which are highlighted during the remaining term of the contract will be managed and mitigated through regular account management/supplier review meetings.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 17 This report relates to the provision of continued support & maintenance services for a software system, its impact on climate change initiatives is mainly through the support it gives those services using it.

Options, timescales and measuring success

a) What other options were considered?

18 No other options were considered. Modifying the end date of the current contract with Sabio Ltd will enable the Council to carry out and complete its review for future Contact Centre requirements.

b) How will success be measured?

19 Success will be measured by the Council's ability to continue to provide services and support to the public.

c) What is the timetable for implementation?

20 Approval is being sought to modify the current contract with Sabio Ltd for Contact Centre System Support, therefore no implementation period is required.

Appendices

21 None

Background papers

22 None