

Director of Communities	Ref No: OKD41 19/20
March 2020	Key Decision: Yes
Award of contract for the purchase and maintenance of Library Kiosks	Part I
Report by Head of Libraries, Heritage and Registration	Electoral Division(s): All
<p>Summary</p> <p>The self-service kiosk located in all libraries are essential to the operation of today's library services. Residents in West Sussex utilise these kiosks to access and transact a range of library services. Over 90% of customer transactions in libraries go through the kiosks.</p> <p>OKD10 19/20 approved the commencement of a procurement for replacement kiosks across the library estate.</p> <p>The route to market used was the Open procedure and a contract notice was published in the Official Journal of the European Union (OJEU) Ref 559696-2019 alerting the market to the opportunity.</p> <p>The procurement process has now concluded and this report seeks approval to award the contract to the winning bidder.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The introduction of new kiosks is essential to the continuation of a lending service to residents</p>	
<p>Financial Impact</p> <p>The financial implications of the outcome of the procurement process are follows:</p> <p>Purchase of 70 library kiosks with software and physical set-up: £0.428m (funded from capital)</p> <p>5-year maintenance package for 70 units plus associated operational costs: £0.096m (funded from revenue)</p> <p>Capital funds have been assigned for the purchase of this equipment through the Council's Capital Programme.</p>	
<p>Recommendation</p> <p>The Director of Communities is asked to approve the award of the contract to purchase and maintain 70 Library Kiosks (with associated maintenance package) to D-Tech International Limited.</p>	

Proposal

1. Background and Context

- 1.1 The current fleet of library kiosks deployed across the West Sussex Libraries estate reached end of service life on 1 July 2019. An agreement to continue maintenance until 31st. March 2020 was negotiated but cannot be further extended.
- 1.2 The *current* contract for maintenance and support is procured via the Council's contract with Capita plc.
- 1.3 Following a review of the need and requirement it was agreed that the procurement of replacement kiosks would:
 - Replace current stock with updated equipment to meet the service requirements of a modern library service;
 - Be compatible with existing IT systems and data security protocols;
 - Combine hardware and maintenance support into one contract.
- 1.4 The route to market used was Open Procedure given the proposed procurement value exceeds spend thresholds defined by Public Contract Regulations (PCR) 2015.
- 1.5 An invitation to tender (ITT) was published on the Council's e-sourcing portal on 22nd November 2019. The deadline for receipt of submissions was 03 January 2020.
- 1.6 The evaluation approach (as stated in the tender documents) was to identify the supplier submitting the most economically advantage tender (MEAT), with a weighting of 60% Price and 40% Quality.
- 1.7 4 tender responses were received by the closing date and taken forward for evaluation.
- 1.8 The tender was evaluated by a range of internal subject matter experts for compliance against the specification and post-sale support.

2. Proposal Details

- 2.1 It is proposed that the contract to supply and maintain the library kiosks be awarded to D-Tech International Limited.
- 2.2 The response submitted by D-Tech International Limited met the agreed specification and scored well on the technical elements including post-sale support.
- 2.3 The total value of the contract (purchase and 5 year maintenance) is £0.524m.
- 2.4 The expected operational life of the kiosk is 5 years.

2.5 The features and benefits of the proposed solution include:

- Continuation of the library service to West Sussex residents
- Reliable product used by other library services in the UK;
- Customisable software to support user experience and back-office functions;
- Card and contactless payment to improve service and streamline administration
- System contingencies to reduce downtime;
- Provision of better Management Information (MI).

2.6 It should be noted that during the life of the contract, an upgrade to the operating system will be required to align with updated industry guidance. This upgrade is expected to cost £0.020m and is separate from this procurement exercise but will be managed with the incumbent supplier.

3. Consultation

3.1 Consultation on the final bid response has been carried out with the following parties:

- Staff from the Library Service and from IT Services
- Finance
- Solicitor (Commercial)
- Procurement and Contract Management Service

4. Financial (revenue and capital) and Resource Implications

4.1 Provision for the purchase of the kiosks has been made within the 2020/21 capital programme. Included in the contract price is the decommissioning and disposal of the current kiosks in line with current regulations relating to electrical equipment.

4.2 Payment for the kiosks will be subject to the successful delivery and testing of kiosk on Council premises.

4.3 It is anticipated that that the purchase, delivery and installation of all library kiosks will be complete by June 2020.

Capital requirement

	Year 1 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Year 4 2023/24 £m	Year 5 2024/25 £m
Capital budget	1.000	0	0	0	0
Value of spend	0.428	0	0	0	0
Remaining budget	0.572	0	0	0	0

Revenue requirement:

	Year 1 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Year 4 2023/24 £m	Year 5 2024/25 £m
Current revenue budget	0.067	0.067	0.067	0.067	0.067
Value of spend	0	0	0.032	0.032	0.032
Saving Achieved	0.067	0.067	0.045	0.045	0.045

- 4.4 The kiosks are provided with 2 years maintenance cover and therefore maintenance costs will only apply from year 3 onwards. This will mean that a saving of £67k will be achieved in the first 2 years of the contract with a reduced saving of £45k accruing from year 3 onwards.

5. Legal Implications

- 5.1 The procurement was undertaken in accordance with the Public Contract Regulations 2015 and WSCC Standing Orders for Contracts and Procurement ensuring the principles of transparency and equal treatment were maintained, ensuring acceptable time limits were applied and details of the award procedure made clear in the tender documents.

6. Risk Assessment Implications and Mitigations

- 6.1 The following risks and mitigations have been considered:

Risk	Mitigations
The library kiosk are not fit for purpose	Extensive engagement with the Service has identified the core requirements for the kiosks and these have been incorporated into the specification
Delay in delivery of kiosks	Delivery timescales have been evaluated as part of the tender process and will be monitored by the Library Service in the post-award phase. The current kiosks are owned and will be maintained internally – to the limited extent that this is possible - until they are replaced.
Uncertainty around exit from European Union (EU)	The pricing submitted is firm. Any possible delays with supply chains will be managed with the supplier.

7. Other Options Considered

7.1 The following options have been considered:

- a) Abandon procurement process;
- b) Do not replace the kiosks.

7.2 Option a) has been discounted on the basis that the process attracted sufficient interest and is within budget.

7.3 Option b) has been discounted because as the existing stock of kiosks fail, WSCC will no longer be able to provide a library lending service: this is a statutory requirement.

8. Equality and Human Rights Assessment

8.1 The specification for the replacement kiosks, such as screen size, was developed to aide and improve accessibility for specific groups of people who are protected by law.

9. Social Value and Sustainability Assessment

9.1 As part of the procurement process, bidders were assessed on their approach to Corporate Social Responsibility (CSR) as well as how they will support the Council in the delivery of its Sustainability Strategy.

10. Crime and Disorder Reduction Assessment

10.1 Not applicable

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Appendices None

Background papers None