

**AGENDA ITEM**

**REPORT TO CABINET**

**17 OCTOBER 2019**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET / KEY DECISION**

**Leader of the Council - Lead Cabinet Member – Councillor Bob Cook**

**PROCUREMENT PLAN / HIGHER VALUE CONTRACTS**

**SUMMARY**

This report seeks approval from Cabinet for the procurement of a number of planned higher value contracts, where the value exceeds the limit on officer delegated authority, but which are funded within the approved MTFP.

**REASONS FOR RECOMMENDATIONS/DECISIONS**

To enable Cabinet to exercise its strategic oversight of higher value planned procurement projects, in accordance with the updated constitution and to avoid the need to submit multiple individual requests for contract approvals.

**RECOMMENDATIONS**

That Cabinet:

1. approve the procurement of the projects listed in Annex 1;
2. give authority to the relevant Director or Assistant Director to make the specific contract award decisions in accordance with the delegations listed in Annex 1.

**DETAIL**

1. The council has a well-established practice of good forward planning of procurement that ensures adequate resources and sufficient time is dedicated to the process to ensure service outcomes and value for money are achieved. There is an ongoing requirement to manage a pipeline of contract renewals and new contracts for services, goods or works that support service delivery.
2. As part of the update to the constitution a succinct scheme of officer delegation and committee terms of reference were agreed. These changes have simplified and streamlined the approach to decision making by removing the many differing decision making routes associated with individual functions. The constitution now more clearly defines a range of decisions that require a specific Cabinet approval, the financial threshold for which is set at a level of £500k or more.
3. Annex 1 lists the procurement projects over £500k that are underway and due for award. The value of the individual contracts each exceeds the revised officer delegation limit approved by Council as part of the new constitution May 2019.
4. By approving the procurements in this way, there will be no further requirement for officers to obtain a separate cabinet approval for each individual contract. It is intended that this approach

will streamline Cabinet input and ensure focus on contracts that are significant, higher value or whose award would be a key decision.

### **COMMUNITY IMPACT IMPLICATIONS**

5. Not applicable.

### **CORPORATE PARENTING IMPLICATIONS**

6. Not applicable.

### **FINANCIAL IMPLICATIONS**

7. The report sets out a number of higher value contracts expected to be awarded in the current financial year. The expenditure committed as a result of these procurements is planned and remains within the Council's approved budget/MTFP. Where the cost in any one year exceeds £500k these are additionally key decisions and are specified in the annex.

### **LEGAL IMPLICATIONS**

8. Notwithstanding Cabinet approval it remains the responsibility of officers to ensure that the correct processes within Contract Procedure Rules have been followed and that where applicable the Public Contracts Regulations 2015 are complied with.

9. Where the value of goods, services or works exceeds the threshold at which the procurement process must comply with the Public Contracts Regulations either a tender exercise or the use of a suitable framework agreement will comply with the Regulations.

10. Where the procurement is specified as a key decision, these have been published on the Council's Forward Plan for at least 28 clear days prior to the decision being made. This is to comply with the access to information rules set out in the constitution.

### **RISK ASSESSMENT**

11. The procurement is categorised as low to medium risk. Existing management systems and activities are sufficient to control and reduce risk.

### **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

12. Not applicable – does not relate directly to specific wards.

### **BACKGROUND PAPERS**

None

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## Annex 1

<b>ADULTS SOCIAL CARE CASE MANAGEMENT SYSTEM</b>	
<p>1. An effective case management system is critical in maintaining efficient and cost effective adults social care services.</p> <p>2. It is necessary to replace the current CareDirector adults social care case management system as this software platform is increasingly out of date and not fit for purpose. In addition, a major part of the technical infrastructure of the current system will be out of support by July 2021 and therefore the system must be replaced before this date.</p> <p>3. The recommended procurement approach is to use a direct award from the Crown Commercial Services (CCS) Data and Application Solutions (DAS) framework. This is supported by the following reasons:</p> <ul style="list-style-type: none"> <li>a. All suppliers on the framework have been through a pre-qualification process</li> <li>b. All available systems are on the framework</li> <li>c. The framework is the most expedient route to market which is important due to the required timescales for implementation</li> </ul> <p>4. A detailed options appraisal has been completed and a decision has been made to award to Liquidlogic Limited, via a direct award permissible under the CCS framework. This is supported by the following reasons:</p> <ul style="list-style-type: none"> <li>a. High quality, market leading product</li> <li>b. Positive previous experience with the supplier in implementing their children's social care case management system due to go live in November 2019</li> <li>c. Supplier capability to meet our requirements for a replacement system to be in place by July 2021</li> <li>d. Meets our desire to work with a single supplier across both adults and children's systems, allowing opportunities to streamline technical and administrative support and data transfer</li> <li>e. Fully integrated finance module will enable improved financial and contract management in the delivery of adults services</li> <li>f. Simple route to market and value for money total cost of ownership</li> </ul> <p>5. The framework details are:</p> <ul style="list-style-type: none"> <li>a. Framework name &amp; reference No: Data and Application Solutions RM3821, Lot 3c Community Health &amp; Social Care</li> <li>b. Framework owner: Crown Commercial Services</li> <li>c. Date commencing 25/01/2019</li> <li>d. Date expiring 24/01/2021</li> </ul> <p>6. The system replacement is being funded from existing resources and there is no further impact on the MTFP. The cost spread over the initial five years of the contract is £616k, representing the one-off cost of the software licence and implementation plus the recurring cost of annual support and maintenance.</p>	
Key Decision: No	Funding within MTFP: Yes
Delegated Officer: Ian Coxon, Assistant Director, Information and Improvement	
Checks and Balances: In consultation with other appropriate officers for professional advice to include finance and procurement.	

<b>ICT DESKTOP REFRESH PROCUREMENT</b>	
<p>1. There is a cyclical requirement to refresh desktop &amp; laptop hardware. To meet Public Services Network (PSN) security requirements, software and equipment must remain in supplier support. Without PSN approval communication with essential other government departments such as the Department for Work and Pensions (DWP) would end. This would clearly cause severe operational difficulties for both Councils.</p> <p>2. Xentrall ICT Services have a requirement to replace existing end-of-life PC/laptops with Windows 10 enabled devices to continue to be secure and meet the requirements of the Government's PSN compliance programme. This device replacement strategy also is a key element to the Council's Smarter Working programme. There is no viable alternative to the cyclical replacement of the systems and equipment at this time</p> <p>3. Xentrall has appraised options for Microsoft Windows 10 hardware devices and purchasing options, and has concluded that the most appropriate route to market is through a suitable framework agreement let in accordance with the relevant EU and UK legislation. In this case to utilise the HealthTrust Europe framework to award to Dell Corporation Ltd.</p> <p>4. Xentrall have undertaken a professional appraisal of a number of possible procurement options as to how best to service Stockton and Darlington needs now and in the future. Developing a strategic supply chain for will enable Xentrall to continue to deliver services in a timely and cost effective manner.</p> <p>5. Key factors that led to this recommendation include:</p> <ul style="list-style-type: none"> <li>• High quality, market leading products</li> <li>• Positive previous experience with the supplier in other market areas</li> <li>• Capability to meet our requirements for automated deployment, as an OEM supplier, without third party intervention/overheads/delays</li> <li>• Meets our desire to work with a single supplier across both desktop and portable products lines</li> <li>• Simple route to market, no minimum spends, no minimum unit number or contract length or commitment involved.</li> </ul> <p>6. The framework details are:</p> <ul style="list-style-type: none"> <li>• Framework Name &amp; Reference No.: Lot 1 (IT Hardware), HealthTrust Europe's Information Communication Technology (ICT) Solutions framework (contract HTE-01522.1)</li> <li>• Framework Owner: HealthTrust Europe</li> <li>• Date Commencing: 31/01/2015</li> <li>• Date Expiring: 07/12/2019</li> </ul> <p>7. This is a call-off contract and equipment will be purchased during the call off duration based on the refresh programme that is in place to update computer hardware over the next 3 years. The refresh programme is being met from existing budgets and there is no further impact on the MTFP. The total value of the main contract is £1,065,342.20 (SBC £913,244, DBC £152,098.20). Any additional contracts let will be met from existing budgets.</p>	
Key Decision: Yes	Funding within MTFP: Yes
Delegated Officer: Ian Miles, Assistant Director Xentrall Shared Services	
Checks and Balances: In consultation with other appropriate officers for professional advice to include finance and procurement.	

<b>REVENUES AND BENEFITS ICT SOFTWARE</b>	
<ol style="list-style-type: none"> <li>1. Civica UK's 'OpenRevenues' system is the software being used by the Revenues and Benefits Service and Customer Services. This is proven technology that is delivering benefits in Stockton and in a number of Local Authorities.</li> <li>2. The Council has committed to exploring ways of offering customers the ability to access more of its services digitally and in January 2019 Cabinet approved the recommendations that came from the People Select Committee's review of digital optimisation.</li> <li>3. Due to the existing contractual arrangements coming to an end it is now necessary to review future contract arrangements. The estimated cost for the next 5 years is estimated to be £1 million, funded from existing resources and no further impact on the MTFP.</li> <li>4. The intention is to carry out a Soft Market Test of the markets capabilities of providing an integrated Revenues and Benefits system, including document management and workflow, which can support automation and increased digital choice for customers.</li> <li>5. Following market engagement it is proposed to identify the most appropriate route to market to enter into a longer term contract.</li> </ol>	
Key Decision: No	Funding within MTFP: Yes
Delegated Officer: Garry Cummings, Director of Finance and Business Services	
Checks and Balances: In consultation with other appropriate officers for professional advice to include finance and procurement.	

<b>REPLACEMENT REFUSE AND RECYCLING COLLECTION VEHICLES</b>	
<ol style="list-style-type: none"> <li>1. Waste collection is the responsibility of the Council acting as a waste collection authority. Consequently the Council has statutory duties under the Environmental Protection Act 1990 and the Household Waste Recycling Act 2003 and must arrange for the collection of household waste (and, if requested, of commercial waste) in the borough.</li> <li>2. The effective fleet management of collection vehicles and how they are operated is critical in maintaining efficient and cost effective collection services. Community Services operates a planned replacement programme for Refuse and Recycling collection vehicles. There is a requirement within the programme for the replacement of 16 vehicles, 8 refuse collection vehicles and 8 recycling vehicles. These will replace vehicles that will have reached the end of their contract hire agreements with the Council.</li> <li>3. Funding to provide these vehicles is included in the MTFP and the estimated total value allocated to procure these 16 vehicles on contract hire terms is between £700-900k per year for a five year contract hire term with the final price being determined as a result of a competitive bidding process.</li> <li>4. It is proposed undertake the procurement through a NEPO a framework agreement. This approach will enable to Council to seek competitive bids from a number of pre-selected suppliers. The successful supplier(s) will provide the vehicles and equipment in accordance with the Council's specification and requirements.</li> </ol>	
Key Decision: Yes	Funding within MTFP: Yes
Delegated Officer: Jamie McCann, Director of Community Services	
Checks and Balances: In consultation with other appropriate officers for professional advice to include finance and procurement.	