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## Special Overview and Scrutiny Committee

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WEDNESDAY, 24TH AUGUST, 2011 at 19:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Bull (Chair), Browne, Alexander, Christophides, Diakides, Ejofor, Engert and Winskill (Vice-Chair)

Co-Optees: Ms Y. Denny (church representative), 1 Church of England vacancy, Young (Parent Governor), 2 Parent Governor Vacancies, Ms H Kania (LINK non-voting Representative)

### AGENDA

#### 1. WEBCASTING

**Please note:** This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.

Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding this, please contact the Committee Clerk at the meeting.

#### 2. APOLOGIES FOR ABSENCE

#### 3. URGENT BUSINESS

It being a special meeting; no urgent items are permitted.

#### 4. DECLARATIONS OF INTEREST

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

#### 5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's constitution.

#### 6. CALL-IN OF PROC12 - CONTRACT FOR THE SUPPLY OF DESKTOP AND LAPTOP HARDWARE AND ASSOCIATED PROFESSIONAL SERVICES (PAGES 1 - 18)

- i) Report of the Monitoring Officer (Attached – Pages 1 - 4)
- ii) Report of the Director of Corporate Resources (**TO FOLLOW**)
- iii) Appendix (For information only):
  - a) Copy of the 'call in' (Attached – Pages 5 - 6)
  - b) Draft minute extract of the Cabinet Procurement Committee meeting held on 28<sup>th</sup> July 2011 (subject to confirmation by the Cabinet) (Attached – Pages 7 - 8)
  - c) 28<sup>th</sup> July 2011 Cabinet Procurement Committee Report – Contract for the supply of desktop and laptop hardware and associated professional services. (Attached – Pages 9 - 18)

A decision on the above item was taken by the Cabinet Procurement Committee on 28<sup>th</sup> July 2011. The decision has been called in, in accordance with the provisions set out in the Council's Constitution, by Councillors Strang, Jenks, Wilson, Whyte, Hare.

David McNulty  
Head of Local Democracy and  
Member Services  
River Park House, 225 High Road  
Wood Green  
London N22 8HQ

Natalie Cole  
Principal Committee Co-Ordinator  
Tel: 020-8489 2919  
Fax: 020-8489 5218  
Email: Natalie.Cole@haringey.gov.uk

Tuesday 16<sup>th</sup> August 2011



Haringey Council

Agenda item:

**[No.]**

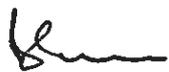
Special Overview and Scrutiny Committee

On 24<sup>th</sup> August 2011

**Report Title. Monitoring Officer's Report on the Call-In of a Decision taken by the Cabinet Procurement Committee at its meeting on 28 July 2011 relating to the Contract for the supply of Desktop and Laptop Hardware and associated professional Services.**

**Report of: The Monitoring Officer and Head of Legal Services**

Signed :

  
 BERNADETTE SIMON

**Contact Officer:** Bernie Ryan, Monitoring Officer and Acting Head of Legal Services  
 Bernie.Ryan@haringey.gov.uk 8489-3974

Wards(s) affected: **All**Report for: **Consideration by Overview and Scrutiny Committee****1. Purpose**

- 1.1. To advise the Overview and Scrutiny Committee whether or not the decision, taken by the Cabinet Procurement Committee on 28 July 2011 on a report entitled **"Contract for the supply of Desktop and Laptop Hardware and associated professional Services."** falls inside the Council's policy or budget framework.

**2. Recommendations**

- 2.1 That Members note the advice of the Monitoring Officer and Chief Financial Officer that the decision taken by the Cabinet was inside the Council's policy and budget framework.

**3. Local Government (Access to Information) Act 1985**

- a. The following background papers were used in the preparation of this report:

The Council's Constitution

**4. Background**

- 4.1 Under the Call-In Procedure Rules, set out in Part 4, Section H of the Council's Constitution, any 5 Members may request a Call-In even though they do not claim that the original decision was in any way outside the Council's budget/policy framework. Members requesting a Call-In must give reasons for it and outline an alternative course of action. But it is not necessary for a valid Call-In request to claim that The Cabinet or Cabinet Member acted outside its powers.
- 4.2 The Call-In Procedure Rules require the Monitoring Officer to rule on the validity of the request at the outset. The Monitoring Officer has ruled that this Call-In request complies with all the 6 essential criteria for validity.
- 4.3 The Monitoring Officer must also submit a report to Overview and Scrutiny Committee (OSC) advising whether each Cabinet decision, subject to Call-In, was inside or outside the Council's policy framework (budget framework advice, when this is relevant, is provided by the Chief Financial Officer). This is still a requirement even when those Members requesting the Call-In do not allege that the Cabinet decision was outside the policy framework. While OSC Members should have regard to the Monitoring Officer's advice, it is a matter for Members' to decide whether the Cabinet decision was inside the policy framework or not.
- 4.4 This decision should be the subject of a separate specific vote and it should be expressly minuted.
- 4.5 It is not every Council policy that forms part of the "Budget & Policy Framework". This framework is set out at Part 3 Section B of the Constitution. It contains the most important over-arching strategies, such as the Sustainable Community Strategy, and major service plans. There would have to be a clear contravention or inconsistency with such a Plan before a Cabinet decision could be ruled to be outside the policy framework.

**5. Details of the Call-In and the Monitoring Officer's Response**

- 5.1 The Call-In request form states, under the first heading, that the proposals in the original decision of the Cabinet "are considered to be inside the policy and budget framework".

- 5.2 The Monitoring Officer agrees that this decision falls within the policy framework.
- 5.3 The replacement of ageing desktops and laptops is a key component of the IT strategy agreed at Cabinet in July 2010. This proposal and proposed contract does not run counter to any of the published key Council policies and strategies and as such the Monitoring Officer confirms that it falls within the Council's Policy framework.
- 5.4 The call in request states that this decision is within the budgetary framework. The Chief Financial Officer agrees with this view on the basis that sufficient budgetary provision exists and the expenditure has been appropriately planned for.

## **6. Call-In Procedure Rules**

- 6.1 Once a Call-In request has been validated and notified to the Chair of OSC, the Committee must meet within the next 10 working days to decide what action to take. In the meantime, all action to implement the original decision is suspended.
- 6.2 If OSC Members determine that the original decision was within the policy framework, the Committee has three options:
- (i) Not to take any further action, in which case the original decision is implemented immediately
  - (ii) To refer the original decision back to The Cabinet Procurement Committee as the original decision taker. If this option is followed, The Cabinet Procurement Committee must, within the next 5 working days, reconsider their decision in the light of the views expressed by OSC.
  - (iii) To refer the original decision on to full Council. If this option is followed, full Council must meet within the next 10 working days to consider the decision. Full Council must either decide, itself, to take no further action and allow the decision to be implemented immediately or it must refer the decision back to The Cabinet Procurement Committee for reconsideration.
- 6.3 If OSC Members determine that the original decision was outside the policy/budgetary framework, the Committee must refer the matter back to The Cabinet Procurement Committee with a request to reconsider it on the grounds that it is incompatible with the policy/budgetary framework.
- 6.4 In that event, The Cabinet Procurement Committee would have two options:
- (i) to amend the decision in line with OSC's determination, in which case the amended decision is implemented immediately

- (ii) to re-affirm the original decision in which case the matter is referred to a meeting of full Council within the next 10 working days.

**7. Recommendations**

7.1 That Members note the advice of the Monitoring Officer that the decision taken by The Cabinet Procurement Committee was inside the Council's policy framework. To note the advice of the Chief Financial Officer that the decision taken by the Cabinet Member was inside the Council's budgetary framework.

**8. Use of Appendices / Tables / Photographs**

8.1 Not applicable.

**'CALL IN' OF DECISIONS OF THE CABINET**

This form is to be used for the 'calling in' of decisions of the above bodies, in accordance with the procedure set out in Part 4 Section H.2 of the Constitution.

<b>TITLE OF MEETING</b>	Cabinet Procurement Committee
<b>DATE OF MEETING</b>	28 <sup>th</sup> July 2011
<b>MINUTE No. AND TITLE OF ITEM</b>	PROC12. CONTRACT FOR THE SUPPLY OF DESKTOP AND LAPTOP HARDWARE AND ASSOCIATED PROFESSIONAL SERVICES

**1. Reason for Call-In/Is it claimed to be outside the policy or budget framework?**

The decision is considered to be inside the policy and budget framework, however,

- The decision to award a £3.3million contract based on only one valid bid after two procurement rounds cannot be considered as achieving value for money for local taxpayers
- The Council is currently reorganising its workforce and therefore is not able to provide certainty to IT providers on its hardware needs
- No details have been provided as to the risk of this project being delayed and what the effect on services for local people would be
- Lack of public scrutiny and information of a decision that commits significant public resources in a time of scarce funding

**2. Variation of Action Proposed**

- That procurement is delayed for 6 months to 1 year to allow a more accurate demand (i.e. final Council officer headcount) to be confirmed, to allow the Council to go to market with less uncertainty in the expectation of getting a better price through tendering
- For the Council to review of the 'approved suppliers' list to understand why, on two occasions, there was only one valid bidder for this contract

**Signed:**

Councillor: Paul Strang (Please print name): PAUL STRANG

**Countersigned:**

- 1. Councillor: [Signature] (Please print name): Jim Jenks
- 2. Councillor: [Signature] (Please print name): RICHARD WILSON
- 3. Councillor: [Signature] (Please print name): MONICA WHYTE
- 4. Councillor: [Signature] (Please print name): BOB HARE

**Date Submitted:** 8<sup>th</sup> August 2011

**Date Received :**

(to be completed by the Non Cabinet Committees Manager)

9<sup>th</sup> August 2011

[Signature]

09.30hrs

**Notes:**

1. Please send this form to:  
Clifford Hart (on behalf of the Proper Officer)  
Non Cabinet Committees Manager  
7<sup>th</sup> Floor  
River Park House  
225 High Road, Wood Green, London N22 8HQ  
  
Fax: 020 8881 5218
2. This form must be received by the Non Cabinet Committees Manager by 10.00 a.m. on the fifth working day following publication of the minutes.
3. The proper officer will forward all timely and proper call-in requests to the Chair of the Overview and Scrutiny Committee and notify the decision taker and the relevant Director.
4. A decision will be implemented after the expiry of ten working days following the Chair of Overview and Scrutiny Committee's receipt of a call-in request, unless a meeting of the Overview and Scrutiny Committee takes place during the 10 day period.
5. If a call-in request claims that a decision is contrary to the policy or budget framework, the Proper Officer will forward the call-in requests to the Monitoring Officer and /or Chief Financial Officer for a report to be prepared for the Overview and Scrutiny Committee advising whether the decision does fall outside the policy or budget framework.

Cabinet Procurement Committee – 28<sup>th</sup> 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.

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

**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.



Haringey Council

Agenda item:

[No.]

Cabinet Procurement Committee

On: 28<sup>th</sup> July 2011

Report Title. **Contract for the supply of Desktop and Laptop Hardware and associated professional Services.**

Forward Plan Reference Number: TBC

Report of: **Director of Corporate Resources**

Contact Officer : David Airey, Head of IT Services

Wards(s) affected: **N/A**

Report for: **Key Decision**

### 1. Purpose

- 1.1 To seek Member agreement to approve the contract for the supply of desktop and laptop hardware and services which will facilitate the delivery of the IT Strategy approved by Cabinet on 13<sup>th</sup> July 2010; and
- 1.2 To seek agreement to place a contract with a maximum value as set out in the exempt part of the report. This figure is derived from the original amount agreed by Cabinet on 13<sup>th</sup> July 2010, recently reduced to take account of the staff reductions across the council.

### 2. Introduction by Cabinet Member

- 2.1 *I recommend this proposal to the Procurement Committee.*
- 2.2 *I am confident that this contract represents the most economically advantageous response and therefore represents value for money*
- 2.3 *The supplier has been carefully selected through a competitive invitation to quote exercise from the existing Buying Solutions Framework – Commoditised IT Hardware and Software RM721 (“the Framework Agreement”)*

### **3. State link with Council Plan Priorities and actions and other Strategies:**

The replacement of ageing desktops and laptops is a key component of the IT Strategy 2010-13 agreed at Cabinet in July 2010. This strategy outlines an approach to the delivery of IT services which ensures alignment between IT activity and business priorities.

In particular, a subset of the Council Plan Priorities are supported in the following manner:

#### **Delivering High Quality, Efficient Services.**

Delivering value for money by enabling the Council to operate a much more efficient desktop environment: using desktops and laptops in a manner which will enable flexible working (both at home and in the office), improved reliability, improved IT security and performance of the desktop infrastructure.

#### **A Cleaner, Greener Haringey.**

Green computing is a high profile item in the proposals and influences many of the ways in which IT Services operates, from sourcing equipment, through delivering the service in the most efficient manner, to recycling. This is exemplified by the Energy Efficiency characteristics of the equipment to be purchased:-

- Desktop and Laptop equipment must be accredited with at least a Silver 80Plus power supply. These modern and efficient power supplies have shown an 80% reduction on power usage per device.
- Desktop and Laptop equipment must be accredited with an Energy Star. An energy efficiency star is awarded to a supplier of equipment whose products meet new energy saving standards.
- Desktop and Laptop equipment must be accredited to EPEAT (Electronic Product Environmental Assessment Tool) gold level. This is a three tier standard of environmental performance testing with gold being the highest level achievable.

#### 4. Recommendations

**Members approve the award of contract for supply of Desktop and Laptop Hardware and associated professional Services to Bidder A as named in Appendix A 'exempt information'**

##### Reasons for recommendations

- 4.1. The award of a contract to supply desktop & laptop hardware and services is a critical enabler of the approved IT Strategy 2010-13 which is aligned with the Council's priorities.
- 4.2. The contract represents the most economically advantageous agreement.
- 4.3. The contract enables desktop and laptop equipment and services to be sourced at agreed pricing levels but does not commit Haringey Council to specify the precise number of desktops and laptops required. This will provide Haringey with the maximum flexibility on requirement at a time when the number of staff in the Council is reducing and the ratio of desktops to laptops may alter as home working expands and the shared service model may be introduced.
- 4.4. The contract incorporates special terms which will enable Haringey to take advantage of any technology developments or price reductions which occur to the devices selected during the contracts lifetime at no cost to Haringey.
- 4.5. The contract duration is 3+1+1 years. That is the devices and services will be available to Haringey over a three year period with the option to extend for two further periods of 1 year each. This will ensure that Haringey benefits from the arrangement beyond this Infrastructure renewal programme.
- 4.6. The approach is consistent with that agreed by the Cabinet Procurement Committee on 16th September 2010.

#### 5. Other options considered

A number of alternative options have been considered:

**5.1 To purchase via a single supplier framework** of a specific range of desktop or laptop devices. This approach would guarantee a Desktop and Laptop which is 'fit for purpose' but does not guarantee that the Desktop and Laptop will be the most economically advantageous to the Council.

**5.2 A restricted OJEU tender process**, managed by Haringey but which could take nine months to complete and require extensive effort to evaluate all the potential suppliers of desktop and laptop equipment that could register an interest, without any

increase in value to the council over the chosen Buying Solutions framework.

**5.3 To purchase Desktops and Laptops in small quantities** from existing framework agreements. This would not enable the Council to take advantage of the discounts which accrue due to the aggregated volume purchase built into a contract, plus there is uncertainty over what framework agreements would be available over the life of the Haringey IT programme

**5.4 Do nothing:** This approach would mean that the approved IT Strategy 2010-13 could not be delivered.

## **6 Summary**

### **6.1 Current Situation**

There are approximately 4500 Desktop and Laptop computers distributed throughout the Council of which 70% are thin clients and 30% are thick clients.

A thin client is a small device on each desk which acts as a normal PC but with reduced functionality. A thick client is a normal computer similar to that used in the home. The thin and thick clients in use within Haringey Council are predominantly manufactured by HP except for the latest models which are manufactured by Dell.

IT Services have experience in supporting both manufacturers of desktop and laptop computers. A reduction in Council employees is expected to align the Council with new budgetary requirements, and therefore affects the number of thin and thick clients requiring replacement.

All of the above equipment runs Windows XP as the operating system, Microsoft Office 2003 and Internet Explorer v6.

### **6.2 Pressure for Change**

The major concern for the equipment is the age and software installed. The equipment nearly all dates from 2004/5 and so are 6/7 years old and out of warranty. The equipment must be appropriately supported to ensure 'Government Connect Secure Extranet' (GCSX) compliance.

The Windows XP operating system is coming to the end of its supported life and is vulnerable to viruses. The specification of the equipment is low and very dated. Windows XP, Internet Explorer v6 and Office 2003 core software platform does not support many of the current features being requested by users. For instance, some of the latest websites cannot be accessed via Internet Explorer v6.

### 6.3 Action Required

Haringey Council propose to replace all thin clients and all thick clients with either a standard desktop or laptop, the specifications of which are in line with business requirements.

It is anticipated that the equipment will be replaced during an 18 month period commencing September 2011.

The replacement will occur in two phases:-

**Phase 1:** The replacement of all thin clients, (deployment over a 6 month period commencing September 2011)

**Phase 2:** The replacement of all thick clients with either a standard desktop or laptop and the development and subsequent deployment of a new Haringey Council Windows 7 environment (deployment over a 12 month period commencing April 2012) to all replaced devices under phases 1 and 2.

The contract proposed is with a supplier who will assist with this phased approach.

The contract will be awarded under the Buying Solutions desktop hardware Framework Agreement Commoditised IT Hardware and Software (CITHS), RM 721/L1.

### 6.4 Constraints

The Council is currently undergoing considerable change to address the budget reductions that have been introduced by Central Government. A consequence of this is the number of staff employed by the council over the next year will reduce substantially and therefore the precise number of desktops/laptops required cannot be stated in the requirement.

### 6.5 Business Priorities & Pressures for Change

The IT Strategy 2010-13 which will be enabled by the Desktop and Laptop contract has been designed to ensure that IT supports the **business priorities outlined in the Council Plan**. The specific **pressures for change** addressed by the strategy are:

- Value for Money and the Economic Climate which will drive the Council to generate savings over the next few years as the Government responds to the cuts in public spending. Information Technology is seen as a key enabler for realising efficiency savings through the Haringey Efficiency Programme and programmes such as smart and home working.
- The IT infrastructure which is now over 6 years old will need to be replaced or we

will see a significant deterioration in its supportability and the level of service provided.

- The Greenest Borough Strategy which outlines our commitment to the efficient use of energy and natural resources.

#### **6.6 Selecting the most economically advantageous contract**

- The Buying Solutions Framework for Commoditised IT Hardware and Software – Desktop Hardware was selected as the preferred procurement route.
- The use of the Buying Solutions Framework was agreed by the Procurement Committee on 15<sup>th</sup> September 2010. This framework agreement is EC compliant and regarded as a best value route to selected IT hardware suppliers.
- This framework provided the ability to undertake further competition amongst suppliers by issuing an Invitation to Quote (ITQ) to ensure value for money.
- Detailed evaluation criteria were created for this exercise which addressed the whole life Desktop/Laptop costs and potential suppliers evaluated on their responses.
- Supplier responses were received to Haringey's requirement and these responses can be seen in the Appendix A exempt information.

#### **6.7 Evaluation Criteria – Whole Life Cost – Total Cost of Ownership**

In evaluating the most economically advantageous response to Haringey's requirement, it is essential that the impact of the proposal on the whole life costs on the organisation are considered. The Gartner Group recently published an assessment of the typical lifetime costs associated with desktop and laptop ownership. The report confirmed that the unit cost of a computer, be it thin or thick client can only account for 15% of the whole life costs associated with the asset.

85% of the costs associated with ownership of the asset can be attributed to the operational support, maintenance, upgrades and user based costs.

During this process, The decision was taken to associate 30% of the bidding evaluation criteria to the unit cost of each replacement computer – To demonstrate a greater commitment to drive down cost.

The remaining 70% of the bidding evaluation criteria was based on ensuring the replacement computers were of good quality, fully GCSx compliant and were supported throughout the life of ownership in the most cost effective manner.

## 6.8 Tender Process

An invitation to quote (ITQ) was carried out under the Buying Solutions Framework Agreement RM721 ' **Commoditised IT Hardware and Software (RM721 Lot 1)** Two bids were received of which only one was found to be a compliant bid see Appendix A exempt Information

The compliant bid was evaluated using the following set high level criteria based on Quality 70% and Price 30%.

The evaluation was concluded on the 6<sup>th</sup> July 2011.

As we were only able to evaluate Bidder A's submission we wanted to ensure we were achieving value for money so in order to demonstrate this, The unit cost was benchmarked against comparable IT frameworks which showed we are able to save 9% on the unit price (including professional services) of a desktop.

Bidder A- Scored as follows: 85.7% out of a possible 100%

Bidder B – Non Compliant Bid received (the bid was not fully completed)

Please see Appendix A – Exempt Information.

The recommendation is to award the contract to Bidder A for a period of three years with an option to extend for a further two periods of one year each.

The contract will be monitored on a regular basis by the IT Supplier Management Team.

## 7 Chief Financial Officer Comments

- 7.1 The Chief Financial Officer confirms that the proposed contract is a key component in supporting the successful delivery of the IT Strategy approved by Cabinet on 13<sup>th</sup> July 2010.
- 7.2 The replacement of desktop and laptops is the largest item of expenditure within the infrastructure renewal programme and the proposed contract as recommended in this report appears to provide the cost certainty required as well as the flexibility to not commit to the purchase of a fixed number of items. This is critical given the on-going uncertainties over the size and operational model of the Council over the next few years. Furthermore, as outlined in section 6.8 the unit costs submitted by the recommended bidder is significantly below the IT market place benchmarking.
- 7.3 The Chief Financial Officer confirms that funding as agreed by Cabinet is in place to enable placing a contract up to the maximum value as set out in the exempt part of the report.

**8 Head of Legal Services Comments**

- 8.1 The proposal to award this contract follows a competitive tendering process under the Framework Agreement which was established in accordance with the Public Contract Regulations 2006 (“the Regulations”).
- 8.2 Reg. 19(7) (b) of the Regulations provides that a contracting authority may let a specific contract by re-opening competition where not all the terms of the proposed contract are laid down in the framework.
- 8.3 In accordance with CSO 11.03 as the value of this contract is likely to exceed £250,000 it may only be awarded by the Cabinet Procurement Committee.
- 8.4 The Directorate has confirmed that this has been included in the Forward Plan in accordance with CSO 4.03.
- 8.5 Please see additional legal comments in the exempt part of the report.

**9 Head of Procurement Comments**

- 9.1 The recommendation is in line with the Procurement Code of Practise.
- 9.2 Al though only one compliant bid was received this has been benchmarked against other comparable IT frameworks and shows a saving of 9% against current market prices.
- 9.3 Contract management has been put in place within IT Services to ensure contract compliance and ongoing Value for Money.
- 9.4 The contract gives us the flexibility to respond to changes in technology and changes within the council thus ensuring that we are able to continue support the most efficient IT strategy.

**10 Equalities & Community Cohesion Comments**

This report deals with general frameworks for procurement of IT hardware. At the stage when specific requirements for IT hardware are made, equalities comments will be provided focusing on accessibility and usability which are the key equalities issues in procurement of IT solutions. Until then, the Equalities Team makes no specific comments.

**11 Consultation**

In line with the Cabinet report recommendation of July 13<sup>th</sup> 2010, The PC Contract proposal has been considered and approved by the Infrastructure Programme Board as sub-committee of the Corporate IT Board. This involved a detailed review of the proposed

contract.

**12 Service Financial Comments**

12.1 The funding for the PC Contract will come from the Council's Infrastructure Budget as agreed by Cabinet in July 2010, up to a maximum as set out in the exempt section.

12.2 As outlined in section 4.3, entering into this contract will provide certainty over pricing levels however, it does not commit Haringey to the purchase of a specific numbers of desktops / laptops.

**13 Use of appendices**

**Appendix A – Exempt Information**

**14 Local Government (Access to Information) Act 1985**

This report contains exempt and non-exempt information. Exempt information is contained in Appendix A and is not for publication. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972):

- (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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