

Report Title: **An Update on the Procurement of an ICT Managed Services Provider for the Building Schools for the Future Programme**

Forward Plan reference number (if applicable): **N/A**

Report of: **Director of Children and Young People's Service**

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

Report for: **Information**

1. Purpose

1.1 This report is for information only and seeks to update Members on the procurement procedure currently underway and progress made to date in the procurement of an ICT (Information and Communications Technology) Managed Service Provider (MSP) for the Building Schools for the Future Programme (BSF).

2. Introduction by Cabinet Member

2.1 This is the second report to inform the Committee of progress made to date with this major procurement exercise. The award of the contract for an ICT MSP for the BSF programme with a total contract value of approximately £28 million over a 5 year contract term will be a key decision.

3. Recommendations

- 3.1 That Members note the procurement procedure currently underway and progress made to date as outlined in this report.
- 3.2 That Members note that this is the second of four reports (three for information and the fourth for award of contract) for presentation at Procurement Committee to be scheduled at key stages of this procurement to keep Members informed of progress.
- 3.3 That Members note this procurement will eventually lead to seek Members' agreement as a key decision to award the contract for an ICT MSP for the BSF programme with a total contract value of approximately £28 million for a 5 year contract term.

Report Authorised by:



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4. Executive Summary

4.1 The BSF programme aims to enable every local authority in England to rebuild, renew or renovate every secondary school and Haringey Council has secured approximately £194 million of funding to spend on maintaining and improving their secondary school buildings and to build a new Sixth Form Centre, the funding available for ICT investment is approximately £28 million.

4.2 This report seeks to update Members of the Procurement Committee of the procurement procedure currently underway for the ICT element of the BSF Programme and progress made to date.

4.3 The outcome of this procurement intends to provide the Council with an innovative managed services solution to promote a 21st century ICT-enabled learning environment in Haringey's secondary schools (including the Sixth Form Centre).

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6. Local Government (Access to Information) Act 1985

6.1 The following background documents were used in the preparation of this report:

None

7. Background

- 7.1 The BSF programme was launched by the Department for Education and Skills (DfES) in February 2003 and is the biggest single government investment in improving school buildings for over 50 years. The aim is to enable every local authority in England to rebuild, renew or renovate every secondary school over a 10-15 year period to bring the learning environment for Haringey's young people aged 11-19 into the 21st century.
- 7.2 Partnerships for Schools (PfS) is a Non-Departmental Public Body (NDPB), wholly owned by the DfES but jointly funded by DfES and Partnerships UK. PfS provide a range of specialists to work with local authorities to help develop the education vision and ensure that the BSF programme is delivered in the most cost-effective way for the taxpayer.
- 7.3 The investment is in the design and construction of school buildings and also in ICT to support the government's educational reform agenda. Haringey Council is a wave 2 local authority and has secured approximately £194 million of funding (including contributions from the DfES, Learning and Skills Council and other associated funds), to spend on maintaining and improving their secondary school buildings and to build a new Sixth Form Centre, the funding available for ICT investment is approximately £28 million.
- 7.4 The procurement of the construction and ICT elements are being managed as separate procurement projects under the BSF programme. This report aims to inform Members of the Procurement Committee of the procurement procedure for the ICT element only.
- 7.5 This is the second of four reports (three for information and the fourth for award of contract) for presentation at Procurement Committee to be scheduled at key stages of this procurement to keep Members informed of progress. This is a revision to the first report presented to Procurement Committee on 13 March 2007 [Minute No. PROC44.] which stated that a total of three reports would be presented to Procurement Committee.

8. The ICT Managed Services

- 8.1 The procurement of an ICT MSP for the BSF programme will result in the award of contract to a single supplier engaged to provide an innovative ICT managed services solution to promote an ICT-enabled learning environment in Haringey's secondary schools (including the Sixth Form Centre).
- 8.2 The scope of the ICT managed services to be provided by the MSP over a minimum 5 year contract term will broadly include:
- 8.2.1 support and integration of existing legacy hardware and software applications
 - 8.2.2 design, supply, installation and testing of new ICT infrastructure to include network, hardware and software. This includes the provision of a core enterprise educational Management Information System (MIS) and Managed Learning Environment (MLE)
 - 8.2.3 support and training to assist secondary schools with the management of the transition over from legacy systems and in the implementation of new processes, equipment, systems and applications

- 8.2.4 support of the new ICT infrastructure including maintenance and engineering services, user account management, helpdesk services, virus protection, security, back-up, disaster recovery and other core network services
- 8.2.5 service management and participation in ongoing operational and strategic service reviews to measure, monitor and manage the ICT MSP's contract and performance.

9. The Procurement Procedure

- 9.1 The competitive dialogue procedure was selected as the appropriate procurement procedure in consultation with PfS and Eversheds, the BSF programme's external lawyers. Both PfS and Eversheds will continue to provide procurement and legal advice as appropriate throughout the procurement process.
- 9.2 The competitive dialogue procedure is a new procedure introduced by The Public Contracts Regulations 2006 (in compliance with EU public sector procurement directives) and came into effect in the UK from 31 January 2006. This procedure is designed for use in the procurement of 'particularly complex projects' and is particularly relevant for use in the procurement of complex ICT-enabled services and/or ICT systems.
- 9.3 Below is a brief overview of the competitive dialogue procedure:
 - 9.3.1 Issue of the Contract Notice in the Official Journal of the European Union (OJEU).
 - 9.3.2 Pre-qualification stage comprising evaluation of suppliers' Pre-Qualification Questionnaires (PQQs) based on pre-determined criteria and the selection of a longlist of bidders (normally 3 to 8) to invite to proceed to the Dialogue phase of the procurement.
 - 9.3.3 The aim of the Dialogue phase is to "identify and define the means best suited of satisfying [the Council's] needs" and acknowledges the requirement in complex projects to discuss potential solutions, develop and refine ideas and options with bidders as part of the tender process.
 - Dialogue can be conducted in pre-defined "successive stages" - an Invitation To Participate in Dialogue (ITPD) stage followed by an Invitation To Continue Dialogue (ITCD) stage - to reduce the number of solutions/bidders involved in the procurement.
 - Dialogue offers the greatest flexibility in the procurement procedure and should continue until the Council is satisfied it has identified and defined its requirements sufficiently with bidders to enable Final Tenders to be submitted.
 - 9.3.4 Those bidders remaining in the procurement (normally 2 to 3) are invited to submit their Final Tenders based on the solutions identified during Dialogue. Final Tenders are assessed in order to select the Preferred Bidder who has submitted the most economically advantageous tender (MEAT) prior to award of contract in accordance with the Council's Contract Standing Orders (CSOs).

10. Progress Made In the ICT MSP Procurement

- 10.1 The first report was presented to Procurement Committee on 13 March 2007 [Minute No. PROC44.] described the commencement of the procurement procedure from the issue of the OJEU Contract Notice in December 2006 to the evaluation of bidders' PQQs during the pre-qualification stage in March 2007.
- 10.2 The evaluation of PQQs resulted in a recommendation for a long-list of 6 bidders to be invited to the ITPD stage of the Dialogue phase. The recommended long-list was approved by the BSF Programme Board on 13 March.
- 10.3 The ITPD was issued to the long-list on 21 March and required bidders to:
 - 10.3.1 provide a written response to a series of 10 questions to assess bidders' understanding of the BSF Programme, Haringey's vision for BSF and their approach to the delivery of a managed service.
 - 10.3.2 attend a presentation/interview day on 02 or 03 May, in which bidders presented to the Evaluation Team (comprised of representatives from Haringey schools and Children and Young People's Service (CYPS)) and bidders' subsequent participation in a Q&A session with the Evaluation Team.
- 10.4 5 of the 6 bidders submitted their written responses to the ITPD questions by the deadline of 16 April (1 bidder subsequently withdrew from the procurement at this stage) and 5 bidders attended the presentation/interview day.
- 10.5 Bidders' written responses and presentations were evaluated based on pre-determined criteria and resulted in a recommendation for a short-list of 3 bidders to be invited to the ITCD stage of the Dialogue phase. The recommended short-list was approved by the BSF Programme Board on 22 May.
- 10.6 It is anticipated that the ITCD will be issued to the short-listed bidders in early June and this stage is expected to continue until the end of November 2007, with the evaluation of bidders' Final Tenders and selection of the Preferred Bidder made by February 2008.

11. Consultation

- 11.1 Consultation will take place throughout the procurement process with stakeholders in the BSF programme, including but not limited to representatives from Haringey secondary schools, the Council, PfS, Eversheds and Members of the Procurement Committee.
- 11.2 Consultation with Members of the Procurement Committee will continue with the presentation of a third report (for information) half way through the ITCD stage at or around the submission of bidders' Initial Bids (anticipated to be in September 2007), and the presentation of a fourth and final report (anticipated to be in February 2008) to recommend the award of contract to the Preferred Bidder.

12. Contract and Performance Management

- 12.1 The management of the ICT MSP's contract and performance will be fully prescribed during the ITCD stage of the Dialogue phase, but it is anticipated to be by means of regular service reviews to review performance against a Service Level Agreement (SLA) contractually agreed between the parties.

13. Summary and Conclusions

- 13.1 The BSF programme aims to enable every local authority in England to rebuild, renew or renovate every secondary school and Haringey Council has secured approximately £194 million of funding to spend on maintaining and improving their secondary school buildings and to build a new Sixth Form Centre, the funding available for ICT investment is approximately £28 million.
- 13.2 This report seeks to update Members of the Procurement Committee of the procurement procedure currently underway for the ICT element of the BSF Programme and progress made to date.
- 13.3 The outcome of this procurement intends to provide the Council with an innovative managed services solution to promote a 21st century ICT-enabled learning environment in Haringey's secondary schools (including the Sixth Form Centre).

14. Recommendations

- 14.1 That Members note the procurement procedure currently underway and progress made to date as outlined in this report.
- 14.2 That Members note that this is the second of four reports (three for information and the fourth for award of contract) for presentation at Procurement Committee to be scheduled at key stages of this procurement to keep Members informed of progress.
- 14.3 That Members note this procurement will eventually lead to seek Members' agreement as a key decision to award the contract for an ICT MSP for the BSF programme with a total contract value of approximately £28 million for a 5 year contract term.

15. Equalities Implications

- 15.1 Bidders' compliance with equalities legislation was assessed during the pre-qualification stage of the procurement and will be incorporated in the contract signed with the ICT MSP.

16. Health and Safety Implications

- 16.1 Bidders' compliance with health & safety legislation was assessed during the pre-qualification stage of the procurement and will be incorporated in the contract signed with the ICT MSP.

17. Sustainability Implications

- 17.1 Bidders' compliance with environmental legislation was assessed during the pre-qualification stage of the procurement process and will be incorporated in the contract signed with the ICT MSP.

18. Financial Implications

- 18.1 There are no direct financial implications of this report.

19. Comments of the Acting Director of Finance

- 19.1 As this report simply recommends noting of the procurement procedure, as stated above, there are no direct financial implications. The eventual awarding of the contract is, however, significant and will need to be fully and properly considered in the light of BSF funding availability.

20. Comments of the Acting Head of Legal Services

- 20.1 The contract to which this report relates has been advertised in the Official Journal of the EU, using the competitive dialogue procedure – a relatively new procedure introduced under the Public Contracts Regulations 2006 for use in the procurement of complex contracts, which allows a procuring authority enter into dialogue with interested contractors prior to awarding a contract.
- 20.2 As the report states, the first stage of the dialogue has now been successfully completed and three of the bidders have been short-listed for invitation to next stage of the dialogue – the Invitation to Continue Dialogue (ITCD) stage.
- 20.3 The Head of Legal Services has light-touch monitored the work of the BSF team's external legal advisers (Eversheds) in respect of this procurement and confirms that the procurement process undertaken in respect of the contract to date has been in compliance with the provisions of the Public Contracts Regulations 2006.

21. Comments of the Head of Procurement

- 21.1 The Competitive Dialogue procedure is being supported with legal advice and guidance from Eversheds.
- 21.2 It is strongly recommended that an employed contract manager is identified and assigned to be fully involved in this procurement process and who will then manage the contract and relationship with the successful bidder once the contract is awarded.

22. Use of Appendices / Tables / Photographs

- 22.1 None