

Report of the Director of Finance to the meeting of Corporate Overview and Scrutiny to be held on 30th June 2022

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Subject:

End User Computing Procurement

Summary statement:

This report is provided for information to advise members of the forthcoming procurement exercise for the supply of End User Computing equipment with a value in excess of £2 million, in line with the requirements of Contracts Standing Orders (CSO 7.2.1) prior to the commencement of the procurement process.

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Portfolio:

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Overview & Scrutiny Area:

1. SUMMARY

- 1.1. This report provides information on the End User Computing (EUC) procurement that is about to commence. The existing contract is with Bechtle Direct Ltd which ends October 2022.
- 1.2. The procurement will be to appoint a suitably experienced and qualified provider to supply EUC Equipment. The contract will be for a 4-year term with 2 x 12 month extensions. This will include products such as Desktops, Workstations, Laptops, Tablets and Monitors.
- 1.3. The procurement process will be conducted in line with the requirements of the Public Contracts Regulations 2015 via an open tender process. An open tender has been chosen to ensure the Council can appoint a provider who can meet all of its requirements.

2. BACKGROUND

- 1.4. Within IT there is a known cycle of failure rate, high support call volumes and poor functionality based on the age of end user computing equipment and the sweating of assets. In August 2021, the IT Services Core Device Refresh Programme was approved by CMT which enables a 4-year refresh of end user devices for staff. Funding for this 4-year refresh cycle was approved at the Project Appraisal Group (PAG).

Historically IT have provided several device offerings including multiple devices for senior management (laptops, tablets, mobile phones etc.), the ability for staff to specify non-standard devices, mobile phone inconsistency and a break/fix replacement methodology. The diverse device offering with no planned refresh cycle has resulted in a poor customer experience, increased failure rate due to aged hardware, staff being provided with incorrect equipment to undertake their role, serious IT security issues and a loss of staff productivity.

A new fit for purpose, streamlined and modern device offering will now be provided by IT Services. This will consist of four offerings based on role requirements, not seniority. All devices will be refreshed during an ongoing 4-year refresh cycle. Only one device and mobile phone will be required per person and the latest software will utilise remote working and cloud services. This will improve the customer experience, reduce failure rate and incident calls, reduce security issues and will allow IT Services to properly support the EUC environment.

The four options are detailed below with further details available in Appendix A - IT Standard Device Offering:

- Option 1 – Desktop and android mobile phone
- Option 2 – Laptop and android mobile phone
- Option 3 – Specialist laptop and android mobile phone
- Option 4 – Tablet and android phone

- 1.5. The EUC procurement will support this 4-year Refresh cycle by contracting with a provider who can provision the hardware at a competitive price and keep the Council informed by sharing relevant technology roadmaps and organising sessions to showcase products or key related emerging technologies. The contract will be with a reseller partner but will ensure the Council still has a direct relationship with the hardware vendors such as Dell and Microsoft.

As an above threshold procurement, the tender opportunity will be advertised on Find a Tender and Contracts Finder. The tender submissions will be evaluated by a team from the IT Service Operations area and overseen by IT PMO. The evaluation will be weighted as 65% Price, 25% Quality and 10% Social Value. The emphasis will be on Price as the Council will be purchasing a list of devices which are known to meet the minimum technical specifications and have been approved by the Technical Design Authority (TDA).

Following the evaluation of tender submissions, a Tender Evaluation Report and Leader's Briefing Note will be produced which will be approved by the Director of Finance and Head of Procurement before being presented to the Leader. A 10-day standstill period will commence before contract award and signature.

3. OTHER CONSIDERATIONS

- 1.6. The timeline proposed for the offer to bid for the new contract is:

April-July 2022 – Preparation of tender documents
30th June 2022 - Report to the Corporate Overview and Scrutiny Committee
Early July 2022 – Tender launched
End of August 2022 – Evaluation of bids
Mid-September 2022 - Contract awarded

4. FINANCIAL & RESOURCE APPRAISAL

- 1.7. Funding for the IT Services Core Device Refresh Programme has been secured. £7.3m capital to support the 4-year refresh programme 2021-22, 2022-23, 2023-24 and 2024-25 for the IT Devices and Mobile Devices.

Further capital bids will be required for on-going refresh from 2025-26 onwards.

- 1.8. Hardware vendors, such as Dell and Microsoft, partner with third party resellers to provide IT hardware to customers like the Council. The vendors provide list price discounts to their partners. Discount levels can vary between resellers due to total aggregate spend and partner status. The Council will obtain the greatest discounts by working with a reseller as they have a greater buying power. The tender evaluation is heavily weighted on price to ensure the reseller with the best vendor discounts will be successful. This will ensure the best value for money for the Council.

1.9. By having a long term contract in place, the Council will avoid the costs of running separate procurements each time an order is required. The contract allows for hardware to be purchased from multiple vendors (Dell, Microsoft, Lenovo, Iiyama etc) without new procurement exercises needing to be undertaken throughout the year.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

1.10. There is a global shortage of IT components which has significantly impacted the supply of IT Hardware including laptops and monitors and lead to extended lead times for delivery. In order to mitigate this risk, hardware will be ordered in bulk to ensure there is stock available to align with the Refresh Programme timeline.

1.11. The reseller will work with the hardware vendors to manage any distribution issues, return of dead on arrival (DOA) devices and will co-ordinate deliveries to site.

6. LEGAL APPRAISAL

1.12. There are no legal issues arising out of this Report.

7. OTHER IMPLICATIONS

1.13. EQUALITY & DIVERSITY

1.13.1. The portfolio of devices can cater to all ability groups and the technology can be made bespoke for both hardware and software where specifically required.

1.14. SUSTAINABILITY IMPLICATIONS

1.14.1. The tender specification includes details of the Council's commitment to reducing its carbon footprint through promoting sustainable best practice and through working with providers who are actively taking steps to minimise the impact of their activities on the environment.

Additional information can be found in the following sources:

- Microsoft_Devices_Responsible_Sourcing_Report_FY21_FINAL
- Dell Technologies Carbon Footprint
- Iiyama Product Eco Declaration

1.15. GREENHOUSE GAS EMISSIONS IMPACTS

- 1.15.1. By undertaking a tendering exercise, we will seek to minimise future environmental impact, through selection and contract management of suppliers who propose sustainable and environmentally friendly service provision.

Additional information can be found in the following sources:

- Microsoft_Devices_Responsible_Sourcing_Report_FY21_FINAL
- Dell NetZero Brochure

1.16. COMMUNITY SAFETY IMPLICATIONS

- 1.16.1. None

1.17. HUMAN RIGHTS ACT

- 1.17.1. None

1.18. TRADE UNION

- 1.18.1. None

1.19. WARD IMPLICATIONS

- 1.19.1. None

1.20. AREA COMMITTEE ACTION PLAN IMPLICATIONS

- 1.20.1. None

1.21. IMPLICATIONS FOR CORPORATE PARENTING

- 1.21.1. None

1.22. ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

- 1.22.1. Tender documents include the latest requirements of the General Data Protection Regulations (GDPR) and Data Protection Act 2018.

2. NOT FOR PUBLICATION DOCUMENTS

- 2.1. None

9. OPTIONS

- 2.2. **Option 1** - Proceed to an Open Tender for the appointment of an End User Computing Partner.

Advantages:

- Compliance with Public Contracts Regulations 2015 as an over threshold procurement
- Achieving best value via a competitive process
- Standardisation of device build
- Selection of a provider meeting all requirements including asset tagging and online order portal
- Relationship with Partner and Vendors over the contract term

Disadvantages:

- Staff time required to evaluate tender bids

2.3. **Option 2** – Purchase End User Computing Devices on an adhoc basis

Advantages:

- Choice of Partners may provide more flexibility

Disadvantages:

- Consistency of approved and tested hardware may not be available
- Pricing may not be competitive
- No agreed route to market
- No Partner benefits realised

10. **RECOMMENDATIONS**

2.4. Option 1 is recommended to proceed to an Open Tender for the appointment of an End User Computing provider.

11. **APPENDICES**

Appendix A - IT Standard Device Offering

12. **BACKGROUND DOCUMENTS**

- Microsoft_Devices_Responsible_Sourcing_Report_FY21_FINAL
- Dell Technologies Carbon Footprint
- Dell NetZero Brochure
- iiyama Product Eco Declaration