

**AGENDA ITEM: 13**

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Meeting	Audit Committee
Date	21 September 2010
<b>Subject</b>	<b>Contract for the provision of Councillors new IT equipment</b>
Report of	Director of Commercial Services
Summary	This report outlines the arrangements for the contract for the provision of Councillors new IT equipment

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Officer Contributors	Kylton Trim, Nasreen Tayab, Colin Attree
Status (public or exempt)	Public (with a separate exempt report)
Wards affected	All
Enclosures	None: The identity of suppliers are detailed in the accompanying exempt report
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

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Contact for further information: Kylton Trim, Head of Information systems (0208 359 7905) or Colin Attree, Head of Corporate Procurement (0208 359 7194)

## **1. RECOMMENDATIONS**

- 1.1 That the Committee notes the contents of the report.
- 1.2 That the Committee consider whether there is any area upon which they require additional information.

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 Providing Councillors with reliable fit for purpose IT equipment directly supports the Councils three corporate priorities of 'A Successful London suburb', 'Better Services with Less Money' and 'Sharing Opportunities and Sharing Responsibilities'.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The cost of maintenance and support of IT equipment increases as it approaches the end of its working life. Without a standard refresh cycle for IT equipment there is a risk of increased unplanned cost.
- 4.2 The Council continues to increase its dependency on technology to deliver services and to communicate internally and with residents. Without refreshing IT equipment regularly, there is a risk of disruption to the work of Councillors through increasing hardware failure of IT equipment.
- 4.3 The risk of not obtaining the most economically advantageous pricing has been mitigated by conducting a mini competition utilising existing Framework Agreements.
- 4.4 The risk of challenge to the procurement process from a third party has been mitigated by conducting a mini competition utilising the following existing Framework Agreements:
  - Buying Solutions Commoditised IT Hardware and Software Agreement (RM712)
  - Eastern Shires Purchasing Organisation (ESPO) Framework Agreement for IT Related Products contract number 113
  - Essex Online Partnership Framework

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The standard IT equipment offers a wide range of facilities that can be enabled to meet specific needs. The provision of effective IT equipment to support the work of Councillors will benefit the entire community

**6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 6.1 Providing reliable IT equipment to Councillors provides value for money by reducing the amount of time lost due to equipment hardware failure and the associated support costs.

**7. LEGAL ISSUES**

- 7.1 None other than those to which reference is made in the body of Report.

**8. CONSTITUTIONAL POWERS**

- 8.1 Constitution part 3 Responsibility for functions, section 2 responsibility for Council functions, details the terms of reference for the Audit Committee to consider the Council's compliance with its own and other published standards and controls.

**9. BACKGROUND INFORMATION**

- 9.1 In 2006 when the Councillors' IT equipment was first issued, the Council's IT estate comprised mainly of desktop PCs with a small number of laptops. As part of the Accommodation Programme the majority of desktop PC's have been replaced with a standard Tablet PC. The recent refresh of Councillors' IT equipment brings Councillors IT equipment up to the standard equipment currently being issued to Council officers. Standardisation of equipment enables improved support for the equipment and economies of scale in procurement exercises.
- 9.2 The main components of Councillors' IT equipment consist of a laptop, monitor and printer. The standard replacement cycle for equipment of this type is between 3-4 years. The reason for this is that, in general, extending the use of equipment beyond this timeframe leads to increased downtime, poor productivity and increasing support costs.
- 9.3 Older IT equipment is less able to run the latest software in use today. The Council has recently improved the security for data accessed on mobile devices by rolling out encryption software in addition to continuously updating anti-virus software. Software programs of this type are optimised for newer IT equipment; using older equipment often results in poor performance and instability.
- 9.4 The majority of Councillors' IT equipment was 4 years old at the time of replacement. During the last 2 years the IT equipment issued to Councillor's has failed on 754 occasions, 661 of these has prevented the affected Councillor from working.
- 9.5 The hardware cost of replacing Councillors' IT equipment is £106,000. This equipment is based on the standard IT equipment issued to Council officers.

- 9.6 In recognising the need to replace the IT equipment, there was a need to enter into a contract with a supplier from whom appropriate equipment could be purchased. To this end the Council's Corporate Procurement Team initiated a mini competition utilising 2 existing Framework Agreements:
- Buying Solutions Commoditised IT Hardware and Software Agreement (RM712) This agreement has 12 suppliers
  - Eastern Shires Purchasing Organisation (ESPO) Framework Agreement for IT Related Products contract number 113. This agreement has 15 suppliers

In addition, a request for quotations was sent directly to HP utilising the Essex Online Partnership Framework.

- 9.7 Utilising existing Framework Agreements within the mini competition enabled the Procurement Team to conduct an efficient procurement process, without having to follow a full European Union procurement process. The Buying Solutions quotation was conducted online and the Eastern Shires Purchasing Organisation Framework was issued via email. Suppliers were given a two week restricted timescale in which to respond which was then extended for a further week to allow suppliers to obtain their pricing from HP.
- 9.8 The Procurement Team utilised the Essex Online Partnership Framework to obtain direct pricing from HP which was used to benchmark and compare pricing received under the other Framework Agreements. The procurement route chosen enables items to be sourced direct from HP in a compliant manner without paying for any mark ups from resellers and is the most competitive option. As stated above we did however involve by mini-competition the reseller community to ensure the widest competition possible and to ensure the direct route with HP was in fact truly the most competitive.
- 9.9 On the 1 June 2010 responses from suppliers were received and evaluated using a price and quality matrix. After consulting with Information Systems, it was deemed competitive to opt to award directly to HP for the provision of the standard IT equipment.

## **10. LIST OF BACKGROUND PAPERS**

- 10.1 None.

Legal: JM  
Finance: MC