

28 September 2011

Councillor Joe Goldberg
Chair of Cabinet Procurement Committee

Dear Councillor Goldberg,

Call-in of PROC12 – Contract for the Supply of Desktop and Laptop Hardware and Associated Professional Services

Thanks very much for attending the call-in meeting on 24 August of the Committee in respect of the supply of desktop and laptop hardware and associated services. Whilst the Committee was not minded to take further action in respect of the decision, they nevertheless expressed some concerns about the issue and requested that I write to you to on their behalf to share these with you.

The Committee is concerned that plans to replace the deteriorating IT infrastructure appear to have been left to such a late stage that any delay could expose the Council to unacceptably high levels of risk and have potentially serious implications to the provision of services to residents. The time constraints that this has imposed may have restricted the Council's scope for exploring all available options for securing best value. Effective planning processes are required to ensure that hardware is replaced at the optimum time and in a manner that minimises potential risk and fully takes into account the likely time required to undertake effective procurement.

Your observation that it is not ideal to have to replace all laptop and desktop computers at once reflects the views of this Committee and we would welcome hearing your proposals for a more phased renewal programme.

The Committee shares your surprise and disappointment that the procurement exercise yielded only one valid tender from potential suppliers, despite the best efforts of the Council's Procurement Team. The goods and services in question are not of a highly specialised nature but from one of the most competitive and diverse markets in the country. A competitive tendering exercise would therefore be expected to yield a substantially higher level of interest.

The Committee is of the view that the process that was undertaken in this instance should be reviewed so that the reasons for the low response can be established and explored and, if necessary, appropriate improvements made to the procurement process.

One particular issue that the Committee feels should be considered is the potential for collaboration with other local authorities in the procurement and provision of IT services. It requests that the report of this review be submitted to a future meeting of the Committee.

The Committee notes that the contract is for £3.3 million. However, this amount is considerably above the actual amount of expenditure that is likely to take place which will probably be between £2.1 and £2.4 million. Whilst understanding why the amount in the contract was set at this higher level, it is concerned that the headroom that this provides may be excessively high and feels that, in the interests of accountability, a lower level might have been more appropriate.

Any comments or observations that you may have in response to the Committee's views would be welcome. Many thanks again for your assistance with this.

Kind regards



Gideon Bull
Chair, Overview and Scrutiny Committee