

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 28 JULY 2011**

Councillors Bevan, Kober and Goldberg

Apologies Councillor Reith

MINUTE NO.	SUBJECT/DECISION	ACTON BY
PROC06.	<p>APOLOGIES FOR ABSENCE (IF ANY)</p> <p>Apologies for absence were received from Cllr Reith. Apologies for lateness were received from Cllr Goldberg and so the Committee resolved that Cllr Kober chair proceedings.</p>	
PROC07.	<p>MINUTES</p> <p>RESOLVED</p> <p>That the minutes of the meeting held on 30 June 2011 be approved and signed.</p>	HLDM S
PROC08.	<p>LONDON BOROUGH OF HARINGEY SUSTAINABLE PROCUREMENT POLICIES - SUSTAINABLE TIMBER POLICY AND SUSTAINABLE FOOD AND DRINK POLICY</p> <p>The Committee considered two draft policies covering the sustainable procurement of timber and food and drink produced under the action plan underpinning the Sustainable Procurement Strategy which sets out how the Council will achieve compliance targets imposed by the Sustainable Procurement Flexible Framework. Ratification of the policies would serve to formalise the principles of best practice procurement including ensuring the Council achieved value for money as well as helping to achieve sustainability obligations under the Greenest Borough Strategy. It would also facilitate clearer communication of the approach to the public.</p> <p>Confirmation was provided that there were no negative financial implications for the Council in the adoption of these policies as the cost of implementation of sustainable procurement would largely be absorbed by existing resource directed towards procurement.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> • That adoption of the two policies be recommended to Cabinet. 	Dir CR
PROC09.	<p>LIBRARY STOCK SUPPLY - AWARD OF CONTRACTS</p> <p>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).</p>	

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 28 JULY 2011**

	<p>The Committee considered a report seeking approval for the award of three year contracts covering the supply of public and school library stock including books for adults and children and DVDs. A mini competition process had been undertaken through the Eastern Shires Purchasing Organisation Framework Agreement for library stock with a view to obtaining contracts that offered improved value for money, met the service's operational needs and provided an accessible range of stock. The contract cost would be contained within existing libraries service budgets and the terms would not specify a minimum spend level for future years. The contract award would be made on best value grounds and savings would be achieved against the current contract alongside other conferred advantages such as the efficiency of internet ordering.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> • That approval be granted in accordance with CSO 11.03 for the award of three contracts for library stock supply comprising books for adults, books for children and DVDs to Askews and Holts Library Services Ltd, Askews and Holts Library Services Ltd and Bertram Library Services respectively on the terms and conditions set out in the interleaved report. 	<p>Dir P&S</p>
<p>PROC10.</p>	<p>EXTENSION OF EBAN CONTRACT - THE BLENHEIM COMMUNITY DRUG PROJECT</p> <p>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).</p> <p>The Committee considered a report seeking approval for a second year long extension of the Eban contract from March 2012. This would allow for all of the borough's substance misuse treatment provision to be re-tendered within the same time frame and established as local authority contracts following the abolition of Primary Care Trusts which currently hold some of the provision. The re-tendering would seek to achieve better value for money and increase the quality of the service provided. The Committee noted the imperative for the re-tendering process to be started at the earliest opportunity in line with Legal advice contained within the appendix to minimise the risks associated with the procurement process.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> • That in accordance with CSO 13.02 approval be granted to extension of the Eban contract for a period of one year from April 2012 to March 2013 to the value of £401,224 and that this contract award sum be paid to the Blenheim Community Drug Project directly from the Adult Pooled Drug Treatment Budget. • That it be noted that the cost of the contract will be met from the Adult Drug Pooled Treatment Budget, which is an annual ring-fenced budget from the Department of Health (National Treatment Agency for 	<p>Dir PH</p>

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 28 JULY 2011**

	Substance Misuse).	
<p>PROC11.</p>	<p>DIGITAL COMMUNAL AERIAL SYSTEMS UPGRADE PROGRAMME</p> <p>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).</p> <p>The Committee considered a report seeking approval for the award of contract for the digital communal aerial systems upgrade programme under the framework agreements approved by the Committee in October 2009. Upgrade of the existing analogue systems was required before the April 2012 deadline for digital switchover and would be funded from the Major Repairs Allowance of the capital programme. The programme would also allow removal of individual satellite dishes installed to blocks which would become surplus to requirement.</p> <p>It was noted that the existing aerial system would be replaced with one of two Integrated Reception System options consulted on with residents between June and December 2012. The price differential between the two options equated to £50 per unit thereby precluding a blanket approach across the borough despite the relatively low level of responses to the consultation. It was advised that residents would have a two week period following the issuing of Preferred Option Notices within which to seek any clarification required with the Council. Members requested that the wording of the notice be revisited to ensure that this provision was explicitly set out.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> • That approval be granted to award the contract for the digital communal aerial systems upgrade programme to SCC International Ltd as allowed under Contract Standing Order CSO 11.03. • That the total anticipated cost excluding fees of £1,270,466 as detailed in the interleaved report be noted. 	<p>Dir AHS</p> <p>Dir AHS</p>
<p>PROC12.</p>	<p>CONTRACT FOR THE SUPPLY OF DESKTOP AND LAPTOP HARDWARE AND ASSOCIATED PROFESSIONAL SERVICES</p> <p>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).</p> <p>(Cllr Goldberg joined proceedings at this juncture)</p> <p>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</p>	

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 28 JULY 2011**

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.

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.

Dir CR

Dir CR

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 28 JULY 2011**

PROC13.	<p>PROCUREMENT APPROACH FOR SAP MANAGED SERVICE</p> <p>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).</p> <p>The Committee considered a report seeking agreement for a joint procurement with LB Waltham Forest for a replacement managed service for the corporate SAP system which supports the Council's finance, procurement, HR and customer services functions. The Council's current ten year contract with Logica for the SAP system was due to expire in November 2012, with a joint approach to procurement proposed to improve value for money and to facilitate future back office shared service approaches. The provision would still exist however for procuring separate managed services for each borough should this prove the most appropriate option.</p> <p>The procurement approach proposed would be based on a full EU tender led by Haringey, with SAP acting as an advisor and critical friend. It was acknowledged that a joint as opposed to sole procurement process was expected to take longer but that the potential financial benefits of a joint procurement were expected to outweigh the impact of any extended process.</p> <p>Legal advice was also being sought on the feasibility of extending the scope of any resultant contract on a pan London basis in line with the Capital Ambition Project Athena initiative underway which included a One-SAP project exploring the feasibility of establishing a shared IT platform across the seven authorities currently using the system. It was recognised that this was likely to be logistically challenging in recognition that the various authorities would be at different stages of readiness which might necessitate a staged re-tendering approach.</p> <p>RESOLVED</p> <ul style="list-style-type: none">• That approval be granted to the proposed approach for Haringey to undertake a joint procurement for a SAP managed service with Waltham Forest as detailed in the interleaved report with the option of procuring separate managed services for each borough if required.	Dir CR
----------------	--	---------------

CLAIRE KOBER
Chair