

## ICT Managed Service

Date of meeting:	5 December 2024
Report to:	Cabinet
Report of:	Executive Director of Corporate Services and Commercial
Portfolio:	Corporate Services
Wards affected:	All Wards
Included in Forward Plan:	Yes
Is this a key decision:	Yes
Exempt/confidential report:	No

**Summary:**

This report provides a summary of the procurement process completed for the provision of ICT Managed Services to Sefton Council from the 1<sup>st</sup> of October 2025 and provides the rationale for the award recommendation.

**Recommendation(s):**

- (1) Authority be granted to award the contract detailed in the report under Crown Commercial Services (CCS) Framework Technology Services Lot 3b, Operational Services, for a period of four plus one optional contract year to Agilisys Ltd and delegated authority be granted to the Executive Director of Corporate Services and Commercial in consultation with the Cabinet Member for Corporate Services to grant the optional contract extension if deemed appropriate.

**Alternative Options Considered and Rejected:**

There are no viable alternatives.

**1. The Rationale and Evidence for the Recommendations**

- 1.1 In 2018 Agilisys Ltd took over as the ICT Managed Service provider for Sefton following a 10-year agreement with Arvato. The redesigned contract was awarded for 5 years with two optional 12-month extension periods. This contract comes to an end on the 30<sup>th</sup> of September 2025.

- 1.2 In a report presented to Cabinet in March 2024 it was outlined how the current operational model has allowed Sefton Council to move at pace, from having an aging ICT infrastructure and rolling contracts, to a well-managed modern ICT estate. The same report outlined a proposed operating model with minor changes to the current model to improve the service to the authority, these changes being focused upon
- Improvements to Cyber Incident Event Management and Security Operations
  - The move of Applications Support and Development services to within the ICT Client Function
  - Changes to the administration of the schools SLA provision
- 1.3 At the Cabinet meeting on the 7<sup>th</sup> of March authority was provided for the Executive Director of Corporate Services and Commercial (previously Corporate Resources and Customer Services) to conduct a procurement compliant exercise, using Crown Commercial Services CCS Technology Services 3 Lot 3b Operational Management, to source a service provider for the provision of ICT Managed Services to Sefton Council, with the resulting recommendation being brought to Cabinet for an award decision.
- 1.4 In April this year, procurement activity commenced. There was one minor change to the proposals above, in that following external legal advice it was determined that the authority should continue to administer the SLAs agreements with schools, this was not deemed to be a material change to the scope of the contract provision and was communicated to all parties interested in bidding for the contract.
- 1.5 The procurement activity was completed as a CCS Supported Procurement, in that Crown Commercial Services (CCS) provided technical and administrative support for the procurement activity. Due to the size and strategic importance of this contract a multi-disciplinary team was established. Internal resource included Officers from, Legal services, the ICT Client team, Finance, the Central Procurement team, Human Resources and the Executive Leadership Team. This was supplemented by external legal advice regarding contractual schedules and associated terms and conditions.

## **2 Procurement Stages**

- 2.1 To ensure transparency and fairness across all interested parties Sefton held an open day in April 2024 inviting all listed within the CCS framework to attend. Slides and supporting information were also made available to any suppliers that were interested in the opportunity but could not attend, thirteen suppliers attended with a further five receiving copies of the information presented and associated questions and answers.
- 2.2 In May 2024 the authority wrote to all suppliers on the Framework to request that those interested in bidding for the contract completed a formal request for information form so that they could receive the Invitation to Tender Documents and associated Contract Schedules at the end of June. Eleven suppliers expressed an interest in bidding for the contract at this stage.

2.3 Tender documents were released to all interested suppliers during June 2024, with a period of three weeks allowed for suppliers to ask clarification questions, 127 clarifications were received and responded to during this time. The deadline for tender submissions was set as the 8<sup>th</sup> of August 2024. Bids were to be evaluated on the following basis

- Quality 50%
- Social Value 10% (included within quality submission)
- Price 40%

2.4 Evaluation of quality questions took place over the summer with moderation scheduled for September 2024. Quality aspects included.

- Working relationships
- Implementation proposals
- Operational Management
- Contract Commencement and TUPE
- Performance Indicators and Monitoring
- Future developments
- Change control and Change Management
- Information Security and Management
- Strategic ICT and Digital Roadmap
- Core ICT Delivery and Management
- Resource and Demand Management
- Services to Schools
- Social Value

2.5 The financial aspect of the bids were then reviewed, this covered four key areas:

- Core Operational Costs (fixed for the duration of the contract)
- Implementation costs (one off costs)
- Ad Hoc Day rates for project work (optional)
- School services (optional for schools)

2.6 It must also be noted that any ad hoc work commissioned from the successful supplier will be granted only if the supplier can evidence their ability, experience and ensure value for money. Sefton reserves the right to commission projects from alternative suppliers if this would be in the best interests of the authority.

2.7 Only one bid was received by the authority at the closing date, this being from the incumbent supplier Agilisys Ltd.

2.8 Agilisys Ltd scored well on all quality aspects as outlined within section 2.4 of the main report, with no failures.

2.8.1 Social value was assessed based on two areas

- Creating skills, ambition and opportunities for young people in Sefton
- Supporting increased supply chain resilience and capacity

The bid from Agilisys Ltd was strong on both counts, with commitments to supporting pupils and schools with school talks, technology boot camps and work experience placements. Further commitment was given to helping school leavers to be ready for work. The supplier also provided a clear commitment to supporting Care Experienced Young People, including priority placements and work experience opportunities.

In relation to supply chain resilience an offer was clearly articulated in relation to supporting business across Sefton to becoming more cyber resilient, this offer included Workshops and Webinars for Sefton businesses, Cyber Security Health checks, discounted access to Cyber Security tools and Cyber resilience certification for those who needed it. This offer can be tailored to meet the requirements of Sefton and would complement the work of the Invest Sefton team.

2.9 A clear offer has been provided for schools who wish to take services, this comprises of a number of individual service packages including

- Fully Managed services
- MIS (managed information system) Services
- Connectivity Services
- Telephony Services
- Google Support Services

All schools will be contacted in January 2025 regarding the revised contract allowing ample time for decisions to be made within schools before the new arrangements commence on the 1<sup>st</sup> of October 2025.

### **3 Financial Implications**

Core operational costs quoted within the bid received from Agilisys Ltd can be contained within the budget allocated to the contract and meets the requirements of the authority.

### **3. Legal Implications**

The Council has a statutory duty under Public Contract Regulations (PCR) 2015. Whilst this will soon be the Procurement Act 2023, this procurement has been awarded in line with PCR2015 as the Framework was established prior to the new Act coming into force.

### **4. Corporate Risk Implications**

None directly, any operational risks linked to onboarding will be captured within the relevant project documentation and escalated in line with corporate risk management procedures as required.

Performance of the new Contract will be closely managed with governance established within the contract for both transition activities and operational performance against industry leading key performance indicators monthly, with financial penalties for non-compliance.

Key performance measures will not only cover system availability but will also include key measures relating to; response time, fix time, compliance with corporate policies (such as starters, movers and leavers) ICT security and customer satisfaction. A full list of all of the performance indicators including the triggers for service credits can be found in Appendix A.

The governance for the new contract includes the following obligations (as set out in a binding contractual schedule)

- A Service Management Board responsible for the executive management of all Services, which meets monthly and is attended by the Snr Manager for ICT and Digital, along with relevant internal officers and the Operational Delivery Management for the Managed Service and appropriate officers. This board is responsible for the oversight of all services, including performance, project management change management.
- A programme board which provides senior level guidance, leadership and strategy for the overall delivery of the services with the key remit to determine technology and business strategy and guidance on matters of policy, this board will meet quarterly and be attended by the Cabinet Member for Corporate Policy, the Executive Director for Corporate and Commercial Services, the Snr Manager for ICT and Digital , Directors from the Managed Services Provider and other officers as required. This board will also manage any escalations from Service Management Board.

In addition to the above an annual report will be taken to Overview and Scrutiny each year in relation to the performance of the Managed Services Contract.

## **5 Staffing HR Implications**

The award of a new contract will involve the TUPE of Application Development and Support staff from successful supplier to the Council, consultation is already underway in line with formal HR procedures.

The proposed supplier has advised that there will be minimal staffing changes with the managed service with a minor restructure which will have a small impact on the number of staff employed to support the Sefton estate.

## **6 Conclusion**

The authority has completed a PCR2015 compliant procurement process and recommends the award of the Contract for ICT Managed Services to Agilisys Ltd from October 2025 for a period of four plus one optional year. This recommendation ensures the delivery of a contract in line with both the quality and cost requirements of the tender and in addition allows the authority to build on its existing good relationship with Agilisys Ltd.

<p><b>Equality Implications:</b> There are no equality implications.</p>
<p><b>Impact on Children and Young People:</b> No</p>
<p><b>Climate Emergency Implications:</b>  This decision will have a neutral impact given there is no significant redesign of the ICT estate included within the contract scope.</p>

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Services and Commercial (FD 7861/24) and the Chief Legal and Democratic Officer (LD 5961/24) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

Not applicable

**Implementation Date for the Decision :**

Following the expiry of the “call-in” period for the Cabinet decision.

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**Appendices:**

Appendix A – Key Performance Indicators

**Background Papers:**

[Cabinet Report - ICT Managed Service Contract March 2024](#)