

From: **Gary Cooke, Cabinet Member for Corporate and Democratic Services**

Rebecca Spore, Director of Infrastructure

To: **Policy and Resources Cabinet Committee**

11th December 2015

Subject: **Procurement for the supply of User Access Devices.**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: Cabinet Member Key Decision

Electoral Division: Not applicable

Summary: This paper outlines the requirement to put in place a contract for the renewal of the User Access Devices.

Recommendation

The **Policy & Resources Cabinet Committee** is asked to consider and endorse or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to delegate to the Director of Infrastructure in consultation with the Cabinet Member, the award of the user access device contract, including the necessary contractual negotiations and enter into any subsequent necessary legal agreements.

1. Introduction

1.1 The current arrangements to source devices for use by staff are due to expire. The re- procurement of a new provider was on hold pending the outcome of the Back Office Procurement as the provision of user access devices would have been encompassed in the outsource proposal. The Back Office Procurement exercise has now concluded and following the decision not to progress with contract award it is now necessary to put in place appropriate arrangements for the procurement of devices.

2. Financial Implications

2.1 The decision to renew the User Access Device contract commits the Council to spend a minimum of approximately £1.25 million (depending on price achieved at tender) over 3 years on replacement devices this being the

expected contractual minimum but with the expectation that we would actually spend £3-4 million over the 3 years to cover all the devices to be replaced. This is funded through a mixture of corporate allocation and funds from Directorates.

3. Policy Framework

- 3.1 This renewal allows the Council to continue to deliver its current services. Should the Council not renew this contract then there would be a gradual decline in the delivery of ICT services as devices fail, affecting our ability to maintain current service delivery.

4. The Report

- 4.1 The current contract for the supply of user computer devices comes to an end in December 2015. Existing devices will continue in use under the current lease arrangements until their leases expire. The existing contract provides for the provision of all user computer devices with the exception of mobile phones. The new contract will be for a minimum number of devices, which can be expanded as required. The minimum number of devices will be set somewhat below our historic investment levels to allow for the changing size and composition of the Council. For the past 10 years KCC has leased its devices and returned them at the end of the lease period. In future the proposal is to buy devices. This has a number of advantages: devices can be kept for longer at no extra cost, the significant cost of administering the lease process will be removed, surplus devices not returned to the central resource pool do not incur lease costs for unused devices.

The existing ICT Technology Strategy is being redeveloped, aligning the business requirements with appropriate technology. The procurement exercise and device strategy outlined in this report is a stepping stone in achieving our strategic outcome.

The aim is to partner with a device re-seller rather than a single manufacturer. This will allow devices from a range of manufacturers to be purchased. The Council currently has mainly devices from HP (via XMA Limited) but has also bought a number of Apple iPads and Microsoft Surface devices. Going forward it is expected that a wider range of equipment will be purchased, tailored more specifically to the mobile work styles of Council staff.

The existing contract provides for a minimum commitment of 2,500 units (which was met) and any replacement will have to provide a similar assurance.

The new contract will have need to cover the following equipment types:

- Desktop Computers
- Laptop Computers
- Tablet devices (such as Apple iPad and Microsoft Surface)
- Screens
- Docking stations and other accessories

The initial device specifications set out in the tender will be sufficient to adequately support the latest operating systems, office suite, and Council line of business applications. The outcome of this procurement is to provide flexibility to the service directorates to have a selection of devices available to meet their business needs. It will be written to allow the specifications to change over the life of the contract as device models are replaced but also cater for new devices types as they arise within the personal computer device category.

KCC has in recent years leased about 3500 new devices per year at a cost of around £350 per Desktop and £700 per laptop spread over a three year period. This gives a total complement of around 11,000 devices (excluding Libraries public PCs and Adult Education). For the purposes of this contract it is considered that a minimum of 2500 devices over 3 years, as per the current contract, would provide a suitable base level for a tender. The expectation would be for a higher turnover based on historic lease levels but this would be the contract minimum.

In the past the Council has bought extended warranties (as part of the lease cost) on devices but a review of failures to equipment has shown that relatively few devices fail and it would be cheaper to pay to fix this small number than buy warranties for all devices. It should be noted that all devices procured through the new contract will come with a manufacturer's warranty; the duration of which will be determined by the successful supplier. The standard warranty periods are normally between one and three years dependant on the device type.

The product mix will be slanted more towards mobile devices than to fixed desktop devices which reflects the current device choices, but the tender and contract will not define specific proportions of devices. An external benchmarking exercise has identified that the latest laptops unit costs after discount where the same as our current desktop cost of £350. Putting aside the benefits of the unit cost reduction for laptop devices, the consequence of a wider laptop estate will be the mobilisation of the workforce allowing officers to take advantage of mobility and offline working both in an out of the office environment. Other considerations include the ongoing day to day maintenance cost of an increased laptop estate, which will need to be monitored carefully moving forward and final approach taken.

4.2 It is the intention that in future desktop devices should be held for a period of five years and laptops should be held for a minimum of 4 years. This ensures that the Authority receives maximum return on investment extending the refresh periods by two and one year respectively whilst still within the tolerance of the device lifecycle. Funding to support this purchase will be a combination of existing ICT budget and directorate budgets.

4.3 There are no legal or equalities implications

5. Conclusions

The Council makes significant use of user computer devices for the efficient delivery of many of its services. The existing contract for supply of devices expires in December 2015. The existing contract is most easily replaced by a

new one acquired via tender on the Crown Commercial Services hardware framework.

6. Recommendation(s)

Recommendation(s):

The **Policy & Resources Cabinet Committee** is asked to consider and endorse or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to delegate to the Director of Infrastructure in consultation with the Cabinet Member, the renewal of the User Access Device Contract, including the necessary contractual negotiations and enter into any subsequent necessary legal agreements.

7. Background Documents

7.1 There are no further background documents

8. Contact details

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