Haringey Council

Agenda item:

[No.]

Report Title. **IT Strategy 2010-2013 – Procurement Approach**
Report of **Director of Corporate Resources** Signed :
Contact Officer : David Hatley, IT Services, Ext 3235

Wards(s) affected: **All**	Report for: **Non-Key Decision**

1. Purpose of the report (That is, the decision required)

1.1. To inform the Cabinet Procurement Committee of the planned approach to procurement to be taken within the IT Strategy 2010-2013 which was approved by the Cabinet on 13 July 2010.

2. Introduction by Cabinet Member

2.1. This report to Committee is for information purposes and sets out the proposed approach to procurement to deliver the IT Strategy 2010-2013.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. Delivering High Quality, Efficient Services

3.2. A Cleaner, Greener Haringey

3.3. A Safer Haringey

4. Recommendations

    4.1. That the contents of this report are noted.

5. Reason for recommendation(s)

    5.1. This report is for information only.

6. Other options considered

    6.1. Not applicable.

7. Summary

    7.1. This report is to inform the Committee of ITS' planned approach to Procurement within the IT Strategy 2010-2013.

    7.2. The IT Strategy 2010-13 sets out a clear vision for the IT activity that needs to be undertaken to deliver the strategic projects which address our current business priorities and the renewal of our IT infrastructure. The delivery of this strategy will be a key enabler in the modernisation of services to residents, improving the customer experience and supporting the realisation of the efficiency savings required in future years.

    7.3. A series of projects and areas for investigation are proposed in the strategy. The strategy requires that each of the projects must have its own business case and be approved by the Corporate IT Board (CITB).

    7.4. Within these projects, there is the need to procure IT hardware and software to deliver the services and achieve the benefits. The approach that will be taken to the procurement requirements is:

    7.5. **IT Hardware i.e. servers, desktops and similar equipment.** The approach will be to procure via the Buying Solutions and the Eastern Shires Procurement Organisation (ESPO) framework agreements. These Framework Agreements are EC compliant and regarded as best value routes to selected IT Hardware suppliers. Within these frameworks there is the ability to undertake further competition amongst the Suppliers to ensure value for money.

    7.6. Buying Solutions is a sub-division of the Office of Government Commerce (OGC) which is a central government department with a remit to enable value for money and increased efficiency regarding public sector procurement. OGC achieve these objectives by setting up a range of framework agreements covering goods, services and consultancy. These agreements are all awarded following full compliance with European Union Procurement Directives. Public sector organisations can access these agreements by following the protocols set out by

OGC for each framework agreement. ESPO is a joint Committee of Local Authorities and operates within the Local Government (Goods & Services) Act 1970. ESPO has framework arrangements for IT hardware which are open to all public sector organisations.

7.7. Appropriate authorisations in compliance with Council Standing Orders will be sought to subsequently use the Hardware framework agreements noted above.

7.8. **IT Infrastructure Software**. The approach will be to procure IT software via the existing IT Services Software Framework in the first instance, which enables competition between three IT software resellers. There is then an option to procure outside of this framework, where improved value is available, by using the Buying Solutions and ESPO framework agreements for software.

7.9. The IT Services Software Framework was previously approved by Procurement Committee on 30 September 2008 and runs until November 2011 with the option to extend for a further 12 months.

7.10. All procurements will be undertaken within the Council's Contract Standing Orders and any procurement which exceeds a contract value of £250,000 will be referred to the Procurement Committee for Award of Contract.

8. Chief Financial Officer Comments

8.1. The Chief Financial Officer was closely involved with the development of the IT Strategy and confirms that the funding to deliver the expected outcomes is in place.

8.2. The overall management and control of this expenditure will be managed in particular through the Corporate IT Board.

8.3. The overall procurement approach for required hardware and software proposed in this report should enable the delivery of best value.

9. Head of Legal Services Comments

9.1 The proposal for procuring IT hardware is to access external Framework Agreements set up by OGC Buying Solutions and Eastern Shires Procurement Organisation (ESPO). Contracts may be awarded by the Council either by direct call-off or mini-competition, depending upon the terms of the relevant Framework Agreement used.

9.2 Both OGC Buying Solutions and ESPO have the status of a central purchasing body ("CPB") as defined under the Public Contract Regulations 2006 ("PCRs"). The PCRs (reg. 22) allow local authorities to buy goods or services through a CPB. Once the CPB's procurement of a framework agreement is EU compliant, a purchase by the local authority via the CPB is also deemed EU compliant. Where IT Services has any doubt whether a specific framework it intends to use is EU compliant, it should seek all necessary information to confirm this from OGC Buying Solutions or ESPO and

consult Corporate Legal Services as necessary.

9.3 The proposal in relation to IT software is to procure via the Council's existing IT Services Framework in the first instance and then to utilise the OGC Buying Solutions and ESPO Framework Agreements. These are also permissible ways of procuring IT software.

9.4 All procurements will need to be carried out in compliance with the Council's Contract Standing Orders and formal contracts will need to be entered into. Corporate Legal Services should be consulted at the relevant time when each procurement is taking place.

10 Head of Procurement Comments

10.1   The procurement routes outlined in this report are fully compliant with Public Contract Regulations and offer value for money.

10.2   In addition, IT services are aware of new procurement techniques involving "reverse auctions", and which are permitted through the Buying Solutions route. Appropriate use of these new techniques could deliver greater discounts than traditional tendering and should therefore be used where possible, especially where Council volumes could be aggregated with other public sector bodies.

11 Equalities & Community Cohesion Comments

11.1   Equalities implications will be reviewed at the time of any procurement.

12 Consultation

12.1 Internal Consultation - The IT Strategy has been considered and approved by the Corporate IT Board. This involved a detailed review of the Infrastructure Strategy by a Corporate IT Board sub-committee and reviews of the Directorate IT Strategy with the individual Directorates. All feedback received during these reviews has been incorporated in the latest version.

12.2   External Consultation – The Society of IT Management (Socitm) has reviewed the strategy and commented that "..the IT Strategy is well structured and comprehensive.."

13　Service Financial Comments

　　13.1　Funding for the technical infrastructure renewal has been allocated and will be managed by IT Services reporting into the Corporate IT Board (CITB).

14　Use of appendices /Tables and photographs

　　14.1　None

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15　Local Government (Access to Information) Act 1985

　　15.1　　The following document has been used in the preparation of this report:

　　15.2　　The Council's IT Strategy 2010-2013.