

**SURREY COUNTY COUNCIL****CABINET****DATE: 26 FEBRUARY 2019****REPORT OF: MS CHARLOTTE MORLEY, CABINET MEMBER FOR CORPORATE SUPPORT****LEAD OFFICER: MICHAEL COUGHLIN, EXECUTIVE DIRECTOR C, D & T****COMMUNITY VISION OUTCOME: COUNCIL****SUBJECT: AGILE WORKFORCE DEVICE PROCUREMENT****SUMMARY OF ISSUE:**

The purpose of this report is to seek Cabinet approval to delegate authority to the Executive Director for Customer, Digital and Transformation, in consultation with the Leader of the Council and relevant Cabinet Member, to award framework call-off contract(s) for the provision of end user computer devices and associated services and to place orders during the life of the contract(s) up to a total spend value identified in Part 2 of this report.

The Agile Workforce project has been commissioned under the Surrey County Council Transformation Programme to support: culture change within services, provision of equipment for smarter working, maximise the use of property portfolio and reduce unproductive time for staff. It is anticipated that a minimum 2:1 person to desk ratio is a requirement for future working structures, this will entail fifty-percent of staff to work outside of an office environment on any given day. At current IT user head count figures this is c 4,700 staff that will need to be mobilised in a safe, effective and efficient way to protect service operations.

Surrey County Council (SCC) does not have a current procurement vehicle that can be used to buy large quantities of end-user computer devices such as laptops, desktops and hybrid devices. There is an immediate and time-pressured requirement to commence the procurement of a large number of computer devices and associated services. This requirement is to meet the needs of the transformation programme and ongoing business as usual requirements. Framework call-off contract(s) are therefore urgently needed to enable the procurement and deployment of the devices and associated services.

This delegation is sought in order to facilitate the ordering and deployment of equipment in a timely and effective manner, following a compliant procurement and award of contract(s).

## **RECOMMENDATIONS:**

It is recommended that delegated authority is granted to the Executive Director for Customers, Digital and Transformation in consultation with the Leader of the Council and Cabinet Member for Corporate Support to award framework call-off contract(s) for end user computer devices and associated services following the successful delivery of the procurement project.

## **REASON FOR RECOMMENDATIONS:**

To speed up the process of acquisition and deployment of devices by reducing the time taken to conduct a compliant procurement leading to the award of contract and the raising of purchase orders.

The device selection and procurement processes are underway but will not be completed in time for the February or March Cabinet Meetings. Time will be lost if the approval of contract award(s) has to wait until the April Cabinet meeting with a best case contract start date of the 15 May. With this delegated approval being sought the Surrey contract could commence as early as 10 April 2019.

The timescale driver is twofold:

- There is an opportunity for the Council to join East Sussex County Council (ESCC) and Brighton & Hove City Council (BHCC) in an Orbis-wide device and services procurement. The Council would benefit from advantageous pricing achieved through the economies of scale from a 20,000 device procurement, double the size of a Surrey County Council only procurement; and
- There is an urgency to commence deployment of new equipment as part of the Agile Workforce project, a key enabler within the Transformation Programme.

## **DETAILS:**

### **Background**

1. To deliver easy to use, responsive public services to residents, the Council needs to provide easy to use, modern and efficient digital technology tools to its staff. Surrey has chosen to adopt an agile approach that will enable staff to undertake most of their work from an appropriate location, relevant to their role.
2. As part of the Transformation Programme the agile workforce project will enable staff to work almost anywhere, whenever, wherever, to collaborate and contribute without constraints. It will achieve this by supporting: culture change within services, provision of equipment for smarter working, maximising use of property portfolio, reducing unproductive time for staff.
3. The Agile Workforce project proposes to deliver up to 3400 new end-user computer devices during 2019–2021. IT & Digital will also be refreshing 6100 devices currently deployed when they reach end of life over the next three Years. A contract for the Council that benefits from the total number of devices required across the Orbis partners will be put in place to ensure the best cost per end-user computer device is gained.

4. The IT & Digital Service initially working with three model teams in Adults Social Care, Occupational Therapists, Hospital team and Transition team have been undertaking end-user evaluations with a range of device types. Hybrid detachable (screen detaches from the keyboard) and hybrid convertible (keyboard folds under the screen) devices are being trialled with these teams. By mid-March these teams will also be trialling a hybrid touch screen laptop.
5. The benefits already identified from the model team feedback are primarily in the areas of: ability to work between visits avoiding return to the office, reduction in use of paper, printing and scanning, increased staff productivity and an improved client experience.
6. A model team has been also been identified in Highways with a view to trialling hybrid devices. One of their main requirements here is to reduce time transferring information from paper into their core system.
7. Equipment that is replaced through these activities will be considered for re-use where appropriate and cost effective, including opportunities to re-use in the local community. The service aspect of the contract will include the option of secure data wiping and redeployment / remarketing of the old devices.

### **Procurement Strategy**

8. The procurement of the SCC end user device contract is progressing as a collaboration with Orbis partners ESCC and BHCC to aggregate volumes and standardise requirements where possible. It is anticipated that this approach will provide the Council with the best possible outcome as opposed to a SCC standalone procurement where the cost per device gained will be based on a total number of devices of less than 50% of a combined procurement (estimated Surrey need for 9,500 devices, of a potential combined requirement of 20,000 devices).
9. We are looking to put in place IT equipment and associated service contract(s) that will meet the project and business as usual end-user equipment and associated service needs of the Council. The contract(s) will be in place for up to 4 Years, and as equipment needs, associated services and budgets are confirmed during term they will then be ordered via the contract(s).
10. After consideration of compliant and value for money procurement routes it is proposed that SCC and its Orbis partners utilise the Health Trust Europe framework. This UK national framework has been used by Guildford Borough Council, Hampshire County Council and the Metropolitan Police for their respective device refresh activities.
11. Unlike the Crown Commercial Service Technology Products 2 framework which has also been considered and reviewed, the proposed Health Trust Europe framework includes both equipment resellers and manufacturer (Dell). This provides the potential for Surrey to contract directly with a manufacturer for device supply, associated services, or both, should this provide the most economically advantageous outcome resulting from the procurement.
12. Work is currently underway to identify the procurement approach that will deliver the most value to Surrey, and ensure the contracting arrangements continue to provide value for money over their lifetime taking into consideration developments

in end-user computer technologies and impact of currency exchange rates over the duration of the contract.

13. Final selection of the framework, approach (direct award or further competition) and resulting contracting arrangements (combined equipment and services contract or separate contracts) will be agreed by following the normal Surrey Sourcing Governance Board processes.
14. The outcome of the procurement will be presented to the Executive Director who will consult with the Leader of the Council and Cabinet Member for Corporate Support to reach a decision to award / not award any contract(s).

#### **CONSULTATION:**

15. The stakeholders that have been consulted in relation to this project are as follows:

- Matt Scott, Chief Information Officer
- Andy Grogan, Head of Enterprise and Technology
- Mark Edridge, Head of Strategy & Engagement
- Michael Brett, Enterprise Infrastructure Design Manager
- Morgan Rees, Enterprise Infrastructure Delivery Manager
- Paul Izzard, Procurement Manager
- William Johnstone, Procurement Specialist
- Louise Lawson, Senior Principal Accountant
- Orbis Public Law, various representatives

#### **RISK MANAGEMENT AND IMPLICATIONS:**

16. The following key risks associated with the contract(s) have been identified, along with mitigation activities:

17.

<b>Category</b>	<b>Risk Description</b>	<b>Mitigation Activity</b>
<b>Financial</b>	Transformation budget to purchase devices not approved.	The Contract(s) let will only have a minimum commitment where the budget is fully approved (initially 460 devices).
<b>Performance</b>	Later commencement of Agile Workforce project resulting in delays in deploying new staff devices.	Cabinet to approve this delegation of authority at February Cabinet meeting.

#### **Financial and Value for Money Implications**

18. The overall estimated value of SCC contract(s) is identified in Part 2 of this report, covering both the Agile Workforce and device refresh projects. It is proposed that any additional project or 'business as usual' end user devices required during the

life of contract(s) shall also be sourced this way. These purchases will be fully approved and funded before any purchase orders are raised under the call-off contract(s) as per the Council's P2P governance process.

19. Using economies of scale will provide best value for the Council and its Orbis partners.
20. The initial use of the contract(s) will provide 460 of 960 end user devices budgeted for under the Social Care Infrastructure grant. The remaining 500 end user devices will be ordered once funding is approved.
21. Further orders under the framework call-off contract(s) are subject to support of the proposal by Capital Programme Board and Asset Strategy Board, followed by Cabinet approval of the 2019-25 Medium Term Financial Plan.
22. Any individual orders placed under this contract will follow the standard purchase to pay (P2P) governance process that ensures appropriate budgets are approved and in place before committing spend with the contracted supplier(s). Appropriate level Council Officers will approve these individual orders as per Surrey's standard financial procedures as identified below:

<b>Manager Level</b>	<b>Approval Limits</b>
Level 1 (CEO) and S151 Officer	£500,000 and above
Level 2 (Executive Director)	Up to £500,000
Level 3 (Assistant Director)	Up to £250,000
Level 4 Manager	Up to £100,000
Level 5 Manager	Up to £5000

23. Aggregate Surrey County Council order values under this contract will be monitored by the Strategic Procurement Sourcing Solutions Team before further individual orders are placed. If orders placed under this contract during its lifetime are likely to exceed the approved ceiling detailed in Part 2 of this report this will be identified early enough for a return to Cabinet before this financial ceiling is breached to approve the further expenditure under this contract.

#### **Section 151 Officer Commentary**

24. The Section 151 Officer notes the delegation of authority to award a framework call-off contract which does not commit the Council to expenditure other than that where funding has been fully approved. Further orders from the contract(s) will only be made where there is sufficient approved funding. Further control and oversight is provided by the requirement for the Section 151 Officer to approve individual orders placed under the contract(s) with a value of more than £500,000.

#### **Legal Implications – Monitoring Officer**

25. The Council is under an obligation in Section 3 of the Local Government Act 1999 to secure best value in all it does, specifically to '...secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'. Market testing and benchmarking exercises prior to selecting the procurement framework will ensure

that best value is achieved in addition to the anticipated savings from combining orders with Orbis partners.

26. Delegating the authority to approve the framework call-off contract(s) as set out above does not automatically commit the Council to any expenditure.
27. The procurement process will involve calling off from a procurement framework that is compliant with the Public Contracts Regulations 2015 (PCRs). It is anticipated that the process to be carried out will meet the legal requirements of the PCRs and the Council's own Procurement Standing Orders. This contract will provide a swift method of fulfilling the Council's requirements as and when they arise.
28. In making its decision, Cabinet will need to satisfy itself that the proposed award is the most appropriate course of action and meets its fiduciary duties to Surrey residents.

#### **Equalities and Diversity**

29. The Council will be mindful of its equalities duties under the Equality Act 2010 in carrying out the tender process and letting the contract with due regard to the need to eliminate discrimination in age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
30. Surrey County Council is committed to providing its services in a way which promotes equality of opportunity at every possibility. The contract document stipulates that the supplier will comply with the relevant Equality and Diversity legislation. It is expected that the appointed supplier will be fully committed to equality and diversity in their service provision and will ensure compliance with all anti-discrimination legislation.
31. The end-user devices specified under the contract(s) are a standard set of devices that will be a direct replacement for the current standard devices. Any users with specific requirements will be dealt with on a personal needs basis under the access to work process.
32. There are no TUPE implications as a result of this contract

#### **WHAT HAPPENS NEXT:**

33. Estimated timescales for completing the actions contained in the report are as follows (Cabinet and Cabinet Member activities in bold):

<b>Action</b>	<b>Date</b>
Pre-Sourcing Governance Board (SGB) approval of Strategic Sourcing Plan (SSP) Route-to-Market	w/c 21 January 2019
Strategic Sourcing Plan presented to Sourcing Governance Board for approval of Route-to-Market	29 January 2019
Procurement commences	w/c 11 February 2019

<b>Cabinet decision to delegate its authority to award this contract to the Executive Director in consultation with Leader of the Council and Cabinet Member for Corporate Support</b>	<b>26 February 2019</b>
Supplier offers received	1 March 2019
Evaluation of offers	w/c 4 March 2019
Pre-Sourcing Governance Board (SGB) approval of Strategic Sourcing Plan (SSP) proposed Award(s)	w/c 11 March 2019
Strategic Sourcing Plan presented to Sourcing Governance Board for approval of proposed Award(s)	19 March 2019
<b>Delegated decision to award Surrey contract by Executive Director in consultation with Leader of the Council and Cabinet Member for Corporate Support</b>	<b>Between 20 and 22 March 2019</b>
Procurement 'Alcatel' 10 day standstill period	25 March to 4 April 2019
Contract/Agreement Signature	Between 8 and 9 April 2019
Contract Commencement Date	10 April 2019

**Contact Officer:**

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**Annexes:**

Confidential Part 2 Annex

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