



Cabinet
14 April 2015

**Report from the
Chief Operating Officer**

Wards Affected:
ALL

**Authority to Award Contract for the Supply of ICT
Datacentre Equipment**

Appendix 1 is Not for Publication

1.0 Summary

- 1.1 This report requests authority to award a contract as required by Contract Standing Order No 88. This report summarises the process undertaken in procuring this contract and recommends to whom the contract should be awarded.

2.0 Recommendations

- 2.1 That Members award contracts for Datacentre Equipment Lot 1: Storage Solution, Lot 2: Backup Solution and Lot 3: Server Solution to Software Box Ltd.

3.0 Detail

Background

- 3.1 The council's IT infrastructure has as its core two datacentres, one based at the Civic Centre and one currently at Brent House. An alternative location for the Brent House datacentre is currently being sought.
- 3.2 The equipment in these two datacentres (servers and storage hardware) has been purchased between 2008 and 2012, with the

majority procured in early 2008. Most of the equipment has an expected lifespan of between 5 and 7 years.

- 3.3 Consideration has been given to various options that the Council has to replace these datacentres, including the option not to replace them but to move our services to the cloud. It has been determined however, that this was currently not commercially attractive and that we would at this point maintain the datacentres on our own premises.
- 3.4 Discussions are currently taking place with London Borough of Lewisham around a reciprocal arrangement for disaster recovery that would allow us to house our second datacentre in a facility provided by Lewisham, with us hosting their disaster recovery facility at the Civic Centre. As part of the work we are doing with Lewisham it was decided to collaborate on the procurement and to this effect we have gone to market detailing the requirements for both councils. This was expected to make our tender more attractive to vendors, and the opportunity to procure the same hardware for both councils would facilitate any potential sharing of our resources in the future. It should be noted that the actual purchase of the hardware for Lewisham will be made by Lewisham officers raising orders directly with the supplier, and that the recommendation in this report relates to the award of the Brent element of the procurement.
- 3.5 The tender requirement for Brent Council was defined in terms of a) our immediate requirement for hardware going out of support in the first year of the contract, b) what we anticipate will need replacement during the whole term of the contract, and c) what we anticipate to be the growth in our requirements, particularly storage, during the term of the contract. We have specified that we expect to purchase everything defined under (a) in the first year of the contract, however awarding the contract does not commit us to purchase what we have estimated to be our requirement going forward.

Outline of Tender Process

- 3.6 Tenders were invited from the Crown Commercial Service (CCS) Framework RM1054 Technology Products. Lot 1 Technology Hardware was used. The tender opportunity was divided into 3 lots:
- Lot 1: Storage Solution
- Lot 2: Backup Solution
- Lot 3: Server Solution
- Tenderers were able to bid for any combination of the lots, with an opportunity to offer a discount should they be awarded 2 or more of them.
- 3.7 Tenders were invited on 18th February 2015, using the CCS eSourcing system. Of the 20 suppliers on Lot 1 of the framework, 5 submitted

tenders.

3.8 The Invitation to Tender stated that the selection of Suppliers to be awarded each of Lots would be made on the basis of the most economically advantageous combination, and that in evaluating tenders, the Council would have regard to the following:

- Compliance with the requirements specification (80%)
- Technical roadmap for the products (5%)
- Sustainability policies relating to the products (5%)
- Warranties (5%)
- Reference sites for the products (5%)

These quality criteria were then weighted against tender price in the ratio 60:40.

Evaluation Process

3.9 The tender evaluation was carried out by a panel of officers from Brent and Lewisham's IT departments, and Brent Procurement.

3.10 All tenders had to be submitted electronically no later than noon on 9th March 2015. Tenders were opened on 9th March 2015 and 5 valid tenders were received. Each member of the evaluation panel read the tenders using evaluation sheets to note down their comments on how well each of the award criteria was addressed.

3.11 The 5 suppliers were invited to attend presentation and clarification meetings on 23rd and 24th March, where they presented their solutions and the panel asked, and received answers to, some clarification questions.

3.12 The panel met on 26th March and each submission was marked by the whole panel against the award criteria.

3.13 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers for each lot are included in Appendix 2. It will be noted that Tenderer C was the highest scoring tenderer for each of the lots. Officers therefore recommend the award of a contract for all 3 lots to Software Box Ltd. It should be noted that not all of the suppliers tendered for all 3 lots, and that supplier D tendered for Lots 1 and 3 combined. Consequently, Appendix 2 includes a table comparing the supplier D tender with all other possible combinations of Lots 1 and 3.

3.14 Software Box Limited offered a 1.5% discount should they be awarded

all 3 lots. This represents a reduction of £23,746.46 on the combined tendered prices of £1,583,097, giving a final total of £1,559,350.54 (cost of supply to both Brent and Lewisham councils).

- 3.14 It is anticipated that the contracts will commence on 15th April 2015. As the proposed contract represents a call-off under a framework agreement, a mandatory standstill period is not required.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £250k or works contracts exceeding £500k shall be referred to the Cabinet for approval of the award of the contract.

- 4.2 The estimated value of this contract over the five year period is over this threshold.

- 4.3 The cost of the Brent element of the procurement relating to item a) in paragraph 3.5 above, including the 1.5% discount for awarding all 3 lots to the same supplier, is as follows:

Lot 1: £201,951

Lot 2: £190,897

Lot 3: £32,933

- 4.4 The cost of this contract can be funded from within the existing approved capital allocation for IT Initiatives.

5.0 Legal Implications

- 5.1 The CCS Framework Agreement was concluded prior to 26 February 2015 (the effective date of the new 2015 regulations) and therefore this call-off contract is governed by the old Public Contract Regulations 2006 ("the Regulations").

- 5.2 The value of the proposed Brent supply contract over its lifetime is higher than the EU threshold for Services\Supplies and the award of the contract is governed under the Regulations, as it is a Part A service. The award is subject to the Council's own Contract Standing Orders in respect of High Value contracts and Financial Regulations.

- 5.4 The evaluation of tenders was undertaken by officers in conjunction with the council's procurement department who have assured that the process was robust and followed the published award criteria. As referred to in the body of this report, a mandatory standstill period is not

required to be observed, therefore officers will be entitled to issue a letter of acceptance and conclude the proposed call-off contract with the successful Tenderer should Members be minded to approve the recommendations and subject to the expiry of the council's 5-day call-in.

6.0 Diversity Implications

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

7.0 Staffing/Accommodation Implications

- 7.1 Paragraph 3.4 refers to the potential in the future of entering in to reciprocal arrangements with Lewisham in relation to the hosting of disaster recovery facilities. This will mean that Brent will be hosting Lewisham ICT services in the Datacentre located at the Brent Civic Centre. Brent do have space to house additional equipment in the Datacentre, however it should be noted that due to the replacement of the equipment currently installed at the Datacentre with more recent technology it is anticipated that the combined equipment for Brent and Lewisham would fit in approximately the same footprint as the current equipment for Brent and consume similar levels of power.
- 7.2 The equipment procured under this contract will be replacing the existing equipment currently maintained by Brent ICT staff. It is anticipated that the new equipment will have a similar staff resource requirement to support it; any training requirements identified as part of the change will be met by the existing ICT training budgets.

Contact Officers

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APPENDIX 2

Evaluation Scoring Lot 1

Table 1

	Contractor A	Contractor B	Contractor C	Contractor D	Contractor E
Total Lot Price (£)	N/A	914,295.00	410,052.00	N/A	845,002.00
Price Score	N/A	44.85%	100.00%	N/A	48.53%
Weighted Price Score (40%)	N/A	17.94%	40.00%	N/A	19.41%

Table 2

Criteria	Contractor				
	A	B	C	D	E
Compliance with the requirements specification (80%)	N/A	52.80%	50.40%	47.80%	55.20%
Technical roadmap for the products (5%)	N/A	3.00%	3.00%	3.00%	3.00%
Sustainability policies relating to the products (5%)	N/A	3.00%	3.00%	3.00%	3.00%
Warranties (5%)	N/A	3.00%	3.00%	3.00%	3.00%
Reference sites for the products (5%)	N/A	3.00%	3.00%	3.00%	3.00%
Total Quality Score	N/A	64.80%	62.40%	59.80%	67.20%
Weighted Quality Score (60%)	N/A	38.88%	37.44%	35.88%	40.32%
Weighted Price Score (40%) from Table 1 above	N/A	17.94%	40.00%	N/A	19.41%
Total Score	N/A	56.82%	77.44%	N/A	59.73%

Evaluation Scoring Lot 2

Table 1

	Contractor A	Contractor B	Contractor C	Contractor D	Contractor E
Total Lot Price (£)	793,000.00	N/A	587,609.00	N/A	685,870.00
Price Score	74.10%	N/A	100.00%	N/A	85.67%
Weighted Price Score (40%)	29.64%	N/A	40.00%	N/A	34.27%

Table 2

Criteria	Contractor				
	A	B	C	D	E
Compliance with the requirements specification (80%)	56.40%	N/A	50.40%	N/A	50.40%
Technical roadmap for the products (5%)	3.00%	N/A	3.00%	N/A	3.00%
Sustainability policies relating to the products (5%)	3.00%	N/A	3.00%	N/A	3.00%
Warranties (5%)	3.00%	N/A	3.00%	N/A	3.00%
Reference sites for the products (5%)	3.00%	N/A	3.00%	N/A	3.00%
Total Quality Score	68.40%	N/A	62.40%	N/A	62.40%
Weighted Quality Score (60%)	41.04%	N/A	37.44%	N/A	37.44%
Weighted Price Score (40%) from Table 1 above	29.64%	N/A	40.00%	N/A	34.27%
Total Score	70.68%	N/A	77.44%	N/A	71.71%

Evaluation Scoring Lot 3

Table 1

	Contractor A	Contractor B	Contractor C	Contractor D	Contractor E
Total Lot Price	N/A	1,105,034.00	585,436.00	N/A	712,755.00
Price Score	N/A	52.98%	100.00%	N/A	82.14%
Weighted Price Score (40%)	N/A	21.19%	40.00%	N/A	32.85%

Table 2

Criteria	Contractor				
	A	B	C	D	E
Compliance with the requirements specification (80%)	N/A	52.00%	56.00%	48.00%	44.00%
Technical roadmap for the products (5%)	N/A	3.00%	3.00%	3.00%	3.00%
Sustainability policies relating to the products (5%)	N/A	3.00%	3.00%	3.00%	3.00%
Warranties (5%)	N/A	3.00%	3.00%	3.00%	3.00%
Reference sites for the products (5%)	N/A	3.00%	3.00%	3.00%	3.00%
Total Quality Score	N/A	64.00%	68.00%	60.00%	56.00%
Weighted Quality Score (60%)	N/A	38.40%	40.80%	36.00%	33.60%
Weighted Price Score (40%) from Table 1 above	N/A	21.19%	40.00%	N/A	32.85%
Total Score	N/A	59.59%	80.80%	N/A	66.45%

Evaluation Scoring Lots 1 and 3 Combined

Contractor	Price	Price Score	Weighted Price Score (40%)	Weighted Quality Score	Total Score
A	N/A	N/A	N/A	N/A	N/A
B	£2,019,329.00	49.30%	19.72%	38.64%	58.36%
C	£995,488.00	100.00%	40.00%	39.12%	79.12%
D	£1,954,928.00	50.92%	20.37%	35.94%	56.31%
E	£1,557,757.00	63.91%	25.56%	36.96%	62.52%
B Lot 1 & C Lot 3	£1,499,731.00	66.38%	26.55%	39.84%	66.39%
C Lot 1 & B Lot 3	£1,515,086.00	65.71%	26.28%	37.92%	64.20%
B Lot 1 & E Lot 3	£1,627,050.00	61.18%	24.47%	36.24%	60.71%
E Lot 1 & B Lot 3	£1,950,036.00	51.05%	20.42%	39.36%	59.78%
C Lot 1 and E Lot 3	£1,122,807.00	88.66%	35.46%	35.52%	70.98%
E Lot 1 & C Lot 3	£1,430,438.00	69.59%	27.84%	40.56%	68.40%