

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	22 June 2017
<b>Subject:</b>	<b>ICT Transformation-Procurement Report</b>		
<b>Report of:</b>	Head of Corporate Resources	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

### **Purpose/Summary**

In accordance with the contract procedure rules, this report seeks Cabinet approval for the proposed method of procurement and the basis of tender evaluation in connection with the proposed ICT Transformation work. This work is required in order to support the delivery of the Council's future operating model for the service and delegated authority for acceptance of the most advantageous bid received is requested.

### **Recommendation(s)**

1. Approve the procurement of an external provider to support the Council to deliver its required ICT transformation programme in advance of September 2018;
2. Approve the proposed method of procurement and evaluation as set out within the Report;
3. Delegate authority to the Head of Corporate Resources in consultation with the Cabinet Member, Regulatory, Compliance & Corporate Services to award the contract to the highest scoring bidder; and
4. Authorise the Head of Regulation and Compliance to enter into Contracts with the successful Tenderer.

### **Reasons for the Recommendation(s):**

At its meeting in January 2017, Cabinet approved the future operating model for ICT. In order to deliver against this objective, the Council will need support from an external contractor in order that the ICT service reflects this operating model and can support the delivery of the Councils Framework for Change.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

Due to the scale and complexity of the work required, external support is required. Internal Council resources are not available to support this programme.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

The revenue costs of this project will be met from the Council's 'cost of change' budget as approved at Budget Council on 2 March 2017

**(B) Capital Costs**

The capital costs of this project will be met from the Council's 'cost of change' budget as approved at Budget Council on 2 March 2017

**Implications of the Proposals:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>
None
<b>Legal Implications:</b>
None
<b>Equality Implications:</b>
There are no equality implications.

**Contribution to the Council's Core Purpose:**

This proposal will directly support the Council's Framework for Change Programme, including each of the Public Sector Reform Projects, Strategic Investment and Economic Growth pillars. As such this proposal will enable the delivery of each of the following objectives

Protect the most vulnerable:
Facilitate confident and resilient communities
Commission, broker and provide core services:
Place – leadership and influencer:
Drivers of change and reform:
Facilitate sustainable economic prosperity
Greater income for social investment:
Cleaner Greener:

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

**(A) Internal Consultations**

The Head of Corporate Resources (FD4693/17) is the author of the report and Head of Regulation and Compliance (LD3977/17) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

N/A

**Implementation Date for the Decision**

Immediately following the Committee / Council meeting.

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**Appendices:**

No

**Background Papers:**

There are no background papers available for inspection.

## **1. Introduction**

- 1.1 At its meeting on 12 January 2017, Cabinet approved the new structure and business requirements for the Councils ICT service. These requirements reflected the rapidly evolving ICT opportunities presented in the market that can support all organisations and specifically those required to support the Council's Framework for Change.
- 1.2 These business requirements and structure are designed to be in place in advance of September 2018 when the current ICT contract expires.
- 1.3 It was recognised in the work undertaken that informed the Cabinet decision around these business requirements, that a level of ICT transformation would be required in order to meet these objectives. The Council therefore now needs to source an external provider to support it in the delivery of this transformation.
- 1.4 The need to undertake this work was identified within the Budget report presented to Council on 2 March 2017 and it was detailed that this would be met from the 'cost of change' budget that was approved at that meeting. This budget was specifically established in order to support the delivery of the Framework for Change and as such the Councils Medium Term Financial Plan. This work is also directly linked to the PSR project: ICT and digital.
- 1.5 A business case has been developed to scope the works required and from this work, it is evident that the cost of the works will exceed the relevant OJEU threshold which, as at January 2016, is £164,176.00. It will therefore be necessary to procure the Contract in accordance with EU procedural rules.
- 1.6 There are a number of suitable OJEU compliant framework arrangements in place that the Council can use to procure this activity. Officers are currently reviewing those available and will seek to procure the requirement under the most suitable option.
- 1.7 Although a framework is in place, bids will be assessed and the successful award being made to the most economically advantageous tender considering a mix of Price, Quality and Interview. In addition to this evaluation, bids must also meet the Council's requirements in terms of financial standing, capacity and ability to complete the work, quality of performance, approach to Social Value and managing the work safely.
- 1.8 The successful bidder will only be appointed following the completion of the tender evaluation in accordance with the current contract procedure rules.