

Agenda item:

**[No.]**

**Cabinet Procurement Committee**

**On 16 September 2010**

Report Title. **IT Strategy 2010-2013 – Hardware Framework Agreement**

Report of **Director of Corporate Resources**

Signed :

Contact Officer : David Hatley, IT Services, Ext3235

Wards(s) affected: **All**

Report for: **Key Decision**

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

- 1.1. For the Cabinet Procurement Committee to authorise the use of specified Framework Agreements for the procurement of IT Hardware for the delivery of the IT Strategy 2010-2013, and for business as usual.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. I support the request to use consortia frameworks to procure IT Hardware to deliver the IT Strategy, which was approved by cabinet in July, as this will support the Council in achieving value for money.

**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 approval be granted to IT Services' general procurement approach of using the Buying Solutions and Eastern Shires Purchasing Organisation (ESPO) framework agreements for the procurement of IT Hardware including servers, desktops and peripheral items.

**5. Reason for recommendation(s)**

- 5.1. The Buying Solutions and ESPO framework agreements are EC compliant and regarded as best value routes to selected IT Hardware suppliers.
- 5.2. Within these frameworks there is the ability to undertake further competition amongst the Suppliers to ensure value for money.
- 5.3. This will provide a range of suppliers to cover the majority of Council requirements whilst providing sufficient competition to maintain value for money without the time and expense of the full tender process.

**6. Other options considered**

- 6.1. Not applicable at this stage as framework agreements provide a value for money route to sourcing the Council's IT hardware requirements. However, during this period as and when other options become applicable (for example IT e-auctions or separate tenders) these will be considered and utilised as appropriate within the Council's Contract Standing Orders.

**7. Summary**

- 7.1. 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.
- 7.2. 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).
- 7.3. The IT Strategy will necessitate the procurement of IT Hardware to deliver its projects – servers, desktops (PC's, laptops etc) and peripheral equipment.
- 7.4. This report seeks Procurement Committee approval for a general procurement approach under which IT Services (on behalf of the Council) would use framework agreements set-up by Buying Solutions and ESPO to procure the supply of IT hardware.

- 7.5. 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. The 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.
- 7.6. These framework agreements are regarded as best value routes to selected IT Hardware suppliers and there is the ability to undertake further competition amongst the Suppliers to ensure value for money.
- 7.7. Having a choice of framework agreements will enable IT Services to compare and obtain value for money from comparing prices and service delivery standards across the various framework agreements open to Local Government. Framework Agreements work in two ways; a direct call-off from a supplier's product price list, or a call for a mini-competition from suppliers listed under the agreement against a client specification. A contract is formed with the chosen supplier(s) on the terms and conditions contained within the framework agreement.
- 7.8. This route to procure IT hardware will also be used for business as usual and other project requirements. IT hardware procurement for schools is not included in this request as there are specific frameworks for this area.
- 7.9. 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.
- 7.10. It is proposed to utilise these Frameworks for a period of four years, covering the period of the IT Strategy, with an estimated spend of £6 million.

## **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 and that the overall management and control of this expenditure will be managed in particular through the Corporate IT Board.
- 8.2. The recommended framework approach set out in this report for the purchase of hardware for the period of the Strategy should provide the mechanism to achieve value for money. As set out in paragraph 6, should alternative options materialise they will be considered and utilised as appropriate.

## **9. Head of Legal Services Comments**

- 9.1. The report is recommending approval of a general procurement approach of using framework agreements set up by Buying Solutions (a sub-department of the Office for Government Commerce) and the Eastern Shires Purchasing Organisation (ESPO), over a period of 4 years.
- 9.2. Each of these bodies has the status of a central purchasing body (“CPB”) as defined under the Public Contract Regulations 2006 (“PCR”). Reg. 22 of the PCR allows local authorities to buy goods or services through a CPB. Once the CPB’s procurement arrangements are compliant with EU requirements, a purchase by the local authority through the CPB is also deemed EU compliant.
- 9.3. Buying Solutions frameworks are widely accepted to be EU compliant and ESPO usually sets up its framework agreements using a tendering process which it certifies as EU compliant. Where IT Services has any doubt whether a specific framework which it intends to use is EU compliant, it should seek all necessary information to confirm this from Buying Solutions or OGC and consult Legal Services as necessary.
- 9.4. Once the frameworks from which the Council is calling off contracts are EU compliant, the Council’s use of the frameworks would be permissible under Contract Standing Orders (CSO). Under CSO 6.09(b), where the Council procures goods or services by selecting a contractor from a framework set up by a public sector body in accordance with EU rules, CSO do not apply except that the contract award must still be made under usual CSO procedures.
- 9.5. Provided call offs under the Buying Solutions and ESPO frameworks are done consistently with the protocols set up under these frameworks and on a best value basis, there are no legal reasons preventing use of this procurement approach.
- 9.6. The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in paragraph 4 of this report.

## **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.

## **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

## **15. Local Government (Access to Information) Act 1985**

- 15.1. None