


REPORT TO CABINET

23 September 2020

Subject:	Approval to Modify Contract Value for existing Technology Hardware Contract
Presenting Cabinet Member:	Councillor Wasim Ali, Cabinet Member for Resources and Core Services
Director:	Director of Prevention & Protection Neil Cox
Contribution towards Vision 2030:	
Key Decision:	Yes
Cabinet Member Approval and Date:	Yes
Director Approval:	Neil Cox
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Boroughwide
Scrutiny Consultation Considered?	Scrutiny have not been consulted
Contact Officer(s):	Sue Knowles Head of ICT and Revenues and Benefits. sue_knowles@sandwell.gov.uk Andy Saunders ICT Service Manager andy_saunders@sandwell.gov.uk Satish Patel ICT Team Manager satish_patel@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

1. increase the value of the Technology Hardware Contract with XMA Limited by £1.5m, from £3.0m to £4.5m until 30 April 2022.
2. Subject to (1) above, authorise the Director - Law and Governance and Monitoring Officer to execute a formal variation to the existing contract to increase the contract value from £3m to £4.5m.

1 PURPOSE OF THE REPORT

- 1.1 To request an increase in value to the Technology Hardware contract to accommodate additional expenditure that was not provided for within the original contract.
- 1.2 The increase in provision within the existing contract will ensure that the Council can continue to procure a range of technology hardware (e.g. laptops, desktops, tablets, servers, etc.) that remains compatible with current corporate standards.

2 IMPLICATION FOR VISION 2030

- 2.1 An ICT infrastructure that supports the delivery of modern, flexible services will be crucial to the delivery of all our ambitions and 2030 vision.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The council needs to achieve savings in its operational costs whilst maintaining and improving services for the people of Sandwell. ICT is a key enabler and supports the council in its endeavours by providing an agile and flexible ICT infrastructure to deliver the systems and services which enable the workforce to operate efficiently.
- 3.2 To support the delivery of ICT, the council requires a single supplier to provide a range of hardware devices such as laptops, desktops, tablets, servers and thin client devices through to other peripherals such as mice, keyboards and memory sticks.
- 3.3 It is proposed that the current contract be varied to increase the value by an additional £1.5m to allow other areas of the Council to utilise a contract that is well established with a trusted partner.

- 3.4 The existing contract is likely to reach its current expenditure limit of £3m prior to the end date of 30 April 2022 as the Council's requirements for the purchase of new hardware have increased. The increase is due to the Workplace Vision programme and an increase in mobile working in Neighbourhood Services. An increase in value is therefore required to ensure that suitable arrangements continue to be in place through the existing provider XMA Limited.
- 3.5 The Council has built up a strong working relationship with XMA Limited under this contract.
- 3.6 XMA Limited already understand our requirements and standards.
- 3.7 The Council will benefit from consistency of supply from a single provider.
- 3.8 There are currently component and supply shortages in China due to the pandemic, therefore we are likely to get higher priority access to stock in the channel through XMA Limited as we may be able to call off when required rather than having to undertake a lengthy procurement process to identify a new provider.
- 3.9 We are more likely to obtain a competitive price by aggregating council spend rather than disaggregating it.
- 3.10 It will be resource intensive to run another procurement process at the current time when resources are already stretched.
- 3.11 We are likely to experience much higher pricing if we re-tender in the current climate due to the fall in the pound against the dollar. It has gained some ground since March; however, it is highly volatile now and therefore at an increased risk of much higher prices.
- 3.12 It is permissible under the Public Contract Regulations to increase the contract value by up to a maximum of 50%, providing the overall scope of the contract does not change, which is the case with this contract.
- 3.13 The additional £1.5m variation to the contract with XMA Limited, will be under the same terms and conditions and price of the current agreement.

4 THE CURRENT POSITION

- 4.1 A tender exercise commenced on 10 October 2018 using Crown Commercial Services Framework RM3733 Technology Products 2, Lot 1 Hardware. This was in accordance with the Public Contracts Regulations 2015.

4.2 Returned tenders were evaluated and the most economically advantageous tender was received from XMA Limited.

5 **CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

5.1 We have business partner roles in place within the ICT Service. These officers consult with services on a regular basis to understand their ICT requirements and obtain feedback on new initiatives.

6 **ALTERNATIVE OPTIONS**

6.1 An alternative approach would be to undertake a new tender process for each requirement and award individual contracts. However, this would be inefficient as this would be required on an almost continuous basis leading to higher costs and increased delivery times for equipment.

7 **STRATEGIC RESOURCE IMPLICATIONS**

7.1 This request is to increase the maximum value of our contract with XMA Ltd to allow Sandwell Children's Trust and Neighbourhood services as well as other service areas to use this framework. Additional resources to fund the Trust's requirements and Neighbourhood Services requirements have been identified, any other service areas wanting to procure from this contract will need to identify funds from their respective budgets to cover the cost of purchases.

7.2 The corporate risk management strategy has been complied with to identify and assess any risks associated with the decisions being sought. This has concluded that there are no significant risks require reporting.

8 **LEGAL AND GOVERNANCE CONSIDERATIONS**

8.1 The contract award to XMA Limited through the terms of Crown Commercial Service Framework RM3733 Technology Products, Lot 1 Hardware was in compliance with Public Contract Regulations 2015 and the Council's Procurement and Contract Procedure rules.

8.2 Regulation 72(1)(b) of the Public Contract Regulations allows for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement where any increase in price does not exceed 50% of the original contract value.

- 8.3 Following cabinet approval of the recommendations detailed in this report a VEAT notice will be published which will give the market time to respond to our intended course of action and raise a challenge if they believe there is cause to do so. We will observe a standstill period following publication before executing the contract extension and so the Council will not be vulnerable to challenge in the courts.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An equality impact assessment is not required.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 A Data Protection Impact Assessment is not required.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 A Crime and Disorder and Risk Assessment is not required.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 This proposal will help to ensure our ICT infrastructure remains fit for purpose both now and in the future.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1 The hardware technology contract enables the procurement of suitable hardware which can support flexible working which assists in the health and wellbeing of employees.
- 13.2 An Open Procurement Procedure was used by Crown Commercial Services to set up the Framework Agreement. As part of the process Crown Commercial Services undertook pre-market engagement with over 80 different supplier organisations and nearly 60 buyers got involved in shaping and improving the Framework Agreement.
- 13.3 As part of the evaluation for award of the contracts, Crown Commercial Services considers Social Value is built into the procurement activity and measures the social value element of bids received.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1 No impact.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The variation of the current contract with XMA Limited to allow for additional goods and services to be procured up to an additional value of £1.5M, up to a maximum contract value of £4.5M will continue to provide the best value for money for the Council up to 30 April 2022.

16 BACKGROUND PAPERS

16.1 None

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Neil Cox
Director of Prevention & Protection