

# London Borough of Bromley

## Award of Contract for IT Services

PART 1 - PUBLIC

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**Decision Maker:** Executive with pre decision scrutiny from Executive, Resources & Contracts PDS on 3<sup>rd</sup> July 2023

**Date:** 5<sup>th</sup> July 2023

**Decision Type:** Urgent Executive Key

**Title:** Award of Contract for IT Services

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**Ward:** All

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### 1. REASON FOR REPORT

- 1.1 This report accompanies a Part 2 report also being considered on this agenda which recommends that the Council awards a contract for the provision of IT Services.
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## **2. RECOMMENDATION(S)**

### **The Executive is asked to:**

- 2.1 Award the IT Services Contract as detailed in the accompanying Part 2 report for a contract period of five years to begin on 16<sup>th</sup> December 2023, with the option to extend for a further five years and including the optional service as noted in Part 2 of this report.
- 2.2 Delegate to the Director of Corporate Services and Governance in consultation with the Portfolio Holder for Resources, Commissioning and Contract Management, the authorisation to extend this contract for the period, and on the basis, of the recommendation at 2.1 in this report.
- 2.3 Delegate authority to the Director of Corporate Services and Governance to take decisions necessary to enable the implementation of the contract with the recommended bidder and to conclude all necessary contractual documentation.
- 2.4 Note that the procurement process and associated activities have been undertaken with due regard to and compliance with necessary regulation, rules and guidelines and with the participation of all required internal services and functions. A summary of the process and activities is provided in this report.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
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## Transformation 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: See part 2 of this report
  2. Ongoing costs: See part 2 of this report
  3. Budget head/performance centre: IS&T revenue budget
  4. Total current budget for this head: £7,238k
  5. Source of funding: Revenue budget
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## Personnel

1. Number of staff (current and additional): 20
  2. If from existing staff resources, number of staff hours: Not applicable
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## Legal

1. Legal Requirement: Statutory Requirement
2. Call-in: Not Applicable as pre decision scrutiny from ER&C PDS

## Procurement

1. Summary of Procurement Implications: The actions proposed are in compliance with the Council's CPRs and PCR 2015
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## Property

1. Summary of Property Implications: Not applicable
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## Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications:

Please refer to section 5 of this report.

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## Customer Impact

1. The IT services that will be provided through this contract enable the Council to fulfil its activities including in provision of services to its customers.
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not applicable

### 3. COMMENTARY

- 3.1 This report provides Members with a summary of the procurement process and associated activities and the outcome of the tendering process for the IT Services contract and a recommendation to approve that outcome.
- 3.2 The tendering process was initiated following approval by Executive of Report Number CSD22069.
- 3.3 In line with the decision approved on 6th October 2022, the contract for the provision of IT and Digital services will run for a period of five years to commence operationally from 16<sup>th</sup> December 2023, with an option to extend for a period of up to another five years.
- 3.4 Previously 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 could not be further extended. The Council's additional contract with BT for mobile telephony will be brought under the new recommended arrangements and contract when it expires in March 2024.
- 3.5 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
  - Applications Team / Systems Management
- 3.6 These are core services which the Council will continue to require and are included in the recommended new contract along with the provision of a security operations centre (SOC). Whilst this was included in the tender requirements as an optional service, based on the critical importance of bolstering the Council's defences against increasing risks from cyber-attacks and other digital threats, officers recommend that the option is taken and this service is included as an element of the new contract.
- 3.7 The activities noted and approved in Report CSD22069 were completed and the outputs used to shape and deliver the procurement and ensure it was carried out within the required timescale and budget. These activities included:
- Pre-Market Engagement
  - Target Operating Model development
  - Creation of the Outcomes-Based Specification including necessary appendices
  - Creation of the Invitation to Tender documentation including the Pricing Schedule
  - Creation of the Contract documentation
  - Logging and responding to clarification questions from bidders
  - Evaluation and scoring of bids plus moderation
- 3.8 As required by the Council's governance rules, the relevant Corporate Services undertook or contributed to these activities to ensure compliance and optimise the overall procurement process and outcomes. The Council's Internal Audit service also provided advice and guidance and undertook an audit of the procurement process to ensure compliance and use of

best practice. This included the use of a secure system for storage and access of confidential documentation and ensuring the necessary 'ethical walls' were in place and effective. Independent assurance on the procurement was provided by Gartner, the Council's external strategic IT adviser.

- 3.9 The evaluation and moderation process was undertaken following the Pre-Market Engagement activities, publication of the Invitation to Tender and associated documents and the subsequent Clarification Period. This process was carried out in consultation with, and following guidance from, the appropriate senior officers.
- 3,10 Gartner – the Council's independent technology advisory consultants – provided a positive response following their review of the governance arrangements and the key specification documents used for the tender.

#### **4. CONTRACT AWARD RECOMMENDATION**

##### **4.1 Recommended Provider:**

This section is covered in Part 2 of this report.

##### **4.2 Estimated Contract Value (annual and whole life):**

This section is covered in Part 2 of this report.

##### **4.3 Other Associated Costs:**

This section is covered in Part 2 of this report.

##### **4.4 Proposed Contract Period:**

The recommended contract for the provision of IT and Digital services will run for a period of five years to commence operationally from 16<sup>th</sup> December 2023, with an option to extend for a period of up to another five years.

#### **5. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES**

- 5.1 The recommended contract award will contribute to the Council's Social Value priorities as stated in the 'Making Bromley Even Better' strategy and associated strategies and policies, including carbon reduction and tackling loneliness. Social Value requirements were explicitly stated within the tender documentation and evaluated as part of the overall evaluation and scoring process.
- 5.2 Should Executive approve the contract award recommendation, work will be undertaken – as part of the proposed transition phase – to identify and explore opportunities to maximise the alignment of the recommended bidder's Social Value submission with the Council's strategic Social Value priorities. This will include a focus on how best the recommended bidder can support and contribute appropriately to current and planned initiatives as well as helping the Council to identify and optimise its investment in potential new initiatives.

## **6. TRANSFORMATION/POLICY IMPLICATIONS**

- 6.1 This procurement supports the 'Making Bromley Even Better' strategic priority:  
“(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley’s residents.”
- 6.2 It also supports the enablement and delivery of key objectives in the Digital Strategy and of corporate, directorate and service transformational and improvement programmes and projects including accommodation changes, more efficient ways of working and provision of services to customers.

## **7. PROCUREMENT CONSIDERATIONS**

- 7.1 This report seeks to award IT Services Contract for a contract period of five years, with the option to extend for a further five years. The tender was undertaken via a further competition tender mechanism through the LPP IM&T IT Managed Service framework.
- 7.2 This process has been carried out within the Public Contract Regulations (2015), the Council’s Contract Procedure Rules Section 8.2.1 and the guidelines of the framework.
- 7.3 As the contract value is over £30k including VAT, an award notice will need to be published on Contracts Finder and as the contract value is over the thresholds set out in the PCR 2015, a Find A Tender award notice must be published. A voluntary standstill period will need to be observed.
- 7.4 The Council’s specific requirements for authorising an award of contract are covered in CPR 16 with the need to obtain the Approval of the Executive following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a contract of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 7.5 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.

## **8. FINANCIAL CONSIDERATIONS**

- 8.1 The Financial Considerations are contained within Part 2 of this report,

## **9. PERSONNEL CONSIDERATIONS**

- 9.1. Staff engagement has taken place with the current IT Contracts and Operations Team, which comprises of 3 FTE permanent employees, along with, 2 FTE Fixed Term employees. Staff have been advised of the recommendations being put to Members for consideration about the proposed contract award for IT Services. No feedback from staff has been received to date however engagement will continue throughout this process.
- 9.2. Separately, in the event that this contract award is approved the recommendations do not give rise to services being brought back in house and therefore the 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) are not applicable, in relation to the Council's workforce, in this instance.

- 9.3. Any staffing implications arising from the recommendations in relation to this IT contract award will need to be managed in accordance with Council policies and procedures and with due regard for the existing framework of employment legislation. In the event that there are staffing implications arising from the proposed contract award this would necessitate formal consultation with existing staff and their staff representatives.

## 10. LEGAL CONSIDERATIONS

- 10.1 This report seeks the approval of the Executive to award a contract, to the supplier (details of which appear in the Part 2 report), 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.
- 10.2 Part 2 of this report explains how this procurement has followed the processes and procedures required by the Public Contracts Regulations 2015 for this above threshold services contract. The procurement has also followed the requirements of the London Procurement Partnership Information Management and Technology Framework Agreement under which the mini competition for these services has been run.
- 10.3 Legal Services have been instructed throughout this procurement and will continue to assist and advise in concluding the contractual documentation should Members approve this report.

<b>Non-Applicable Headings:</b>	Strategic Property and IT and GDPR Considerations
Background Documents: (Access via Contact Officer)	[Title of document and date]