

REPORT:	OFFICER DELEGATED KEY DECISION	
DATE OF DECISION	5 November 2024	
REPORT TITLE:	End User Services Contract Award	
CORPORATE DIRECTOR / DIRECTOR:	Marie Snelling, Interim Assistant Chief Executive And Paul Golland, Chief Digital Officer & Director of Resident Access	
LEAD OFFICER:	Fahid Ahmad, Commercial Contracts Manager Email: fahid.ahmad@croydon.gov.uk	
LEAD MEMBER:	Cllr Cummings Cabinet Member for Finance	
DECISION TAKER:	Marie Snelling, Interim Assistant Chief Executive	
AUTHORITY TO TAKE DECISION:	Delegation pursuant to Annual Procurement Plan 23-24 Amended Cabinet 6th December 2023	
KEY DECISION?	Yes	REASON: Key Decision – Decision incurs expenditure, of more than £1,000,000 Ref: 0524ACE
CONTAINS EXEMPT INFORMATION?	Yes	Public with exempt appendix Part B Grounds for the exemption: Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 and the public interest in withholding disclosure outweighs the public interest in disclosure
WARDS AFFECTED:	N/A	

1 SUMMARY OF REPORT

- 1.1** This report seeks the approval to award a contract for the provision of the Council's End User Services for a period of 5 years from 16 March 2025 to 15 March 2030 at a contract value stated in the Part B report.
- 1.2** Note the contractor's name and contract value will be published following contract award.
- 1.3** This will enable the Council to meet corporate priority OUTCOME 1: The Council balances its books, listens to residents and delivers good, sustainable services.

2 RECOMMENDATIONS

FOR CCB

- 2.1** For the reasons set out in the report, the Contracts & Commissioning Board (with the approval of the Cabinet Member for Finance) is requested to approve the recommendations in this report to the Chair of CCB and the Assistant Chief Executive as set out below:

FOR CHAIR OF CCB

- 2.2** The Chair of CCB is recommended by the CCB to approve a waiver, under regulation 19 of the Tenders and Contracts Regulations (TCR), of Regulation 23, which requires the Council's Standard Contract Clauses, to be used, as the Crown Commercial Services framework contract RM6100 Technology Services 3 is being used instead for these services.

FOR CD ACE

- 2.3** The Executive Mayor has delegated authority to the Assistant Chief Executive to make the following decision:
- 2.4** The Assistant Chief Executive is recommended by the CCB to:
- 2.5** Approve the award of a contract for the provision of End User Services for a period of 5 years commencing on 16 March 2025 to 15 March 2030 at the contract value stated in the Part B report.
- 2.6** Note the contractor's name and contract value will be published following contract award.

3 REASONS FOR RECOMMENDATIONS

- 3.1** The Council has a contract in place with a supplier for the provision of the Council's End User Services. This contract was put in place in 2019, and it is due to expire on 15 March 2025. It is therefore necessary to procure a new contract.
- 3.2** The report recommends an award of the Council's End User Services contract for a five-year term following a tender conducted using a government framework. The recommended supplier submitted a compliant tender, meeting the Council's specification, delivering a social value offer and providing best value for money.
- 3.3** The contract will support the Council's ICT priorities and will allow the Council to deliver a more modern ICT service for users. We are adopting a model that facilitates change at speed improving the agility and efficiency of the Council.
- 3.4** The use of the Council's End User Services contract facilitates and supports every statutory service across the Council.
- 3.5** The decision sought will support the Council priority of OUTCOME 1 "Balances the books, listens to residents and delivers good, sustainable services."

4 BACKGROUND AND DETAILS

- 4.1** The detailed section of this report sets out the background to this project and the procurement and evaluation process. This report recommends the award of the contract for the Council's End User Services for a period of 5 years and upon the terms detailed within this report on the basis that the supplier has submitted the most advantageous tender for the provision of the End User Services.
- 4.2** The Procurement Strategy for the report titled "Procurement Strategy End User Services" which detailed the procurement approach was approved by the Contracts & Commissioning Board on 12/04/2024, CCB Ref: PB-2425-000003-S (Key Decision Ref: 0124F) and has been adhered to throughout the procurement process.
- 4.3** There were 6 responses received in respect of this tender. Details are set out in the Part B report.
- 4.4** Bidders were invited to join the Council's Premier Supplier Payment Scheme (PSP) and take advantage of the early settlement of invoice that comes with it. 4 out of the 6 bidders offered to sign up to the PSP programme for this tender.
- 4.5** The review process started in February 2023 with key stakeholder meetings and customer surveys to help establish the scope and key objectives of the project. Once these were understood and agreed the team then ran a market engagement exercise, meeting with vendors and shared services.

- 4.6** CDS took the opportunity to review the current operating model with the view to identifying possible savings and improving the services. CDS worked closely with Procurement on the procurement plan timeline, reviewing various frameworks and running the tender competition and evaluations.
- 4.7** In April 2024, the Council invited all suppliers on Crown Commercial Services framework RM6100 Technology Services 3 - Lot 3a and 3c to supplier briefing sessions to answer questions on the scope of the contract and to encourage a good response to the tender when published.
- 4.8** The Council conducted a procurement exercise for End User Services as the current contract is coming to an end on 15 March 2025. The tender competition was run under Crown Commercial Services framework RM6100 Technology Services 3 - Lot 3a (Operational Services - End User Services) and Lot 3c (Operational Services - Technical Management). Invitations to Tender were sent via the Council's e-tendering portal to all of the 93 listed companies on both Lots of the framework. Bidders were given 34 days (from 1 May 2024 to 3 June 2024) to respond to the invitation.
- 4.9** The new contract and in-house teams have exceeded the savings estimated in the initial strategy paper, this is detailed in Part B section 8.
- 4.10** The new contract and in-house teams will support the Council's ICT priorities and will deliver a more modern ICT service for our users. We are adopting a model that facilitates change at speed improving the agility and efficiency of the Council.

Strategic Context

- 4.11** The Council is facing serious financial challenge. An important and key outcome in the Mayoral Business Plan (Outcome 1) for 2022 – 26 is:
- The Council balances its books, listens to residents, and delivers good sustainable services.
- 4.12** This new contract award will introduce a hybrid service model with a mixture of outsourced & In-house services. Prior to the tender exercise, CDS held a market engagement exercise that revealed the hybrid service model to be the most cost-effective operating model. It concluded that there was a possibility to reduce costs with a reduced scope outsourced service coupled with an in-house Service Integration and Management (SIAM) and Deskside team to provide the Council with more insight, control, flexibility and clearer governance.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1** Alternative options were considered when reviewing this re-procurement and when the strategy was approved.

6 CONSULTATION

- 6.1** A review process was completed in early 2023 with key stakeholder meetings and customer surveys to help establish the scope and key objectives of the project. Once these were understood and agreed the team then ran a market engagement exercise, meeting with vendors and shared services.
- 6.2** The responses from the market engagement alongside data from another council were analysed and resulted in the recommended option detailed in the EUS Options Paper that was approved by the Digital Internal Control Board.
- 6.3** Consultation was not carried out with Croydon residents and community groups as the service being sourced will be used internally by the Council users, which will not directly impact the residents.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1** The contract award will enable CDS to deliver the following corporate priorities from the Mayors Business Plan 2022-2026:
 - 1. The council balances its books, listens to residents and delivers good sustainable services.*
- 7.2** The ICT End User Services contract supports all Council staff and is essential for the Council's technical infrastructure.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1** Detailed financial implications are set out in Part B.

8.2 LEGAL IMPLICATIONS

- 8.2.1** The Council has the power to enter into contracts with third parties pursuant to its functions as provided for under section 1 of the Local Government (Contracts) Act 1997. The Council also have the power to do anything that individuals generally may do pursuant to section 1 of the Localism Act 2011.
- 8.2.2** Under the Council's Tender and Contracts Regulations, the Executive Mayor has delegated authority to award contracts at the Key Decision threshold and above to the Corporate Director on the recommendation of the Chair of CCB.

8.2.3 The Council is under a duty to comply with the Public Contracts Regulations 2015 (PCR). Regulation 33 of the PCR permits contracts to be awarded by the Council via compliantly established frameworks. The proposals set out in this report to award the End User Services contract, by conducting a further competition using the Crown Commercial Services Framework Technology Services 3 – Agreement RM6100 allow the Council to comply with the PCR as this is a compliantly established framework

8.2.4 Information on the potential TUPE implications is set out in Part B.

8.2.5 Comments approved by Kiri Bailey, Head of Commercial, Housing and Litigation & Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer – 09/09/2024

8.3 EQUALITIES IMPLICATIONS

8.3.1 An Equalities Analysis was completed and approved by Denise McCausland in May 22 and the RP2 strategy report was signed off by Felisha Dussard in March 2023. The EQIA concluded that in general there will be neither a negative nor positive impact on all groups as the services would not change significantly from the current service provided. This remains the same.

8.3.2 End User Services is currently in place, and this will continue, with no significant changes from the current service we are receiving.

8.3.3 The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:
(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act. (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.3.4 Comments approved by Ken Orlukwu, Senior Equalities Officer, on behalf of Helen Reeves, Head of Strategy & Policy – 20/08/2024

OTHER IMPLICATIONS

8.4 PROCUREMENT IMPLICATIONS

8.4.1 Market Engagement

Prior to the procurement process, a team of officers conducted pre-market engagement sessions with a range of different providers in the market. The feedback from this engagement informed the service specification.

8.4.2 TCR and PCR

A TCR and PCR compliant procurement was conducted using the council e-tendering system, led by the Strategic Procurement Manager. A waiver to use the framework terms was approved in the strategy. There was no departure from the approved strategy CCB Ref: PB-2425-000003-S (Key Decision Ref: 0124F).

8.4.3 Procurement Process

The procurement process involved running a further competition on the CCS Framework RM6100 Technology Services 3 - Lot 3a (Operational Services - End User Services) and Lot 3c (Operational Services - Technical Management). The basis of the tender is as follows:

- 50% Quality
- 10% Social Value
- 40% Price

8.4.4 Crown Commercial Services Framework RM6100 (which expires on 15 June 2025) is one of the UK governments approved procurement sourcing platforms for local and central government bodies. Procuring on this platform demonstrates the Council's compliance with the Central government procurement directives.

8.4.5 As specified under the framework rules, all suppliers who provide services on Lots 3a and 3c were invited to tender and detail their service offering and prices through a competitive tender via the council e-procurement portal.

8.4.6 At the bid deadline of 3 June 2024 six suppliers returned completed bids.

8.4.7 The evaluation process was split into two independent processes - commercial evaluation of the tendered price conducted by the procurement team and quality evaluation of the technical bids was conducted by a panel of five subject matter experts within the Council.

8.4.8 The evaluators, after signing the declaration of interest form, scored the suppliers based on their tender submissions on the requirements. The published tender questions consisted of the following:

- Scope and Solution
- Transition
- TUPE
- Customer Satisfaction
- Innovation
- Continuous Improvement
- Security
- Ad-hoc Projects
- Service Desk and Incident Management
- Multi-supplier Management
- Knowledge Management
- Access Management

- Event Management
- Service Transition
- Microsoft Office 365
- ITSM Toolset Utilisation
- Citrix Support
- End Point Device Management
- Social Value

SUMMARY OF EVALUATION SCORES

Following clarifications and moderation, Bidder D was determined to be the preferred bidder with a compliant offering which meets the specifications.

	Weighting	BIDDER A	BIDDER B	BIDDER C	BIDDER D	BIDDER E	BIDDER F
Total Score	100%	34.86%	41.56%	49.84%	63.15%	57.01%	62.21%
RANK		6	5	4	1	3	2

More details are set out in Part B.

8.4.9 Procurement Risks:

The current contract will end on the 15 March 2025. End User Services is key to supporting the Council's ICT priorities and will allow the Council to continue to deliver a reliable ICT support service for users, residents and businesses. Some of the risks initially identified include scrutiny and challenges by suppliers; market failure; contract failure and damage to the reputation of the Council. All these risks were mitigated by sourcing through the Crown Commercial Services (CCS) Framework which has a large pool of prequalified and competent suppliers with a track record of excellent service delivery. Sourcing on the Crown Commercial Services Framework also reduces the risk of engaging unvetted suppliers capable of damaging the Council's reputation. Furthermore, it mitigates the possibility of a supplier mounting a successful challenge as the framework is PCR 2015 compliant.

8.4.10 Evaluation Summary is set out in Part B.

8.4.11 Comments approved by Gerard Gough, Strategic Procurement Manager – 14/08/2024

8.5 ICT IMPLICATIONS

8.5.1 IT End User Services is key to supporting the Council's ICT priorities and will allow the Council to continue to deliver a reliable ICT support service for users, residents and businesses. This will in turn offer an improved performance to all within the

borough. Council staff and members rely on the availability of and access to the Council technical infrastructure.

8.5.2 All back-office business applications, online services, residents and businesses require access to our online services reliant on the core technology. The provision of ICT End User Services supports the service desk activity, end user support and desktide engineering services.

8.5.3 Delivering Information and Communication Technology (ICT) in local government is critical as it underpins the running of most services the council provides. ICT also has a key enabler role underpinning digital delivery to add value to service provision and customer experience.

8.5.4 Comments approved by Paul Golland, Chief Digital Officer and Director of Digital & Resident Access – 13/08/2024

8.6 HUMAN RESOURCES IMPLICATIONS

8.6.1 HR implications are set out in Part B.

8.7 GDPR IMPLICATIONS

8.7.1 A DPIA has been completed and approved by the Information Management team.

8.7.2 It is not anticipated that the procurement of a new supplier(s) will have a detrimental impact on any of the groups that share protected characteristics, as there are no changes to current Council policies or procedures planned. Nor will there be instances of the new supplier processing personal information on the Council's behalf. This procurement is to ensure a continuation of services and support to the ICT End User Services.

8.7.3 There will be no processing of personal, sensitive, or special category information in relation to the council's residents, customers and other suppliers.

8.7.4 The supplier will be responsible for the maintenance, management and monitoring of some of the Council's systems. This does not involve looking at or reviewing personal data. The supplier will triage and raise a ticket that will go to themselves or other suppliers, so they will be involved in a low level of processing of personal information of employees such as name and contact details as required to carry out their responsibilities to the contract.

8.7.5 Comments approved by Paul Golland, Chief Digital Officer and Director of Digital & Resident Access – 13/08/2024

8.8 CRIME AND DISORDER IMPLICATIONS

8.8.1 There are no direct crime and disorder implications arising from this procurement.

8.9 PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

8.9.1 There are no property and asset management implications.

8.10 CORPORATE RESOURCES IMPLICATIONS

8.10.1 There are no corporate resources implications as the contract will ensure continued support of end user services. There is also no impact on other corporate teams in the Council due to this contract award report.

8.11 ENVIRONMENTAL IMPLICATIONS

8.11.1 The incumbent supplier provided a van which was used by the deskside support team to travel to remote sites for support purposes. The Council decided to cancel the lease and not renew or extend it past its expiry. Therefore, this can be seen as a positive environmental impact with regards to this contract award.

8.12 HEALTH IMPLICATIONS

8.12.1 There are no direct health and wellbeing implications arising from this procurement.

8.13 RISK IMPLICATIONS

8.13.1 Croydon faces a significant number of risks, and it is, therefore, important that the Council recognises its responsibility to recognise and mitigate risk associated with the proposals and decision.

Key Risks:

8.13.2 The key risks in connection with this procurement and their mitigations are outlined in the table below:

Ref	RISK SCENARIO		RISK RATING			RISK MITIGATION
	RISK	Impact	Impact {1-5}	Likelihood {1-5}	Total	Mitigation

1	Not meeting the procurement timescales before current agreement ends	<p>Loss of support service. Staff ICT issues will remain unresolved, with possible impact on service to residents.</p> <p>Failure to have entered into a new agreement before the current agreement ends will result in no end user ICT support.</p>	5	1	5	<p>This risk has been mitigated through following a tight project plan, ensuring all resources were aware of the plan and key meetings were book in the diary well in advance.</p> <p>The likelihood has now been reduced to a 1</p>
2	Increased new contract value	Budget pressures	2	1	2	<p>The likelihood of this risk has been reduced to 1 as the bids have come in below the original budget and have exceeded the estimated savings in the strategy document.</p> <p>The project team achieved this through ensuring there was a healthy amount of interest and competition in the ITT. They did this through choosing a framework with a large number of suppliers, running supplier engagement days and regular communications with suppliers on the framework to encourage them to put forward a bid.</p>
3	Declining standard of service from incumbent supplier.	Poor performance from incumbent supplier once they are aware that this service will be open to competition.	2	2	4	The current contract management arrangements will continue to monitor supplier performance to ensure that service levels are maintained. To date there has been no decline in performance from the incumbent supplier.
4	CDS Resources	The procurement will be delivered primarily by CDS. Impact: This will have implications on existing workloads and may cause delays in the project.	4	1	4	This was managed through an extension on the original contract expiry date enabling resource flex on the project and limit the risk of delays to financial outcomes. The likelihood has now been reduced to a 1
5	Inappropriate Evaluation Criteria	If approvals emphasis price over quality, there is a potential	2	1	3	The ITT weighting was set to 60% quality and 40% price. The

		risk. Impact Quality of service.				likelihood has now been reduced to a 1.
6	Vacant Roles	Due to the financial position of the Council, there is a high risk that vacant roles may not be fulfilled even if budget is available. This would prevent the service from operating.	4	2	8	Ensure that packages on offer for required roles meet the current market conditions as a minimum. Ensure that all recruitment requests are confirmed, avoiding the possibility of a reversal.
7	Procurement Challenge	Challenge from unsuccessful bidder delays contract	4	3	12	PCR compliant tender undertaken. Process overseen by Procurement to ensure correct procedures followed.

8.13.3 Comments approved by Paul Golland, Chief Digital Officer and Director of Digital & Resident Access – 13/08/2024

9. APPENDICES

9.1 EQIA and DPIA

10. BACKGROUND DOCUMENTS

10.1 Not Applicable

11. URGENCY

11.1 Not applicable