

CABINET MEMBER DELEGATED DECISION 17 NOVEMBER 2021

Report title: Laptops, associated products and services contract

Wards: All

Portfolio: Cabinet Member for Finance and Performance: Councillor Andrew Wilson

Report Authorised by: Bayo Dosunmu: Strategic Director for Resident Services

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REPORT SUMMARY

Lambeth ICT is responsible for buying and provisioning laptops and associated products and services for new joiners, replacing out-of-support laptops and fulfilling the requirement of other transformation projects.

XMA Ltd currently supplies laptops, associated products, and services to the Council. As the contract finished on 30 May 2021, the Council wishes to put in place new arrangements for purchasing these products and services.

A procurement exercise has been undertaken using the Crown Commercial Services (CCS) aggregation service through their Technology Products and Associated Services Framework to appoint new suppliers from 1 December 2021.

This report is seeking an approval to award contracts for purchasing Laptops, associated products and services following the undertaken procurement exercise.

FINANCE SUMMARY

It is proposed to award three contracts for a total estimated value of £1.65m for the period 1 December 2021 to 30 November 2023 which will be funded from a combination of capital and revenue budgets.

The contracts include an option to extend by a further two years from 1 December 2021 to 30 November 2023 subject to availability of funding from the Council's capital and revenue programmes.

The capital cost of £1.438m will be met from the existing ICT Infrastructure budget for the period 2020-25 and the revenue cost of £211,000 will be met from existing revenue budgets.

RECOMMENDATIONS

1. To approve the award of Lot 1, Lot 8 and Lot 9 as outlined in paragraph 2.7 to SCC (UK) Limited for the duration 1 December 2021 to 30 November 2023 for an estimated contract value of £125,000 with the option to extend for up to a further 24 months to 19 November 2025. The option to extend will be subject to new pricing agreement.
2. To approve the award of Lot 2, Lot 3, Lot 4, and Lot 7 as outlined in paragraph 2.7 to Computacenter for the duration 1 December 2021 to 30 November 2023 for an estimated contract value of £1,400,000 with the option to extend for up to a further 24 months to 19 November 2025. The option to extend will be subject to new pricing agreement.
3. To approve the award of Lot 5 and Lot 6 as outlined in paragraph 2.7 to XMA Limited for the duration 1 December 2021 to 30 November 2023 for an estimated contract value of £125,000 with the option to extend for up to a further 24 months to 19 November 2025. The option to extend will be subject to new pricing agreement.
4. To allocate £1.438m of capital funding from the ICT Infrastructure theme of the Five-Year capital programme approved by July 2020 Cabinet.

REASONS FOR EXEMPTION FROM DISCLOSURE

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

Information relating to the financial or business affairs of a particular person (including the authority holding that information).

CONTEXT

- 1.1 The Council provides all employees and workers with laptops or other end user computing devices to perform their jobs.
- 1.2 The recent contract to provide these products and services was fulfilled by XMA Ltd. This contract finished on 30 May 2021. Lambeth Technology team have ensured that there's sufficient hardware stock procured to cover the period from expiry of the old contract to commencement of new arrangements.
- 1.3 The proposed contracts recommended for award align with and support the "investing in your technology" theme from "Your Future Lambeth".
- 1.4 This is a Contract Award Report.

PROPOSAL AND REASONS

- 2.1 The Business Case for this proposal was approved on 6 August 2021. The Procurement Strategy was approved on 24 August 2021.
- 2.2 It is proposed to award this contract through aggregation and an e-auction using the Crown Commercial Services Technology Products and Associated Services (RM6068) framework.

- 2.3 Using aggregation, also known as collective buying, Crown Commercial Services can get a highly competitive price and favourable terms from suppliers, when more customers need the same, or similar, products and services. Aggregation brings customers together to get savings through increased buying power. This benefits all customers who get involved.
- 2.4 Crown Commercial Services undertook an e-auction on behalf of the Council through a process of aggregation of the requirements of 44 local authorities and public sector organisations.
- 2.5 Initially, the Crown Commercial Service invited expressions of interest from the participants of the framework.
- 2.6 The following table describes the Lots in the e-auction process.

Table 1

Lots	Description of Lots
Lot 1	Desktops, Small Form Factor PC and Micro PC
Lot 2	Standard Laptop (unbranded)
Lot 3	Lightweight Laptop (unbranded)
Lot 4	Dell Laptops
Lot 5	Lenovo Laptops
Lot 6	Microsoft Surface Pro
Lot 7	Hybrid Laptops
Lot 8	Monitors
Lot 9	HP Elite Laptops

- 2.7 Lambeth Council's current requirements are based on Lots 2, 3, 5, 7, 8. The Council will also have access to other lots if our needs change during the contract.
- 2.8 The following criteria was applied by Crown Commercial Service to shortlist suppliers for the e-auction:
 - a. Technical Competence
 - b. Supply chain assurance

In addition, all providers were required to complete method statements to ensure compliance with:

- a. IR35
 - b. Transfer and subcontracting
 - c. Equality and diversity
 - d. Conflicts of interest and ethical walls
 - e. Warranties and representations
 - f. Publicity and branding
 - g. Bribery and corruption
 - h. Fraud and notice of fraud.
 - i. Data protection and disclosure
 - j. Intellectual Property Rights
 - k. Confidentiality
- 2.9 Participating Authorities were invited by the framework provider to produce the following documents:

- a. Quality and Technical Requirement Specification
- b. A jointly agreed method statement questionnaire to reflect the Authorities' qualitative priorities and social value.

2.10 The e-auction process was administered by Crown Commercial Services using the Bravo Solutions e-procurement platform.

2.11 All suppliers on this framework conformed to Crown Commercial Services (CCS) corporate social responsibility schedule, which requires suppliers to meet the standards set out in the Supplier Code of Conduct and implement policies and procedures to identify and prevent modern slavery occurring in their supply chains.

2.12 Table 2A below sets out the evaluation criteria that were used by Crown Commercial Services in evaluating the bidder's responses. Table 2B is a breakdown of the quality components which will be evaluated.

Table 2A – Award Evaluation Criteria

	Evaluation Component	Percentage
e-Auction	Price / Cost	70%
Quality	Quality (see below)	30%

Table 2B – Quality Components

	Quality Component	Percentage
Quality Components	Core Services (Order Fulfilment/delivery/SLA)	20%
	Additional Services (threshold requirements)	Pass/Fail
	Account Management	5%
	Social Value	5%
	Technical Specification (threshold requirements)	Pass/Fail

2.13 Table 3 - Scoring Matrix Used by Evaluation Panel provides the basis for scoring of method statement responses.

Table 3 – Scoring Matrix Used by Evaluation Panel

Score Label	Score	Definition
Excellent	5	Answer meets and provides a value-added response to the requirement.
Good	4	Proposal meets the required standard in all material respects.
Acceptable	3	Proposal meets the required standard in most material respects but is lacking or inconsistent in others.
Minor Reservations	2	Proposal falls short of achieving expected standard in several identifiable respects.
Serious Reservations	1	Proposal significantly fails to meet the standards required, contains significant shortcomings and/or is inconsistent with other proposals.
Unacceptable	0	Completely fails to meet required standard or does not provide a proposal.

- 2.14 Crown Commercial Services invited bidders to compete for each lot on behalf of the participating Authorities.
- 2.15 Evaluation panel for technical evaluation consisted of Contract Managers and Procurement professionals from four participating Authorities and was moderated by an Aggregation & Category manager from Crown Commercial Services. Price evaluation was conducted by e-auction specialists from Crown Commercial Services.
- 2.16 The following suppliers were successful bidders in the following lots as the process detailed above
- Computacenter: Lot 2, Lot 3, Lot 4 and Lot 7
 SCC (UK) Limited: Lot 1, Lot 8, Lot 9
 XMA Limited: Lot 5, Lot 6

Contract Management

- 2.17 It is proposed that the awarded contracts will be managed by a board comprising of senior officers, procurement leads and contract managers from the various organisations that will be part of the aggregation group known as EA21. Senior category managers from Crown Commercial Services will also be part of this board. It is expected that a Senior ICT Contract Officer will represent Lambeth on this governance board.
- 2.18 Following an assessment carried out by Corporate Contract Management, this contract has been classified as Level 4, requiring approximately 31% of a Full Time Equivalent staff member’s time to undertake all the required contract management tasks at the required standard.
- 2.19 To measure contract management success, a full set of relevant Key Performance Indicators / Service Level Agreements have been agreed during implementation of contract and will control contract efficiency, contract effectiveness, and contract risks.

FINANCE

- 3.1 The total estimated value of the proposed contracts is £1.65m for the period 1 December 2021 to 30 November 2023.
- 3.2 The contract provides for an option to extend by up to a further two years from 1 December 2023 to 30 November 2025 which will be exercised subject to good performance.
- 3.3 There is a reduction in the projected annual spend in the first two years compared to previous years as it is anticipated that the requirement for new devices will be reduced following the recently completed device refresh plan (Client Experience Project) where more than 85% of device hardware was refreshed.

Are savings envisaged for this contract	No
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- 3.4 The estimated annual capital spend on these contracts is £719,000 for a total of £1.438m over the 2 years of the contract. This will be met by an allocation of funds from the ICT Infrastructure theme of the 2020-25 5-year capital programme approved by Cabinet in July that currently has £9.751m remaining to be allocated. As the procurement covers a period spread across 3 financial years including part years at the beginning (2021/22) and end (2023/24), the funding will be split £259,000 in 20/21, £719,000 in 2022/23 and £460,000 in 2023/24. In addition to the fresh allocation, there is also a review underway of existing ICT capital budgets to identify whether any

of that funding can be re-allocated to reduce the requirement for new funding from the main unallocated theme budget. If the option to extend is taken, further funding will need to be identified and allocated from within the remaining unallocated budget of the ICT Infrastructure theme.

- 3.5 The annual revenue component of the spend is estimated at £105,500, a total sum of £211,000 over the two years of the contracts. This would again be expected to be spent over the 3-year period 2021/22 to 2023/24 with expected expenditure of £38,000, £106,000, and £68,000 for each year respectively. These revenues spend items are currently recharged to service budgets and will continue to be done until those budgets have been centralised into ICT.

LEGAL AND DEMOCRACY

- 4.1 The authority to enact this report's recommendation is delegated to the Cabinet Member for Finance and Investment. Before exercising that authority, this report should be approved by the Procurement Board.
- 4.2 Procuring via a Crown Commercial Services e-auction is compliant with the requirements of both the Council's Contract Standing Orders and the Public Contracts Regulations 2015. The regulations require that contracts be awarded to the most economically advantageous tender, and they set out detailed provisions for electronic auctions (Regulation 35). Further competitions under frameworks should follow the same rules.
- 4.3 This proposed key decision was entered in the Forward Plan on 23 August 2021 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

CONSULTATION AND CO-PRODUCTION

- 5.1 In making decisions and co-producing services, engagement was carried out with following stakeholders

Table4

Name and Position of the Person consulted	Lambeth Department	Date Sent	Date Received	Report Section
Procurement Officer	Procurement	28/09/2021	28/09/2021	Initial consultation of the draft document
Assistant Director	Technology	04/10/2021	08/10/2021	
Director	Resident Experience and Digital	04/10/2021	08/10/2021	
Assistant Director	Finance	04/10/2021	12/10/2021	3
Legal Services	Legal	04/10/2021	07/10/2021	4
Democratic Services	Legal and Governance	04/10/2021	13/10/2021	4
Deputy Head of ICT (Interim)	Technology	04/10/2021	06/10/2021	1,2
Category Manager	Procurement	04/10/2021	08/10/2021	

RISK MANAGEMENT

6.1 The main risks that impede on the successful delivery of this procurement and contract are:

Table 5 – Risk Register

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Currency fluctuations may impact outturn cost	3	2	6	The Council will have to accept/tolerate this risk. Partial mitigation may be possible in some circumstances by procuring additional stocks if circumstances allow. Senior Contract Officer have developed a methodology to monitor currency prices monthly. There is no commitment to buy if the price is not right.
2	Supply chain pricing and delay risks due to global economic events, coronavirus, or shortage of components	3	2	6	Work closely with suppliers and manufacturers to understand the issues and plan mitigation.
4	Impact of Brexit on price and availability	2	2	4	Existing supplier and CCS have been consulted and have confirmed no availability risk, but we will work with suppliers to mitigate the pricing risk.

Key

Likelihood	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
Impact	Major = 8	Serious = 4	Significant = 2	Minor = 1

EQUALITIES IMPACT ASSESSMENT

An Equalities Impact Analysis has been completed and signed off by Interim Head of ICT on 17 February 2021. The analysis indicated that the Equalities Impact is low.

COMMUNITY SAFETY

8.1 There are no implications with respect to the Crime and Disorder Act 1998, Section 17.

ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 All suppliers have committed to Sustainable IT as part of their method statement responses. The commitments include conforming to the principle 5-channel circular-economy approach (Reuse/Return/Repair/Donate/Recycle).
- 9.2 The Council will work with suppliers to find ways of reducing journeys by consolidating deliveries and using “direct to hub” logistics partnerships. This would reduce additional journeys to local delivery depots.

- 9.3 Computacenter's Environmental Management System is certificated to the International Environmental Management System Standard, ISO 4001:2015. ensuring Duty of Care obligations are met, in full compliance with current legislation.
- 9.4 Computacenter follow multiple compliances schemes as listed below.
- a. Mandatory Carbon Reporting (MCR)
 - b. Carbon Disclosure Project (CDP)
 - c. Carbon Reduction Commitment (CRC)
 - d. Streamlined Energy and Carbon Reporting (SECR) – 2019/2020 onwards
 - e. Energy Savings Opportunity Scheme (ESOS)
 - f. Supply Chain Sustainability School – Silver Member
 - g. Sedex – Supplier Member
 - h. Producers packaging waste compliance scheme via Paperpak membership
- 9.5 SCC is a carbon neutral organisation. They will work with Lambeth to ensure IT equipment is packaged in the most environmentally efficient way with as much packaging being recycled and the packaging itself recyclable.
- 9.6 Where possible, SCC's suppliers are shifting from plastic packaging to paper and moulded pulp that have been recycled or certified as sustainable. Where plastic packaging is used, the proposed manufacturers are shifting toward recycled materials where available. For many products, the use of moulded pulp made entirely from post-consumer recycled and industrial paper waste is used instead of expanded polystyrene.
- 9.7 Where using plastic packaging minimises environmental impact—for example, if moulded pulp packaging would have to be significantly larger to adequately protect the product or significantly heavier than plastic for products shipped by air. Where the proposed manufacturers cannot use paper packaging, they are increasingly using foam cushions that contain recycled plastic with the aim to switch to 100% recycled foam plastic cushions.
- 9.8 Transportation is a key area of environmental impact and SCC will offer Lambeth the ability of having the supplied equipment delivered to SCC by sea/rail/air, however, this has an impact on equipment lead-times from 8 weeks to 5 days from a manufacturer respective. This will be scoped out in implementation in consultation with Sustainability colleagues.
- 9.9 To reduce courier CO2 emissions SCC will work with Lambeth, where possible, to bundle multiple orders into weekly, bi-weekly or monthly deliveries
- 9.10 XMA have confirmed that, all goods will be packaged following the principles of reduce/reuse/recycle.
- 9.11 Sustainable packaging is key to XMA's ISO14001 certification, Carbon Neutrality objective (2022) and Net Zero roadmap, e.g., they use minimal plastics and have eliminated polystyrene.
- 9.12 XMA will remove/reuse/recycle vendor packaging and re-pack devices in reusable Blue-Boxes, using recyclable polypropylene and 100% recyclable foam inserts. Every Blue-Box in service saves the production/disposal of 50+ cardboard cartons.
- 9.13 XMA will continue to influence vendor/distribution packaging design through their accreditations, requiring partners/vendors to supply packaging with either minimum 50% recycled content or be 100% from sustainable sources, e.g., Lenovo has reduced 1.4kg of packaging materials per box on X1 Carbon/Yoga models.
- End-user devices are often delivered to XMA with several individually packaged devices within a larger cardboard carton. XMA will reduce packing delivered by removing/recycling individual packaging and repackage using the larger carton. This will reduce packaging by 50%.
- 9.14 XMA have agreements with asset recovery organisations to collect unwanted vendor packaging for reuse with reconditioned assets. Lambeth will work with XMA to utilise this initiative and reduce our carbon usage.
- 9.15 XMA provide a consolidated delivery schedules to minimise additional journeys/additional packaging, which can be determined by frequency (e.g., monthly) or minimum quantities. Lambeth will work with XMA to identify how we can reduce additional journeys.

- 9.16 XMA have a 'direct-to-hub' agreement with their logistics partner, Parcelforce. It removes additional journeys, as shipments do not need to be delivered to local delivery depots first.
- 9.17 XMA will be reviewing reusable boxes to be sent to Lambeth to repackage returns, reducing packaging waste.

Health

- 9.18 Not applicable

Corporate Parenting

- 9.19 Not applicable

Staffing and accommodation

- 9.20 Not applicable

Responsible Procurement

Whilst the Council's Social Value requirements were not part of the tendering exercise, there were social value benefits derived by CCS in the tendering exercise. These include:

- 9.21 Good Quality Jobs with Fair Pay and Decent Working Conditions:
This being an aggregation-based procurement for goods, the Living Wage is not applicable. However, all suppliers conform to UK Government's Supplier's Code of conduct which includes at a minimum compliance with Equality Act 2010, Modern Slavery Act 2015, UK Corporate Governance Code.
- 9.22 Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group:
Whilst no specific commitments have been offered to the council, it is the intention to ensure an ongoing dialogue with the three providers with respect to apprenticeships, employment opportunities for Lambeth residents and Lambeth Priority groups.
- 9.23 Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030:
All suppliers have offered zero carbon delivery options for an additional cost. This will be reviewed with Sustainability team and implemented if feasible.
- 9.24 Single Use Plastics:
All suppliers have committed to Reducing/Reusing Vendor/Distribution Packaging, reduce packaging by repackaging larger orders and using packaging with 50-100% recycled content.
- 9.25 Positive Health and Wellbeing
All suppliers have varying schemes for their staff such as mental health training for managers, fully trained mental health first aiders.
- Other Offers (Innovation):
- 9.26 Computacenter will work with the council to provide free IT hardware and software, IT training to jobseekers in Lambeth and other Lambeth Priority Groups.
- 9.27 Specialist Computer Centre provides new and re-useable ICT as part of equipment to residents/community groups of their local authority as part of authorities' Digital inclusions programmes.

9.28 Specialist Computer Centre provides resources to help train residents and community groups in the use of Digital equipment safely

TIMETABLE FOR IMPLEMENTATION

10.1 The table below details the stages and deadlines for implementing the recommendations:

Table 6

Activity	Proposed Date
Date published on Forward Plan	23/08/2021
Publication on Decisions online	09/11/2021
End of Call-in Period (key decisions only)	25/11/2021
Cabinet Member Decision	17/11/2021
Execution of Contract	26/11/2021
Commencement of Contract	01/12/2021

AUDIT TRAIL

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Andrew Wilson	Cabinet Member for Finance and Investment	06/10/2021	06/10/2021	
Councillor Claire Holland	Leader of the Council	28/10/2021	05/11/2021	
Bayo Dosunmu, Strategic Director	Resident Services	12/10/2021	12/10/2021	
Andrew Ramsden, Finance	Finance and Property	04/10/2021	12/10/2021	3
Michael O’Hora, Legal Services	Legal and Governance	04/10/2021	07/10/2021	4
Nazyer Choudhury, Democratic Services	Legal and Governance	04/10/2021	06/10/2021	4
Malcolm DeVela, Category Manager	Finance and Property	04/10/2021	06/10/2021	
Joe Walsh, Sustainability	Climate Change and Sustainability	04/10/2021	06/10/2021	9

REPORT HISTORY

Original discussion with Cabinet Member	09/08/2021
Report deadline	None
Date final report sent	XX.XX.20
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	23/08/2021
Key decision reasons	Expenditure, income, or savings more than £500,000.
Background information	UK Government - Supplier Code of Conduct Sustainable procurement UK Corporate Governance Code Your Future Lambeth
Appendices	Equalities Impact Assessment

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Neeraj Mitra
Senior ICT Contracts Officer

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Councillor Andrew Wilson
Cabinet Member for Finance and Investment

Any declarations of interest (or exemptions granted): None

Any conflicts of interest: None

Any dispensations: None