

Cabinet

25 August 2020

Name of Cabinet Member:

Cabinet Member for City Services – Councillor P Heatherton

Director Approving Submission of the report:

Director of Housing and Transformation

Ward(s) affected: All

Title:

Provision of ICT Hardware, Software and Peripherals

Is this a key decision?

Yes - its expenditure is in excess of £1m

Executive Summary:

Within a corporate ICT environment, it is normal practice to have an agreed refresh cycle for equipment, based on the effective life of the equipment, warranty period and budgetary constraints. The refresh cycle normally ranges between 3 and 5 years in most organisations. Once devices go past a warranty period, the total cost of ownership raises rapidly, especially with laptops and tablets. Best practice advice from organisations such as Gartner, suggest that a 3 to 4-year refresh cycle is more appropriate, as once past the 4-year mark, staff can waste up to 3 days per year waiting for their computer to start up.

ICT & Digital work to restrict the equipment provided to staff to a single manufacturer, as this simplifies the overall support process moving forward and reduces the Total Cost of Ownership (TCO). ICT & Digital issue a range of models from Lenovo, to suit the workload of the user, but the costs of the different types are very similar. Some do need high specification kit (eg the PAs who are accessing multiple calendars and mailboxes and need bigger processing capability) and others less so. Due to the Council's size and nature of the market the Council cannot transact directly with manufacturers and must contract with a distributor instead.

The existing hardware contract is supplied by CDW Limited and was procured via a further competition under a Crown Commercial Services (CCS) public sector procurement framework. The contract commenced on the 27/04/2017 for a 3-year term with the option to extend for a further 1-year period, which has been taken. The contract is due to expire on the 26/04/2021 and so to ensure compliance with the Public Contract Regulations 2015, the Council is required to procure a new contract for its future ICT hardware expenditure.

Procurement Services have identified the Crown Commercial Services (CCS) RM6068 Framework as the most suitable procurement route for a new contract. The framework's Lot 1 covers Hardware & Software & Associated Services framework, allowing the purchase of

hardware such as end user devices, infrastructure hardware, consumables and peripheral equipment. 'Close to the box' services are also included such as image load, asset tagging, delivery, installation, user handover, removal of packaging and disposal of old equipment which are services CDW currently provide as part of 'zero touch' allowing minimal to no work from ICT on devices arriving before they can be used by staff. The Lot also allows for the purchase of software which will be an extension of the scope of our current hardware contract, but we feel will be advantageous to include. This will support the compliant procurement of ad-hoc and off the shelf software where it is identified as being value for money to do so.

It is proposed that we undertake a further competition via the suppliers on Lot 1 of the RM6068 Framework for a new ICT Hardware contract. The contract will be awarded for a period of 3 years with the option to extend for 2 further years for the value of up to £12.5m over the maximum 5-year contract term. It is envisaged that spend on ICT hardware will increase. This is due to increased demand for the organisation to be working agile but also increases in supply chain costs due to the global economic position and the uncertainty surrounding Brexit.

Subject to approval of this report, the further competition process will be commenced to ensure that a new contract is in place for April 2021.

Recommendations:

Cabinet is requested to:

- 1) Authorise a procurement process to establish a new 3-year contract with the option to extend for two further years for the supply of ICT Hardware, software and associated services to the Council.
- 2) Delegate authority to the Director of Housing and Transformation to agree the award of contract following a further competition process using the Crown Commercial Services (CCS) RM6068 Framework Lot 1: Hardware & Software & Associated Services.
- 3) Authorise the City Council to enter into a Contract with the successful supplier for a potential maximum 5-year period.

List of Appendices included:

None

Background papers:

None

Other useful documents:

Proc 2 (Gate 2 – Approval to Procure) – Provision of ICT Desktop and Laptop Hardware and Peripherals

Available by contacting Procurement and Commissioning Team on 024 7683 3537

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or there body?

No

Will this report go to Council?

No

Report title: Provision of ICT Hardware, Software and Peripherals

1. Context (or background)

- 1.1 The Council currently has a contract for the supply of ICT Hardware which commenced in 2017. The contract is a sole supplier contract with CDW Limited
- 1.2 The contract is due to expire on the 26/04/2021 and so to ensure compliance with the Public Contract Regulations 2015, the Council is required to procure a new contract for its future ICT hardware expenditure.
- 1.3 The new contract shall replicate the goods and services currently provided through the existing contract including 'Close to the box' services are also included such as image load, asset tagging, delivery, installation, user handover, removal of packaging and disposal of old equipment. These services have previously been delivered in-house, but that resource no longer exists within IT Services.
- 1.4 The new contract will include the scope for procuring software. This will allow a compliant procurement route for low value off the shelf software to be transacted. All software purchases will be benchmarked by IT Services before being procuring through the contract to ensure ongoing value for money. There is no intention to use the contract for business-critical strategic software or high value licencing / software and these will continue to be procured following existing procurement mechanisms.
- 1.5 As the contract will work as a call off agreement, no guarantee of value or volume is offered. If our budget and spend through the contract was to diminish during the period of the agreement, there would be no negative impact as a result of the Council. It is envisaged that spend on ICT hardware will increase. This is due to increased demand for the organisation to be working agile but also increases in supply chain costs due to the global economic position and the uncertainty surrounding Brexit.
- 1.6 IT Services will remain the first point of order and delivery for the contract. No area of the Council will be able to place an order through the contract without transacting through IT Services.
- 1.7 For reference the Council has an estate of circa 5,000 laptops and 3,000 mobile devices which have been procured through the existing contract. Alongside this the existing contract is used to provide peripheral devices such as Monitors, Keyboards, Mice and Dynadocks for all our office environments.

2. Options considered and recommended proposal

- 2.1 A contract is required with an IT hardware distributor (supplier) as hardware manufacturers will not transact directly with Coventry City Council.
- 2.2 By contracting with a distributor, it will enable the Council to obtain value added services such as those listed in paragraph 1.3 above that reduces resource pressures on IT Services.
- 2.3 A further competition will be completed through Lot 1 - Hardware & Software & Associated Services of the Crown Commercial Services (CCS) RM6068 Framework to award the new contract.

3. Results of consultation undertaken

- 3.1 As this report proposes a tender process for the IT Hardware, no consultation has been undertaken.

4 Timetable for implementing this decision

- 4.1 The current contract expires on the 26th April 2021. It is anticipated the procurement will commence in September 2020 with the new contract awarded before the end of 2020. This will allow over 3 months to implement the new contract.

Comments from the Director of Finance and the Director of Law and Governance

5.1 Financial implications

The new contract will be based on an annual value of £2.5m. This will help ensure the contract allows for any growth to existing contract value, either driven by increasing supply chain costs or increased activity driven by the move to more agile working. As this is a call off agreement, there is no commitment to spend to this level and as such the value outlined within this document is only indicative of potential spend. Contract spend will be funded from existing IT budgets or future resources to be identified to manage any changes to working practices.

5.2 Legal implications

The CCS Framework has been undertaken as a framework under a full OJEU compliant procurement process in accordance with the Public Contract Regulations 2015. Therefore, the Contract award is compliant with the Public Contract Regulations 2015 and the Council's Rules for Contracts.

The Council is complying with EU State aid law as the transaction is being undertaken following an established procurement process, meaning that no benefit is conferred on the vendor and there is no distortion to competition.

6 Other implications

6.1 How will this contribute to the Council's priorities?

<http://www.coventry.gov.uk/councilplan>

The Contract shall support the Council on delivering its priorities and making the most of our assets. The Contract will aim to provide as much value as possible for our ICT spend with its added value services that are currently in place supporting the internal resources we have within IT Services. By having an efficient hardware contract, IT Services can ensure that Council staff have the ICT hardware they require to enable them to deliver their roles particularly in line with the Kickstart initiatives.

6.2 How is risk being managed?

The contract will be managed from within IT Services, overseen by the Head of ICT and Digital. The management will include contract monitoring through a service level agreement included within the contract based on the supplier's contractual performance. Regular contract management meetings will take place with the supplier and manufacturer of our key hardware to not only cover supplier performance but to also exchange information on

updates in the market, decommissioning on particular manufacturers models and upcoming orders and demand. Escalation of issues will be via the Councils Procurement and Commissioning Team.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) climate change and the environment

The City Council works with Supplier to ensure that efficient processes for delivery are used and practice is in line with latest industry practice and that Environmental Standards are adhered to.

6.6 Implications for partner organisations?

None

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Service

Housing and Transformation

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