

Cabinet Procurement Committee – 28th July 2011 - Minute Extract
PROC12 – CONTRACT FOR THE SUPPLY OF DESKTOP AND LAPTOP HARDWARE
AND ASSOCIATE PROFESSIONAL SERVICES

The appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).

(Cllr Goldberg joined proceedings at this juncture)

The Committee considered a report seeking approval for the award of contract for the supply of desktop and laptop hardware and services. This would allow the strategic replacement of ageing equipment across the organisation as set out in the IT Strategy 2010-13 and mitigate issues of reliability and efficiency associated with machines reaching the end of their life. Additional compounding issues with machines reaching the end of their warranty included service disruption during replacement of the unit and a restricted ability to run new software including security updates as mandated by Central Government which allow continued access to key business systems.

It was advised that the Leader of the Opposition had raised concerns about the procurement process used which had been directly responded to by the Cabinet Member. The Committee was advised that the procurement route selected had been via the Buying Solutions Framework agreement under which a formal invitation to quote process was undertaken. Twelve suppliers were approached twice under the framework with only one bid being received in the first instance and only two bids received in the second instance, one of which was deemed to non-compliant. Therefore, in order to demonstrate value for money, the unit costs of the compliant bid had been benchmarked against comparable IT frameworks. This exercise established that the unit prices put forward by the bidder were 9% cheaper for a desktop and 17% cheaper for a laptop thereby represented the most economically advantageous agreement. In addition, if an alternative OJEU tender process had been used, as well as being protracted, there was an accompanying risk that prices at the end of the process could have been higher than those obtained under the framework. It was explained that this procurement has shown that margins on orders of this scale for IT hardware appear to be very tight.

In response to a question clarifying why the equipment could not be obtained through retail buying, it was explained that corporate IT buying requirements had to include fundamental elements such as ensuring the robustness of equipment to support use in a corporate environment, security and managed life cycle considerations. The importance of establishing a good relationship with a supplier to ensure consistency of service to frontline IT systems and the provision of specialist professional assistance with building and deploying the equipment was also emphasised. These associated costs would not be included within retail prices. The contract proposed would enable the sourcing of equipment at an agreed price level whilst not imposing minimum spend levels in recognition of the flexibility required as a consequence of ongoing staffing restructures impacting on the ability to quantify the number of units required. Under the terms of the contract, the Council would also be able to take advantage of technological developments or price reductions through the duration of the contract.

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RESOLVED

- That approval be granted to the award of contract for supply of desktop and laptop hardware and associated professional services to Insight UK Ltd as detailed in the interleaved report.
- That agreement be granted to place a contract with the maximum value of £3,324,000. This figure is derived from the original amount agreed by Cabinet on 13 July 2010, recently reduced to take account of the staff reductions across the Council.