

Approval to enter a Call-Off Agreement under the Software Framework (Bytes Software Services Ltd.)

Date: 05/03/24

Report of: Andrew Byrom, Chief Digital Information Officer

Report to: Director of Strategy & Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

Software Framework ITS190020 awarded to Bytes Software Services Ltd expires on the 14th April 2024 with no options to extend. The purpose of this report is to therefore seek approval to enter a call-off agreement with Bytes Software Services Ltd under the existing live framework agreement for the continued provision of Leeds City Council's commoditised software requirements and associated professional services for a period of 12 months, from 16th April 2024 until 15th April 2025. It is anticipated the value of spend under this call-off agreement will not exceed £5,000,000. This arrangement reduces LCC admin costs and achieves price reductions, driving down the costs of our software licencing.

We are commencing a project to re-procure a new provision to replace the expiring framework agreement in the near future.

Recommendations

- a) The Director of Strategy and Resources is recommended to approve the award a call-off contract under the council's current software framework agreement for a 12-month period from 16th April 2024 to 15th April 2025 for continued provision of our COTS (Commercial off the Shelf) software and professional services for the period of 12 months. The call-off contract will be awarded based on no minimum commitment on spend, and with a maximum allowable spend not to exceed £5,000,000.

What is this report about?

- 1 This report seeks approval to enter into a call-off agreement with Bytes Software Services Ltd for the purchase software licenses, renewals and professional services for a period of 12 months to allow time to undertake a new procurement exercise.

What impact will this proposal have?

- 2 Entering into a call-off agreement for 12 months will allow the council to continue purchasing software licenses, renewals, and professional services whilst a new procurement exercise is undertaken meaning that the established relationship with them continues. The product can then be purchased under the terms and conditions of the framework agreement, leveraging Bytes' established relationship with the supplier. Dealing with a single supplier also simplifies risk management. In addition, we will maintain the technical licensing support provided under the software framework agreement with Bytes by specialists who have a longstanding understanding of our infrastructure.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

3 What consultation and engagement has taken place

Wards affected: N/A

Have ward members been consulted? **No**

- 4 Consultations have been held with the Procurement Manager, IDS Strategic Sourcing Team and the Commercial Legal Team in Procurement and Commercial Services. The Director of Strategy and Resources and the Chief Digital and Information Officer have been briefed and this Decision is currently on the List of Forthcoming Key Decisions.

What are the resource implications?

- 5 The resource impact will be limited to the Software Licensing team, IDS Strategic Sourcing and Management to implement the decision. If we do not renew the framework the workload for these teams will immediately become unmanageable as we will be forced to initiate multiple procurement exercises for each individual software requirement.

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

- 6 If the call off is not awarded we will lose the benefits of procuring goods and services used by over 14000 users under a single Software Framework with pre agreed Terms and Conditions. Workload on Software Licensing team, IDS Strategic Sourcing and Management will increase massively, (we have purchased licenses and procured professional services to the value of approx. £23,000,000 from 90 different vendors through Bytes since the start of the framework agreement in April 2020) we will lose vital technical and financial support from Bytes on Microsoft and other software agreements, and face increased costs on multiple agreements.

What are the legal implications?

- 7 As the value of the proposed contract exceeds £500k, this report is the subject of a Key Decision linked to the Forward plan notification published in 19th February 2024, which is required to be taken by the Director of Strategy and Resources and therefore will be subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 8 Direct call-off agreements such as the one proposed are allowed under the terms of the overarching framework agreement which was procured in compliance with the Public Contracts Regulations 2015 and therefore there are no legal implications in relation to a potential breach of the legislation surrounding public procurement.

- 9 The above comments should be noted. In making their final decision, the Director of Strategy and Resources should be satisfied that the course of action chosen represents best value for the Council.

Options, timescales and measuring success.

What other options were considered?

- 10 Consideration was given to the use of another framework agreement to procure Bytes or another supplier e.g., CCS framework. However, it would be time consuming and costly to establish a new relationship and potentially new payment mechanisms if we went with a different supplier (e.g., setting up new lodged purchase card) in such short timescales. During the current contractual arrangements, Bytes have built an extensive knowledgebase of Leeds software contracts from multiple vendors and work to ensure that the technologies provided under these contracts are all complimentary and not overlapping. This helps drive costs down so Leeds do not pay for technologies it may already be entitled to in other vendor agreements.
- 11 Another option would be to run procurement exercises for every single tender where required and deal direct with the successful bidder. Workload generated by this approach cannot be supported.

How will success be measured?

- 12 Existing software licensing agreements will be successfully renewed, and new software licensing agreements set up with minimal internal work required and with continued competitive pricing.

What is the timetable and who will be responsible for implementation?

- 13 The Call-Off needs to be in place before 15/04/2024

Appendices

- EDCI

Background papers

- None