

Report to Director of Finance and Support Services

December 2021

Award of Contract for the Supply of IT hardware

Report by Chief Information Officer and Head of IT

Electoral divisions: N/A

Summary

Following the expiry of the Information Technology Outsource (ITO) contract on 30 September 2021 (Decision ECR04_20-21) the Council requires a compliant and cost-effective way to procure computing hardware (laptop devices and other ancillary items such as servers).

The proposed contract will secure the supply of up to 1250 Dell laptop devices up until August 2023. The arrangement will ensure the stability of the Council's hardware estate and maintain the asset lifecycle to support compliance and accreditation requirements prior to the start of the next major device refresh planned in 2024.

The Council intends to award the supply contract to Dell Corporation Limited, without further competition, via Lot 2 of the NHS Shared Business Service Framework Agreement Link 3: IT Hardware and Services (OJEU ref 2020/S 182-440755). The award shall be made in accordance with the direct award criteria specified under Framework Agreement.

The aggregated value of the contract will be capped at £1.120m for the contract period 10 January 2022 to 08 August 2023.

Recommendation: That the Director Finance and Support Services endorses the award of a contract for the supply of computing hardware to Dell Corporation Limited for the period between 10 January 2022 to 08 August 2023 with the aggregate value capped at £1.120m.

Proposal

1 Background and context

- 1.1 From 01 October 2021, the Council is responsible for sourcing its own IT hardware to meet its operational needs.

- 1.2 Since 2019, the Council has invested in a Dell laptop fleet. The devices have proved robust with sufficient processor and memory specification to support current and emerging working practices.
- 1.3 The next device refresh is planned for 2024.
- 1.4 Prior to the next refresh, the Council requires a mechanism to purchase hardware to meet current demand (approx. 50-70 devices per month) and which supports product/model standardisation.
- 1.5 Any new supply arrangement will need to integrate with the service provider for End User Services (XMA Limited) which manages software deployment and asset tracking of devices.
- 1.6 The Council has also recently awarded a contract for the provision of IT peripheral equipment (screens, keyboards etc) which will expire in August 2023 (also to XMA Limited).
- 1.7 The supply chain issue for electronic devices is expected to continue into 2022 so any new arrangement will need to facilitate demand-planning, holding stock and alternative (standard) builds to stabilise supply into the Council.
- 1.8 Various routes to market have been assessed by the Council as well as the features of partnering with a manufacturer or a re-seller.

2 Proposal details

- 2.1 To award a contract for the supply of computing hardware to Dell Corporation Limited for the period between 10 January 2022 to 08 August 2023 with an aggregate value capped at £1.120m.
- 2.2 A direct supply arrangement with a manufacturer of equipment will;
 - Ensure the Council can continue to meet internal demand for new hardware and maintain standardisation of devices;
 - Ensure the device estate is operating within a support and warranty period;
 - Provide stability of supply as supply chain issues persist by offering access to direct stock holdings;
 - Offer better value for money by consolidating demand.
- 2.3 The direct award approach through the NHS Shared Business Service Framework Agreement Link 3: IT Hardware and Services is a compliant use of the contract.
- 2.4 Use of the Framework also allows the Council to access a minimum discount of 35% based on list prices, which can be improved with volume commitments during the contract term.
- 2.5 The short contract term (which will be co-terminus with the IT peripherals contract) also allows the Council to begin considering options for the next device refresh including other purchase/payment models such as leasing or Device as a Service (DaaS).

3 Other options considered (and reasons for not proposing)

- 3.1 The following options have been considered;
- a. Do nothing;
 - b. Run a further competition using an established Framework Agreement based on Price and Quality criteria;
 - c. Run a standalone tender incorporating Price and Quality criteria.
- 3.2 Doing nothing or delaying a decision to procure IT hardware as part of Option a) is not recommended. With no supply arrangement in place the Council would be unable to service current demand or would have to place reactive and ad-hoc orders that would be unlikely to represent value for money.
- 3.3 Option b) has been discounted following feedback from soft market engagement which has shown that manufacturers will not bid against resellers and that resellers (as downstream providers of equipment) are also encountering long lead-in times and unstable supply.
- 3.4 Option c) is unlikely to deliver better value compared to using an established Framework Agreement which has been created to aggregate public sector demand, with suppliers being able to commit to enhanced minimum discounts.

4 Consultation, engagement and advice

- 4.1 Consultation has been carried out with the following parties
- Cabinet Member for Support Services and Economic Development.
 - Legal Services
 - Finance
 - Commercial Panel (procurement)

5 Finance

- 5.1 The funding to provide for the provision of computer hardware was included within the previous ITO contract and was allowed for within the business case for exiting the arrangements. The financial implications arising from the award of this contract and supply of computer hardware can therefore be met from within existing resources.

- 5.2 The effect of the proposal:

(a) **How the proposal represents good value**

The Council's use of the NHS Framework Agreement allows it to access a minimum of 35% discount based on Dell list pricing.

A commitment to a single supplier will also ensure value for money and support security of supply through effective demand planning.

(b) **Future savings/efficiencies being delivered**

A modern laptop fleet (operating within the warranty period) enables Council staff to perform their roles efficiently, both on-site and remotely.

(c) **Human Resources, IT and Assets Impact**

The Council's IT team will continue to review and respond to demand and begin planning for the next device refresh in 2024.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Unstable supply and long lead-in times	Working with a manufacturer (as opposed to a reseller) will enable the Council to purchase and secure devices at source. The Council will work with the supplier to plan demand and delivery to ensure a stable supply of devices into the Council.
Specific product lines become unavailable due to supply chain issues	Working directly with a manufacturer gives the Council flexibility to alternate (if needed) between devices in their catalogue. This approach will help the Council overcome stock/supply issues and maintain a consistent estate.

7 Policy alignment and compliance

- 7.1 Council Priority: Making best use of resources;
 - a. Continual efforts to achieve value for money in procuring equipment;
 - b. Making best use of resource and systems to administer hardware/assets.
- 7.2 The proposed award complies with Public Contracts Regulations 2015 and WSCC Standing Orders on Procurement and Contracts.
- 7.3 All UK-GDPR and data protection legislation compliance requirements are set out in the NHS Shared Business Services Framework Agreement.
- 7.4 The NHS Shared Business Services Framework Agreement states that suppliers will provide to the Buyer a yearly report based on its Corporate Social Responsibility activities and steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business.
- 7.5 This decision relates to the administrative purchase of computer hardware. Where reasonable adjustments are required this is supported through other purchase channels such as the IT peripherals contract or the Learning and Development Dynamic Purchasing System (DPS) for assistive technology and training.
- 7.6 The Council's IT Team will monitor and review any emerging issues around equality and access and ensure a plan is in place to provide for any relevant consultation and mitigations as required.

- 7.7 The proposal has no implications under the Human Rights Act 1998.
- 7.8 There are no foreseeable crime and disorder implications to this proposal.

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Appendices

None

Background papers

None