

Report for Cabinet Member Signing – 30 November 2023

Title: Extension of EA21 Call-off Contract - Supply of Laptops and Accessories

Report authorised by: Director for Culture, Strategy and Engagement, Jess Crow

Lead Officers: Assistant Director for Digital and Change, Nathan Pierce - Head of Technology, Digital Services - Glenn Mason

Ward(s) affected: n/a

**Report for Key/
Non-Key Decision:** Key

1. Describe the issue under consideration

1.1 This report is seeking to have the current EA21 call-off contract with XMA Ltd for the supply of laptops and accessories extended by 12 months and a key decision to approve an increase in spend under the contract above £500,000.00.

2. Cabinet Member Introduction

As this report is to the Cabinet Member, no Cabinet Member introduction is required.

3. Recommendations

It is recommended that the Cabinet Member:

3.1 Confirm approval for an increase in the maximum value under the initial 2-year term of the Council’s EA21 contract with XMA Ltd for laptops and accessories (the EA21 contract), which was called off from CCS Framework RM6068, from £500,000.00 to £572,600.00 to cover an existing overspend to date as well as to cover anticipated spend up to the expiry of the initial term in December 2023;

3.2 Approve, pursuant to Contract Standing Order (CSO) 10.02.1b), a first extension to the EA21 contract:

3.2.1 for a period of 12 months from 10th December 2023 to 9th December 2024;

3.2.2 at a maximum value of £475,440.00 for the first extension period.

3.3 Note that, if the Council's future digital roadmap aligns to new laptop devices, Digital Services may approach Cabinet in 2024 to seek further approval to extend the EA21 contract for a final 12-month term until 9th December 2025 and that a maximum value of £475,440.00 is currently envisaged for that extension period.

4. Reasons for decision

4.1 Laptops are an essential tool used by Haringey staff and integral to the successful service delivery and support of operations within the Council. Laptops align to the Council's smart working principles and enable remote working, flexible hours, collaboration and a mobile workforce. Laptops can also reduce operational costs by saving office space, energy and maintenance.

4.2 Digital Services hold stock of laptops to allocate to end users and require a compliant procurement route to purchase sufficient devices to meet demand. The proposed call-off contract extension will permit procurements to be completed in an efficient, controlled manner, with fixed pricing for accurate budgeting monitoring.

4.3 The EA21 contract was called off in 2021 from Crown Commercial Services (CCS) Framework RM6068 following a further competition in the form of an aggregated e-auction. This further competition was permitted under the CCS framework call off rules and is considered the most cost-effective way of sourcing laptops and accessories. Twenty-nine public sector organisations took part and the savings achieved through combining demand is judged to offer a greater economy of scale, compared to the Council undertaking an independent procurement.

4.4 Under the proposed extension of the EA21 contract, there would be no minimum spend commitment and the Council would be free to explore other procurement routes if it is thought the EA21 contract no longer demonstrates value for money or does not deliver products required by the Council.

4.5 The Council has procured through the EA21 contract since December 2021 and its predecessor EA16 was used to complete the laptop refresh in

2018/19. Continued use of the EA21 contract will ensure the laptops procured are consistent with models supported by Digital Services and are compatible with existing digital infrastructure and benefit from the extended on-site support solution offered under the contract.

4.6 Demand for laptops has increased over the last 24 months which is attributed to several factors including: service growth (new staff), digital inclusion for staff who have never had a laptop, support for work placement programmes, framework purchasing for Council initiatives and the replacement of out-of-warranty laptops. To minimise the need to purchase new laptops, the Council reallocates devices whenever possible, which is achieved by redeploying equipment collected through the 'Movers and Leavers' process. However, the stock is aging and the number of staff requiring laptops is growing and, as a result, there is an increased pressure to order new devices. The proposed maximum spend of up to £475,440.00, over the first extension for 12 months, is based on current demand and equates to approximately 10% of the total laptop estate. It also includes contingency to support work placement programmes and Council initiatives through sourcing supplies under the EA21 contract.

4.7 It is anticipated that the Council will undertake a device refresh in the future and move to the Windows 11 platform. Extending the EA21 contract and approving spend of up to £475,440.00, over the proposed first 12-month extension, provides sufficient time for Digital Services to define the Council's digital roadmap and fully scope and plan for a future refresh which demonstrates value for the Council. All new laptops procured through the EA21 contract extension will be Windows 11 compatible and can be utilised when we move to the new platform.

4.8 Subject to further approval from Cabinet in 2024, the framework terms and conditions allow for a final 12-month extension from 10th December 2024 to 9th December 2025. If we are not able to commence with the refresh by December 2024, Digital Services will do a further report recommending Cabinet approve the final extension and the Council will continue to be able to source supplies under the EA21 contract. The CCS framework ends on 9th December 2025 and the Council will at that point pursue other options on how to fulfil its requirements.

5. Alternative options considered:

5.1 Do not purchase – Without laptops staff would not be able to access the Council's digital infrastructure. Digital Services will not have laptops to issue to end users which will impact service delivery and operational

support within the Council. Further purchase of laptops and accessories is needed by the Council to resource delivery of its objectives.

5.2 Procure through other frameworks – The EA21 contract is considered the most favourable way of securing supplies as the pricing for these supplies under the contract was set against aggregated volumes. Alternative routes to market will not realise the same cost savings.

6. Background information

6.1 In December 2021, a call-off contract, for the provision of laptops and accessories, was awarded to XMA Ltd by the Director of Customer, Transformation and Resources. The contract was called off from Crown Commercial Services (CCS) framework RM6068 following a further competition known as EA21. The initial contract term was for two years, from 10th December 2021, with two options to extend, each for 12 months (2+1+1). The award of the EA21 call-off contract was approved based on a recommendation for a maximum cumulative value of £500,000 to cover supplies purchased.

6.2 Cumulative call-off spend under the EA21 contract, from December 2021 to date, amounts to £542,000.00. Of this, £415,000.00 was used to fund the purchase of 430 new laptops. The remaining £127,00.00 was used to extend the onsite warranty support for an additional 12 months, for 2087 laptops, and to add accidental damage cover to 3131 laptops. By enhancing the support package, the Council extended the use of our laptop assets for a longer period and reduced the requirement to procure new devices. There is however an immediate requirement to purchase additional laptops before the end of the initial 2-year contract term in December, at an anticipated maximum further cost of £30,600.00, increasing the total anticipated contract value for the current term to a maximum of £572,600.00. Funding for the additional laptops will derive from Digital Services' Capital budget.

6.3 Demand for laptops is attributed to several factors and the costs can be portioned into two areas. The first incorporates service growth (new staff), digital inclusion for staff who have never had a laptop and replacement of out-of-warranty laptops that are beyond economic repair. The second is support for work placement programmes and purchasing for Council initiatives. Anticipated costs for purchases under the EA21 contract are detailed within the tables below, which show the anticipated maximum 4-year term costs, the first proposed 12-month extension period costs and the anticipated costs if the final 12-month extension is taken up.

6.3.1 Anticipated costs for the maximum 4-year contract term are below:

Description	Device Type	Anticipated Laptop Orders - Full 4-Year Term	EA21 Costs
Laptop Procurement (Growth, Digital Inclusion, Out-of-Warranty Replacements)	T14S	750	£ 765,000.00
Laptop Procurement (Growth, Digital Inclusion, Out-of-Warranty Replacements)	P16S	20	£ 28,800.00
Laptop Procurement for Council Initiatives & work placement	T14S	184	£ 187,680.00
		Total	£ 981,480.00

6.3.2 Anticipated costs for the first proposed 12-month extension period are below:

Description	Device Type	Anticipated Laptop Orders – First 12-Month Extension	EA21 Costs
Laptop Procurement (Growth, Digital Inclusion, Out-of-Warranty Replacements)	T14S	360	£ 367,200.00
Laptop Procurement (Growth, Digital Inclusion, Out-of-Warranty Replacements)	P16S	10	£ 14,400.00
Laptop Procurement for Council Initiatives & work placement	T14S	92	£ 93,840.00
		Total	£ 475,440.00

6.3.3 Anticipated costs for the final 12-month extension period are below:

Description	Device Type	Anticipated Laptop Orders - Final 12-Month Extension	EA21 Costs
Laptop Procurement (Growth, Digital Inclusion, Out-of-Warranty Replacements)	T14S	360	£ 367,200.00
Laptop Procurement (Growth, Digital Inclusion, Out-of-Warranty Replacements)	P16S	10	£ 14,400.00
Laptop Procurement for Council Initiatives & work placement	T14S	92	£ 93,840.00
		Total	£ 475,440.00

6.4 Laptop provision, over the first proposed 12-month extension period, is shown in the table in section **6.3.2**. Laptop procurement for service growth, digital inclusion, and out-of-warranty replacements, amounts to an anticipated £381,600.00, and will be funded by Digital Services' Capital budget. A

contingency amounting to £93,840.00 is to support laptop procurement for Council initiatives and work placements. Funding within this area will derive from the Service requiring the laptops and a process will be defined which will require approval from appropriate Business Management and the requesting Head of Service to confirm funds are available.

6.5 The final 12-month extension, from 10th December 2024 to 9th December 2025, is subject to further Cabinet approval. The anticipated costs of up to £475,440.00 for that final extension are shown in the table in section **6.3.3**.

6.6 The EA21 contract is between the Council and XMA Ltd and is based on CCS framework RM6068 terms and conditions.

7. Contribution to the Corporate Delivery Plan 2022-2024 High Level Strategic outcomes?

Haringey Council operates a laptop first policy for end users as laptops are an essential tool in enabling successful operations within the Council and are vital in contributing to the fulfilment of the Corporate Delivery Plan and achieving positive outcomes for Haringey residents.

8. Carbon and Climate Change

The Lenovo laptops procured through the EA21 contract with XMA Ltd are made from recycled post-consumer content (PCC) including plastic and natural materials, in various components such as the speaker enclosure, battery compartment and adapter. Laptops also come with recycled and/or sustainably forested packaging and recycled PCC cardboard cushioning.

Lenovo have created a CO2 Offset Service which supports different initiatives including new (or extensions of existing) projects relating to windmills, solar cells and biomass energy, amongst others.

The Council will investigate if an auto-shut down feature can be incorporated into the laptop build so that, if a laptop is idle for a set period, it will shut down. This will save on power consumption and result in energy efficiencies.

The Council has a contract with a third party which recycles all laptops that are beyond economical repair. The third party's recycling facility is fully accredited by the Environment Agency and has been awarded a Distinction from ADISA as well as industry-leading certifications from Cyber Essentials, ISO 27001 and DIPCOG.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Head of Legal and Governance, Equalities)

Finance Comments:

The call-off contract with XMA Ltd does not commit the Council to a minimum spend but provides a framework to enable it to purchase laptops to meet business need over the next 24 months.

The recommendation in Paragraph 3.1 to increase the value of the initial contract by £72,600 includes £30,600 for immediate laptop purchases. This will be funded from the Digital Services Corporate Laptop Refresh capital budget (Scheme 657).

The estimated costs of extending the contract for 12 months totalling £475,440, are set out in the Table in section 6.3.2. The cost of new laptops for service growth, digital inclusion, and out-of-warranty replacements, estimated to be £381,600, will be funded from the Digital Services Corporate Laptop Refresh capital budget (Scheme 657). The provision of laptops for other Council initiatives and work placements, estimated to be £93,840, will first require the necessary funding to be identified by the relevant services who will then be recharged for the cost of the laptops.

Funding to address the final 12-month extension will likely be met from the same sources as above but will be confirmed in the relevant report to Cabinet at that time.

Strategic Procurement Comments:

CSO 7.01b) permits the selection of a contractor from a framework established by a public sector body in accordance with their contract standing orders and applicable regulations.

The increase in spend and the extension to EA21 call off contract under the Crown Commercial Services (CCS) framework RM6068 recommended in sections 3.1 and 3.2 will permit the Council to continue the purchase of laptops at the aggregated pricing achieved by the further competition held in 2021.

Strategic Procurement support the recommendations in section 3 of this report.

Comments of the Head of Legal and Governance:

The Head of Legal and Governance has been consulted in the preparation of this report.

The report relates to an EA21 contract called off from a CCS framework agreement. The pricing under the contract is unit pricing for the items deliverable under the contract which was fixed during the e-auction call-off process leading to the contract award. As such the contract itself does not fix a maximum contract value.

The report is seeking, firstly, approval for an increase in the maximum spend approved for the initial 2-year contract term by the Director in Dec. 2021, when the award of the contract was being approved, from £500,000 to £572,600. This increase in the approved spend is not a contract price but a budgetary provision for spend under the contract and as such is not affected by procurement rules.

Further approval for the increased spend sought by the recommendation in section 3.1 has become necessary because the total spend during the initial term ending in Dec. 23 is now anticipated to exceed £500,000 and a Key Decision is required for approval of a total spend above that figure. Under the Council's Constitution, a Key Decision must be approved by Cabinet or a Cabinet Member.

The report is also seeking approval for the extension of the contract for 12 months. As this is an optional extension provided for in the original contract, it is permissible under procurement rules. A spend level permitted during the extension period also has to be approved. As this spend will be in addition to the increased spend for the initial term, which is in excess of the Key Decision threshold of £500,000, the approval for the spend during the extension period requires approval by Cabinet or a Cabinet Member. Without approval for such further spend, no further devices could now be sourced under the EA21 contract.

Pursuant to Contract Standing Order 16.02 and Contract Standing Order 10.02.1(a), the Cabinet Member has authority to approve the extension referred to in the recommendation in sections 3.1 and 3.2. A Cabinet Member may, like Cabinet, also take Key Decisions relating to spend in excess of £500,000. This is subject to the Finance comments clearing this spend.

The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member from approving the recommendations in the report assuming the Finance comments also clear this spend.

Equality Comments:

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The proposals within this report take account of these needs and the associated statutory duties and good practice guidelines.

10. Use of Appendices

n/a

11. Local Government (Access to Information) Act 1985

n/a