

Report No.
CSD22069

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: 6 October 2022

Decision Type: Non-Urgent Executive Key

Title: IT SERVICES PROCUREMENT AND PROVISION

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Chief Officer: Tasnim Shawkat, Director of Corporate Services and Government

Ward: All Wards

1. REASON FOR REPORT

- 1.1 This report provides an analysis of the work agreed by the Executive at its meeting on 30 June 2021 and sets out options and recommendations for the Executive to consider on the future of IT Services including procurement options.
 - 1.2 The Portfolio Holder for Resources, Commissioning and Contract Management has been consulted on the analysis of options in this report.
 - 1.3 Any future changes to the IT infrastructure technology will be submitted for consideration and decision making by Members as and when necessary, as they will be part of the IT infrastructure transformation which is not the subject of this report.
 - 1.4 Exempt details are set out in an accompanying part 2 report.
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2. RECOMMENDATIONS

The Executive is asked to:

- 2.1 Note the options explored and analysis in this report.

- 2.2 Approve the plan and budget for the next phases of work (procurement and transition) as set out in Section 8 of this report. This will incur costs estimated at £682k in total (£346k in 2022/23 and £336k in 2023/24) to be funded from the Central Contingency Fund.**
- 2.3 Approve the procurement of a contract for the provision of IT and Digital services for a period of five years, to commence from December 2023, with an option to extend for a period of up to another five years.**
- 2.4 Note and comment on the engagement that has taken place with staff within the current IT Client Team about the options being considered. Whilst no feedback has been received from them to date, this report will be shared with them and engagement will continue throughout this process. In the event that Members agree to the recommendations set out in this report, formal consultation with staff and their representatives will commence in accordance with Council policies, procedures and employment legislation.**
- 2.5 Approve delegation of authority to the Portfolio Holder for Resources, Commissioning and Contract Management and to the Director of Corporate Services and Governance for agreeing any relevant decisions to enable the implementation and delivery of the recommendations in this report that are agreed by Executive.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
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Corporate Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority:
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: £682k once-off
 2. Ongoing costs: Estimated within part 2 of this report
 3. Budget head/performance centre: Information Systems & Telephony
 4. Total current budget for this head: £6.0m
 5. Source of funding: Tchnology Fund (once-off costs)
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Personnel

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: Proceeding to procurement via compliant framework route
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 The Council entered into two contracts with BT in December 2015 for the delivery of IT services. The scope and term of the contracts were extended by a Change Control Notice (CCN) in September 2017 to December 2023. The contracts cannot be further extended. The Council also has a contract with BT for additional IT services including mobile telephony which began in January 2019 and also expires in December 2023.
- 3.2 IT services provided under the contract include:
- Service Integration and Service Management
 - Help/service desk
 - User/desktop support
 - IT network and IT infrastructure support
 - Data centre support
 - Line of Business System Support
- These are core services which the Council will continue to require.
- 3.3 Consideration needs to be given to the structure of the current LBB IT Client Team structure and resourcing as it was established to support and enable a level of 'business as usual' activity that was established some years ago. It consists of five permanent full-time equivalents (FTEs), two fixed term FTEs and one agency staff and is structured around an outsourced delivery model with monitoring and overview taking place at a high level. The team undertakes all governance and monitoring of the contract and Service Level Agreements (SLAs). In designing the service for the future, it is essential that the client and in-house expert service is appropriately resourced to deliver any new structures and models.
- 3.4 Four options were approved by Executive in June 2021 for further consideration based on the key appraisal factors of:
- Establishing arrangements in the time available before end of current contract
 - Minimising disruption and risk to provision of IT services and to the Council
 - Minimising costs of addressing end of current contract
 - Improving agility for the council
 - Providing sufficient flexibility for changes to scope of services and delivery arrangements including the operating model
- 3.5 These options were as follows, with further detail in Appendix Two.
- 3.5.1 Option One: like for like
- Run a further competition using an appropriate framework, should one be available with no or minimal changes to current contractual specification, scope or supporting arrangements.
- 3.5.2 Option Two: run a further competition using an appropriate framework with specification changes being made to reflect current and future requirements
- Whilst this would be based on the existing contract, specification, scope and supporting arrangements it would include changes, rescaling and a revised operating model, to reflect taking some functions and services in-house and/or being provided by different suppliers. The contract achieved would be outcome-focused with a refreshed service specification and scope to create savings.

3.5.3 Option Three: run a full procurement.

This would involve a full procurement exercise to select a new primary supplier, based on a new contract but would have the same aims as Option Two.

3.5.4 Option Four: in-house service

This would replace the current supplier model with one which brings all functions and services currently provided by the supplier in-house and procure new contracts as necessary for services that may then be externalised. As in paragraph 3.5.2 above, in bringing some services and functions back in house, any staff undertaking work in scope would be subject to the provisions of TUPE regulations as outlined in Section 12 of this report.

3.6 Planning for the end of the current contract has provided an opportunity to review existing IT arrangements and service support models to ensure they continue to meet and provide:

- Service requirements and service levels
- Value for money
- The Council's use and access to the most valuable digital technology
- Assurance that the Council is employing the most cost-efficient and effective service model to provide the Council IT requirements

and are consistent with:

- The new corporate strategy 'Making Bromley Even Better'
- The IT Strategy approved by Members in 2018

They also provide the flexibility to adapt to rapid changes in technology and the current and emerging challenges facing the Council.

3.7 A programme of activities was agreed by Executive to enable consideration of the critical issues and factors as part of the analysis of the four options and the final recommendation. These included a benchmarking review of the present contract and engagement with IT services at the London Boroughs listed in Appendix Three, which also provides more information on work undertaken including engagement with key internal stakeholders including Directors at Bromley and key service users. Gartner, who provide expert external IT advice to the Council on IT options, reviewed the findings.

3.8 The benchmarking review of the current IT service demonstrated that, compared to the peer group, BT prices charged to the Council are cost efficient in all the service areas. However, a like for like procurement would not necessarily take into account changing demand and, whilst it has served the Council well and provided an economic and efficient service, reproducing the present arrangements for reasons set out in this report would not meet the objectives noted in paragraph 3.4.

3.9 The external interviews with lead IT and Digital officers from London local authorities were also used to inform thinking about the most appropriate and effective IT arrangements for Bromley Council. These interviews provided information about current and changing IT arrangements with a clear and strong trend toward hybrid models combining in-house and externalised services. The outputs from the external interviews have also been categorised and analysed and used to help shape the proposals for delivering the needs identified in the internal consultations. As well as the clear trend towards hybrid models combining stronger in-house

resources and functions with services delivered most effectively and efficiently by external providers, key themes also included a realignment of resourcing and expertise to exploit the opportunities of digital approaches and technologies; an integrated approach to how IT works with its customers and aligns its activities to their needs; and a recognition that IT must provide both leadership, guidance and assurance.

- 3.10 As a part of the work to identify priority areas for future IT services, interviews were undertaken with all Chief Officers and senior managers with key responsibilities for programmes and other activities with high dependencies or critical outcomes involving IT and digital services.
- 3.11 These interviews consistently expressed growing expectations of the IT Service whilst acknowledging the significant improvements and successes achieved by the Service.
- 3.12 It is apparent that whilst there is a good level of satisfaction with the internal IT Team and BT, there are concerns that the present model will need to be revised if the Council is to maximize opportunities from IT and digitalisation. The role identified for IT goes beyond this original expectation. There is already a growing requirement for enhanced leadership and greater input into supporting the Council's services and departments to deal with current and emerging pressures and demands. This includes enabling transformative change and dealing with transition, such as implementing and upgrading new systems; supporting delivery of the Transformation Roadmap and what will follow; providing an efficient and flexible working environment; and ensuring contact and engagement channels with and for residents are appropriate and digitisation of processes. These requirements are likely to grow.
- 3.13 Key themes from the Officer stakeholder engagement included:
- Issues of internal operational arrangements arising from structural and procedural weaknesses caused by disparate, fragmented and unclear responsibilities for different systems and the data within them and the benefits of having the IT Service resourced and given the remit to address these issues
 - Critical risks from the use and subsequent exit of consultants working on major systems planning and implementation; a lack of knowledge and expertise within the relevant Services; and the need to have an in-house IT service with the resources to mitigate these risks
 - Gaps in IT change management capacity and skills for innovation and transformation due to current scale and remit of IT Service
 - The need for the corporate IT Service to have the resources, tools and remit to ensure systems are selected, implemented, documented and managed (from the technical perspective) effectively
 - Enabling IT to be positioned to fully support the corporate ambitions and goals for better working, digitalisation and lowering costs
 - Giving IT the appropriate role and remit, particularly considering the increasing challenge of complexity and need for integration and collaboration, so it can be a strong internal partner acting as a strategic adviser that can propose solutions and provide challenge when needed
 - Recent experiences during the pandemic highlighting what was already becoming evident in terms of achieving smoother and more effective transitions for systems implementations when in-house resources were available and used

- Other experiences of implementation of critical line of business systems not being optimal due to current IT arrangements, resourcing and remit whilst highlighting successes when internal IT resources had (albeit at late stages and with significant impacts on workloads and prioritisation) been involved
- The success of contractual arrangements under the current in-house IT service as a platform for moving some IT functions in-house to achieve better outcomes for the Council, departments and services

- 3.14 The outputs from the different strands of work and the conclusions drawn from them have been discussed with the Council's strategic external IT advisers, Gartner. Gartner have reviewed the conclusions against their own knowledge and evidence base as well as their own work on optimal IT models and arrangements in high-performing public and private sector organisations. Whilst providing rigorous challenge as a 'critical friend', there was support and agreement for the proposals made in this report, as providing the quickest and most effective way of establishing arrangements to meet the needs of the Council. A summary of all strands of work undertaken is attached as Appendix Three.
- 3.15 The outputs from the internal and external interviews were categorised and analysed and used, together with the outputs from all other work undertaken (see Appendix Three) to inform the development of a report to COE on the future vision and model for IT (see Appendix One). The report on the future vision and model, including the potential future arrangements for the systems managers, was formed directly from the views expressed by COE.
- 3.16 This has led to the production of the draft future model and vision documentation, which is attached as Appendix One to this report, together with the high-level operating principles for the model. These principles which are being brought forward for Member consideration include a commitment to strengthen adherence to, and continue to use, the design and other principles in the IT Strategy for all IT-related activities undertaken in and by the Council, specifically:
- Adopt a Cloud-first approach which utilises proven solutions within the marketplace and open standards and common platforms with built-in resilience
 - Promote and enable self-service ICT to citizens, users and partners
 - Buy software, not build and move from an approach of bespoke and in-house solutions in favour of standardised common and proven application with standardised interfaces and data exchanges
 - Ensure governance is applied around the security of the Council's services and Citizen's data including regular cyber security reviews
 - Reduce systems complexity to lower the Total Cost of Ownership and/or to drive improvements in the resiliency and effective operation of bespoke systems, their development and support
 - Facilitate a council-wide perspective on the provision of ICT solutions
 - Require the full documentation of systems integration across line of business applications
 - Agree and monitor support arrangements for bespoke systems and systems developed in-house to ensure they are appropriate
 - Oversee a more integrated provision and adaptation to business change that delivers an agile and modular incremental approach to allow the Council to evolve and adapt to digital trends to offset growth pressures with an agile workforce

3.17 Service Profile / Data Analysis

- 3.17.1 The ICT function within LBB is lean with 5 permanent FTE's, 2 Fixed Term FTE's and 1 agency staff and is structured around an outsourced delivery model with monitoring and overview taking place at a high level. The team ensures all governance and monitoring of the contract and SLAs.
- 3.17.2 The current IT Support is provided by BT through the PAN London Framework through Lots 1 (end user computing) & 3 (Datacentre services). The contract is a monthly 'consumption based' model, with no exit penalties or contractual commitment term.
- 3.17.3 The key services of support through the Lot 1 & 3 of the framework are:
- IT Helpdesk: this service aims to provide a 'first-time fix' of 70% of all calls, those that cannot be completed by the helpdesk agent then get assigned to either a 2nd or 3rd line support team to resolve within the relevant SLA
 - Network Support & Server Management: These services include but are not limited to monitoring, upgrading, security patch management, back-ups and trouble-shooting for all IT connectivity within the council
 - End User computing: Full desktop & mobile hardware support
 - Management of Software Licence Management & third-party support contracts (Ensuring compliancy)
 - Procurement & Asset Management of IT equipment

4. OPTIONS APPRAISAL

- 4.1 The full appraisal of each option's strengths, weaknesses, opportunities and threats (SWOT) is attached as Appendix Two to this report. Full consideration was given to the work set out above and in Appendix Three. The key points are:
- 4.2 Option One (like for like)
- Does not address the Councils' requirements for changes and additions to IT services provision
 - Will not provide sufficient agility to address requirements from emerging and future challenges for the Council
 - Unlikely and difficult to drive savings in the short and long term
- 4.3 Option Two (appropriate framework with specification changes to reflect current and future requirements)
- New model reduces single points of failure in the management of IT service
 - The Council's resilience to cyber threats and capacity for business continuity is increased
 - The new model will mean that new requirements can be met much more speedily, e.g. the fire warden app
 - Increased flexibility that enhances the roll out of digitalisation and AI to deliver a better experience and service to Bromley residents and enables the accommodation strategy that will support the hybrid working of members and officers
 - Improved ability of IT services to support service units by drawing from a bigger and or more specialist pool of staff, both internal and external

- IT Services cross train staff, such as system admin, to support multiple systems resulting in both: a better cost profile, and fewer single points of failure
- Better engagement with the business units
- Provides the most effective means of securing efficiencies and savings whilst balancing the changing nature of operational and customer needs

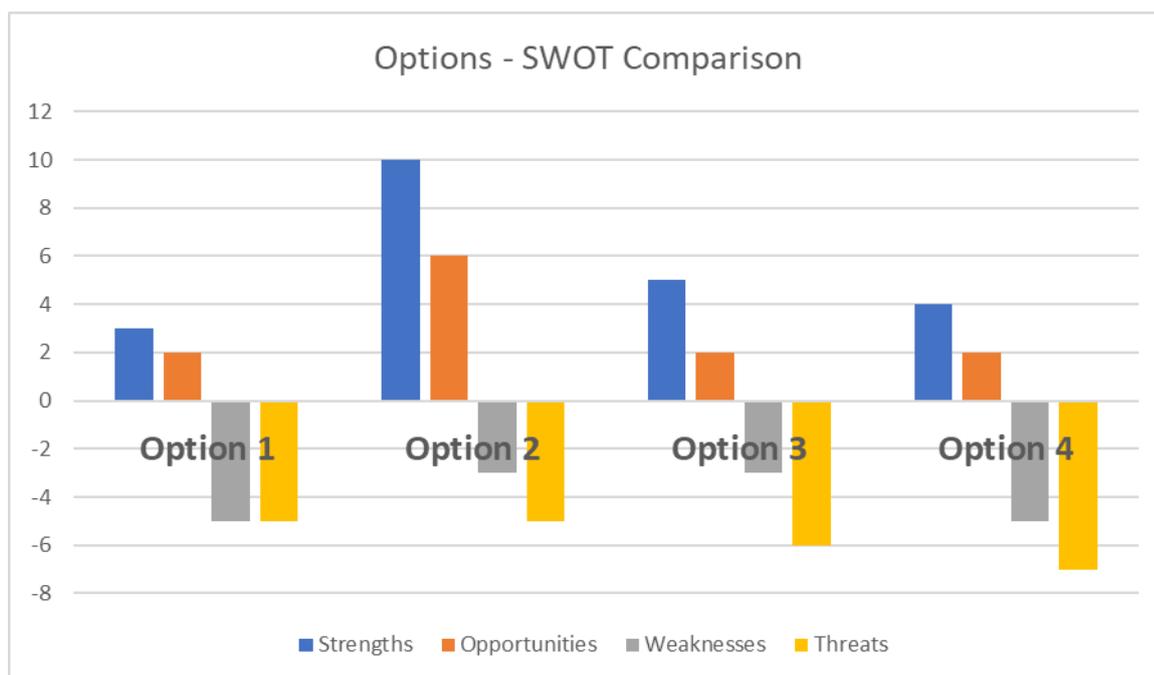
4.4 Option Three (run a full procurement)

- Expensive and highly onerous procurement process requiring additional work and resources and therefore significant additional costs
- Lack of flexibility due to fixed processes and highly formalised protocols and procedures for information exchange and engagement.
- No certainty that we will have enough suppliers at the end

4.5 Option Four (in-house service)

- Completion of necessary review and analysis work to support this approach may prove too challenging given that all services provided under the IT provision is currently provided by an external contractor
- Potentially overly complex and fragmented operational model which is difficult to manage and oversee and will require expanded client function
- Independent in-house provision of 'commodity' services such as helpdesk, 1st/2nd line fix and support will require implementation of new systems and internal arrangements that will be more expensive than externally provided ones, where economies of scale can be achieved via locational and operational economies of scale
- Would not give the access to digital/IT skills and innovation of a partner ecosystem
- Recruiting and or retaining highly sought-after skilled staff would leave significant gaps in service
- The pace of change within the IT and Digital service arena is so fast that it could prove impossible to keep the people within the IT department at the appropriate technical knowledge level meaning skill levels are inappropriate to the role of trusted advisor for the service departments, resulting in costly mistakes and or costly lost opportunities or shadow IT departments proliferating across the Council.

4.6 The conclusions noted in the full SWOT analysis in Appendix Two – including consideration of the likely financial implications - are presented in the graph below. For each of the four options, each of their strengths and weaknesses were scored as a +1 and each of their threats and weaknesses as a -1.



5. MARKET CONSIDERATIONS

- 5.1 An initial analysis of procurement frameworks suggested that there were nine possible options. However, after due diligence some of these were discounted because they were due to expire and therefore would not be available, or because they did not cover the full service needs, or because they were single supplier.

6. SOCIAL VALUE AND LOCAL / NATIONAL PRIORITIES

- 6.1 The guidance provided in the Procurement Practice Note on Sustainable Procurement Policy (May 2021) is being used as the basis for ensuring appropriate social value requirements are identified and included in the procurement element of this programme. They will therefore focus on enabling the Council to bring about improved social, economic and environmental outcomes, maximise value for money and help deliver joined-up services.
- 6.2 This guidance, issued by the Council's Procurement Service, is aligned with the Public Services (Social Value) Act 2012 (often referred to as the 'Social Value Act').
- 6.3 The engagement with potential suppliers and the framing of the procurement specification and requirements are therefore being designed to ensure the Council achieves value for money on a whole life basis in terms of generating benefits not only for the Council, but also to society and the economy, whilst minimising damage to the environment. This definition is based on three pillars of sustainability: environmental, social, and economic.
- 6.4 Engagement and liaison with Procurement is already underway with a lead Procurement officer and a member of the Procurement team is part of the programme team with responsibility for a specific workstream package as well as maintaining an overview of all procurement-related activities. They will support the programme's alignment, where relevant and appropriate, with the Council's objectives to ensure procurements:

- Support people, education and awareness
- Promote policy, strategy and communications
- Deliver effective procurement processes
- Engage suppliers meaningfully
- Measure and achieve results
- Help the Council achieve its social, economic and environmental aims and targets set within its existing policy framework; the Transforming Bromley Programme, Local Plan and Portfolio Plans and its duty to promote social, economic and environmental well being.

6.5 The Lead Officer for the IT Service will consult with the Portfolio Holder for Resources, Commissioning and Contract Management and with senior officers to identify and validate specific proposals that will deliver most effectively against the Council's requirements in respect of social value and local priorities, whilst also meeting the other drivers for this procurement.

6.6 Initial proposals will be tested with potential suppliers during the Pre-Market Engagement stage of the procurement and refined through ongoing consultation with relevant internal stakeholders and specialists.

7. STAKEHOLDER ENGAGEMENT

7.1 A range of internal stakeholder engagement and consultation activities were undertaken following the approval by Executive of the Gateway Zero Report and in the preparation of this report. These activities, together with the key outcomes from them, are noted in Section 3 of this report.

7.2 A full list of all activities undertaken in the preparation of this report and its recommendations is provided in Appendix Three to this report. This includes internal and external consultation as well as field and desk research, analysis and validation by the Council's external IT advisers.

7.3 Internal stakeholder engagement activities included:

- Individual consultation interviews with all members of COE
- Individual consultation interviews with senior officers including on CLT who have a particular interest in IT and digital services, such as the internal owners of key business systems and those leading and delivering transformational programmes, projects and initiatives
- Presentations to COE to inform and to elicit feedback
- Consultation sessions with internal customer (end user) groups
- Consultation with the Portfolio Holder for Resources, Commissioning and Contract Management
- Collation and analysis of the outputs from these activities

8. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

8.1 Following liaison with Procurement, the Council's standard 60/40 price/quality split will be used, to include compliance with the requirements in Section 6 of this report to deliver benefits related to social value and the Council's priorities.

- 8.2 Completion and validation of evaluation criteria and the pricing evaluation methodology is covered in the plan with initial design of work package and activities. These are being validated by Procurement and there will be ongoing liaison and consultation with the Procurement officer allocated to this programme to ensure that the evaluation criteria and methodology remain best-suited to delivering the required outcomes.
- 8.3 Where relevant and beneficial for the Council, the outcomes of the Pre-Market Engagement activities will inform the design of the final evaluation criteria and methodology. The evaluation criteria will then be used in the further ('mini') competition via the recommended framework, subject to approval.
- 8.4 A full plan for the next phase of work has been developed. Every stage and group of key activities has its own workstream and individual work packages. Roles and responsibilities have been allocated for each of these along with detailed breakdowns of supporting activities, deliverables and timescales.
- 8.5 The key activities and currently forecast timescales noted are here.

What	When
Confirm Procurement Strategy is "single lot" from a framework	GW1 paper September 2022
Pre-market engagement	August and September 2022
Confirm Outcome Based Specification	November 2022
Finalise specification	December 2022
Complete documentation	January 2023
Issue Further Competition	January 2023
Evaluation of responses	March 2023
Member consideration and approval	May 2023
Contract award/sign	June 2023
Begin transition and implementation phase	July 2023

- 8.6 Governance arrangements are in place to maintain regular overview and monitoring on progress, risks and issues. This includes mapping and monitoring all dependencies at the activities, deliverables, work packages and work streams levels.
- 8.7 Gartner – the Council's strategic IT external advisers – have reviewed and expressed support and agreement for the proposals made in this report. The proposed model for resourcing IT addresses key priorities including:
- Strengthening cyber security capabilities

- Better alignment of technical solutions and design to business outcomes required
- Focus on digitalisation to support the aims of Making Bromley Even Better

8.8 Indicative costings

8.8.1 One-Off costs:

	FY22/23	FY23/24
Phase 3 - Procurement July 22 to May 23 = approx 47 weeks		
External Program Lead (SME), 3 days a week	£115,364	£25,636
SME, 3 days a week	£62,296	£13,844
SME, 5 days a week	£105,750	£23,500
Project Manager, 5 days a week	£41,531	£9,229
LBB Contract Lead, 5 days a week - Honorarium and not a full time post	£3,273	£727
Project Support, 5 days a week	£17,305	£3,845
Total Phase 3 Costs for 22/23 and 23/24	£345,518	£76,782
Total Phase 3 Costs for 22/23 and 23/24 Combined	£422,300	
Phase 4 - Transition - June 23 - Dec 23 = approx. 30 weeks		
External Programme Lead, 3 days a week		£90,000
Project Manager, 5 days a week		£64,800
Transition Manager, 5 days a week		£82,500
LBB Contract Lead, 5 days a week - Honorarium and not a full time post		£4,000
Project Support, 5 days a week		£18,000
Total Phase 4 Costs		£259,300
Total Phase 3 and 4 Costs	£681,600	

9. POLICY CONSIDERATIONS

9.1 Planning for the end of the current contract has provided an opportunity to review existing IT arrangements and service support models to ensure they continue to meet and provide:

- Service requirements and service levels
- Value for money
- The Council's use and access to the most valuable digital technology
- Assurance that the council is employing the most cost-efficient and effective service model to provide the Council IT requirements

and are consistent with:

- The new corporate strategy 'Making Bromley Even Better'
- The IT Strategy approved by Members in 2018

9.2 The Assistant Director for IT and the programme team will work with colleagues in Procurement and other Services to ensure alignment of the procurement and the consequent arrangements to support the Council's objectives:

- Support people, education and awareness
- Promote policy, strategy and communications
- Deliver effective procurement processes
- Engage suppliers meaningfully
- Measure and achieve results
- Help the Council achieve its social, economic and environmental aims and targets set within its existing policy framework; the Transforming Bromley Programme, Local Plan and Portfolio Plans and its duty to promote social, economic and environmental well being.

10. PROCUREMENT RULES

- 10.1 Due to the estimated contract value and the classification of the contract as a services contract, the procurement process shall comply with the Public Contract Regulations 2015 for an above threshold procurement process.
- 10.3 The Council's Contract Procedure Rules require the following for authorising an award via a framework for a contract of this value; the Approval of the Executive following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder, must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 10.4 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

11. FINANCIAL CONSIDERATIONS

- 11.1 The current budget for the core contract is £2.99m. Actual total expenditure with BT in 2021/22 was £5.1m including c£0.5m funded from service budgets.
- 11.2 In June 2021, Executive approved initial one off funding of £197k to cover the initial preparatory work. This report seeks approval to incur significant once-off costs of £682k to progress the procurement process through to the implementation of a revised operating model. There is no existing budget provision for these costs, therefore it is recommended that funding is met from the Central Contingency Fund earmarked reserve with £346k required in 2022/23 and a further £336k in 2023/24.

12. PERSONNEL CONSIDERATIONS

- 12.1. Staff engagement has taken place with the current IT Client Team, which comprises of 5 FTE permanent employees, along with, 2 FTE Fixed Term employees and 1 agency worker. Staff have been advised of the options being put to Members for consideration about the future IT services provision, following the cessation of the current arrangements, however no feedback from staff has been received to date and this engagement will continue throughout this process.

- 12.2. Any staffing implications arising from the recommendations outlined in this report, or any potential award, will need to be carefully planned for and managed in accordance with Council policies and procedures and with due regard for the existing framework of employment legislation. In the event that Member agree to the recommendations set out in this report this would necessitate formal consultations with existing staff and their staff representatives.
- 12.3. Separately, in the event that an option is approved that gives rise to bringing services back in house, this would require additional consultation with any affected staff in scope, and their representatives, pursuant to TUPE Regulations: Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment)(Amendment) Regulations 2014.

13. LEGAL CONSIDERATIONS

- 13.1 This report seeks the approval of the Executive to procure a contract for the provision of IT and Digital services for a period of five years, to commence from December 2023, with an option to extend for a period of up to another five years.
- 13.2 Rule 5.4 of the Contract Procedure Rules provides that for a contract with a total value of £1,000,000 or more the Executive will be required to formally approve the intended action and contracting arrangements.
- 13.3 Rule 8 of the Contract Procedure Rules provides that for contracts with a value above £500,000 (or the Regulation thresholds), the Council must invite tenders which comply with the Public Contracts Regulations 2015 (the “Regulations”).
- 13.4 The procurement of these services is a public contract within the meaning of the Regulations. As the value exceeds the relevant threshold under the Regulations, the Council is required to carry out a fully compliant procurement exercise. Regulations 33 and 37 however accepts compliance where the Council call-off from a legally compliant framework that has been established by a central purchasing body, is expressed as being available to the Council and is used within the rules set up by the framework. Such a framework must be used compliantly in order to satisfy the Regulations. In this case, the Council wishes to use a London Procurement Partnership Information Management and Technology Framework Agreement which was competitively tendered and complies with the Regulations.
- 13.5 Legal Services have been instructed on this procurement and have reviewed the terms and conditions of the proposed framework agreement and the call-off contract. In order to award a contract under this framework, the Council can run a mini-competition or can call off based on the framework rates or direct award using the technical response from the framework and assessing the commercials only. The recommended Option Two of this report makes the case for why officers feel a mini-competition is more appropriate.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/Personnel/Property/Carbon Reduction/Customers/Ward Councillors
Background Documents: (Access via Contact Officer)	

