

## Approval to award a new contract under Regulation 32(2)(b)(ii) of the Public Contract Regulations 2015 Negotiated Procedure without prior publication of a Contract Notice for Geo SCADA as a Managed Service 2024-2027

Date: 5<sup>th</sup> September 2024

Report of: Group Engineer, Flood Risk Management

Report to: Chief Officer (Highways & Transportation).

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

SCADA (Supervisory Control and Data Acquisition) is a software application for controlling and monitoring industrial processes, which is the gathering of data in real time from remote locations in order to control equipment and conditions.

As SCADA was chosen for FAS1, much of the engineering work had already been complete. This made the inclusion of FAS2 assets much easier as the infrastructure already existed.

This report sets out the reasons why Schneider Electric Systems UK Ltd who provide SCADA are the only supplier able to provide the service we require at this time.

### Recommendations

- a) The Chief Officer (Highways & Transportation) is requested to approve the award a new contract under Regulation 32(2)(b)(ii) of the Public Contract Regulations 2015 Negotiated Procedure without prior publication of a Contract Notice to Schneider Electric Systems UK Ltd for GeoSCADA as a Managed Service for three-year period from 01/10/2024-30/09/2027 at a fixed cost of £ £289,929.99.

## What is this report about?

- 1 SCADA (Supervisory Control and Data Acquisition) is a software application for controlling and monitoring industrial processes, which is the gathering of data in real time from remote locations in order to control equipment and conditions.
- 2 Phase 1 of the Flood Alleviation Scheme was completed in 2017. A decision was made, by the project team, to utilise the SCADA software to control and monitor the scheme. Leeds City Council procured a Bronze Level Support Package with Schneider to manage the SCADA software application for £10,000 per annum. In addition, IDS hosted and maintained the two servers and the application along with technical assistance and associated infrastructure.
- 3 As SCADA was chosen for FAS1, much of the engineering work had already been complete. This made the inclusion of FAS2 assets much easier as the infrastructure already existed.
- 4 IDS no longer have the resource or expertise to continue this arrangement. As such, a decision was made to procure the Fully Managed Service from Schneider for the Flood Alleviation Scheme Phase 2. Schneider are responsible for all elements from SIM card to cloud taking care of the infrastructure, SCADA system and application in the secured environment including patching and upgrades to the OS and SCADA application.

## What impact will this proposal have?

- 5 The GeoSCADA as a Managed Service would allow remote monitoring and alerts on the Flood Alleviation Scheme. As GeoSCADA is hosted on Schneider cloud environment, LCC would need to procure the managed service to access it.
- 6 If this Report is not approved, it is likely that the Council would need to go to the market, to ascertain whether any other companies, would be able to offer a competitive price for setting up their own system and managed service within the time frame permitted which is deemed extremely unlikely at this time.

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

Health and Wellbeing                       Inclusive Growth                       Zero Carbon

- 7 GeoSCADA as a Managed Service is a crucial application for monitoring and receiving alerts from LCC M&E flood assets. It is necessary for informing duty staff when site intervention is required to protect businesses and property from flood risk.

## What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?       Yes                       No

## What are the resource implications?

- 8 There would be a payment of £96,643.33 per annum for three years, 01/10/2024-30/09/2027, totalling: £289,929.99, to Schneider Electric Systems UK Ltd.
- 9 LCC IDS would no longer be required to provide resource, which would offer significant savings.

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

- 10 Schneider are fully responsible for the maintenance and faults for the system. LCC are therefore in a position of reduced risk as a result.
- 11 The potential risks of accepting the recommendation of this proposal are outlined in paragraph 13. There remains a risk that a complaint could be raised that the council has not followed reasonable procedures, resulting in a loss of opportunity, which could potentially give rise to an Ombudsman Investigation, however it is considered that this risk is low.

12 The risk of not accepting the recommendation of this proposal is set out in paragraph 6. That is, it will result in significantly higher capital costs, and may have on-going revenue considerations.

### **What are the legal implications?**

13 As a publishable admin decision this report is not subject to Call-In and there are no grounds for treating the contents of this report as confidential with the Council's Access to Information Rules.

14 Awarding contracts directly to suppliers in this way could leave the Council open to a potential claim from other suppliers to whom this contract could be of interest that it has not been wholly transparent. In terms of transparency, it should be noted that case law suggests that the Council should always consider whether contracts of this value could be of interest to suppliers from other suppliers, and if it could, the opportunity should be subjected to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc.) and the geographical location of the place of performance.

15 The Council believes that the decision to award a new contract for GeoSCADA as a Managed Service is permitted pursuant Regulation 32(2)(b)(ii) of the Public Contract Regulations 2015 which states:

*32.—(1) In the specific cases and circumstances laid down in this regulation, contracting authorities may award public contracts by a negotiated procedure without prior publication.*

*(2) The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases:—*

*(b) Where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:—*

*(ii) Competition is absent for technical reasons*

16 Paragraph 6 sets out the technical reasons required by regulation 32 (2) (b) (ii).

17 Appendices for this report have been removed as per the Access to Information procedure rules 10.4 (3) as they relate to the financial affairs of the Council and third parties.

### **Options, timescales and measuring success**

#### **What other options were considered?**

18 Due to the decision to implement SCADA on FAS1 it wouldn't be feasible to consider an alternative provider due to the configuration works required.

#### **How will success be measured?**

19 The ongoing, continuous monitoring and successful operation of £200 million flood assets.

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

20 Schneider Electric Systems UK Ltd are responsible for implementation upon receiving payment. The Managed Service can be resumed immediately.

### **Appendices**

- QLK-2405-7554440 - LCC - Geo SCADA as a Managed Service Rev 0.pdf
- Attachment 01 - SESUKL General Terms and Conditions of Sale\_v7.1.pdf