



Officer Key Decision

Report to the Acting Strategic Director Customer and Digital Services

AUTHORITY TO AWARD A CALL OFF CONTRACT UNDER CROWN COMMERCIAL SERVICE G-CLOUD 11 FRAMEWORK AGREEMENT – CONTRACT FOR PHASES THREE AND FOUR OF COUNCIL-WIDE MICROSOFT DYNAMICS 365 DEVELOPMENT, INTEGRATION AND ONGOING SUPPORT

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”
No. of Appendices:	Appendix 1 – (exempt)List of Tenderers Appendix 2 – Supplier ratecards
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Sadie East, Head of Transformation 020 8937 1507 sadie.east@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report concerns the use of the G-Cloud 11 framework to award a contract for the next phases of Microsoft Dynamics CRM work. This report requests authority to use the framework as required by Contract Standing Order 86(e)(ii) and to award a contract as required by Contract Standing Order 88. This report summarises the process undertaken in procuring this contract and, following the completion of the evaluation, recommends to whom the contract should be awarded.

2.0 Recommendation(s)

That the Strategic Director Customer and Digital Services:

- 2.1 Approves the use of the G-Cloud 11 Framework Agreement, Lot 3 Cloud Support for the procurement of the contract for phases three and four of council-wide Microsoft Dynamics 365 development, integration and ongoing support on the basis of the pre-tender considerations set out in paragraph 3.2.
- 2.2 Approves the award of the contract for Phases Three and Four of council-wide Microsoft Dynamics 365 development, integration and ongoing support to Infosys Limited, for two years, plus two possible further extensions of up to 12 months each.

3.0 Detail

- 3.1 In October 2018 a contract for the second phase of CRM development, integration and ongoing support was awarded to Infosys Limited. This contract has now been fully utilised.
- 3.2 The Council now wishes to put in place a contract for the next phases of work. In accordance with Contract Standing Orders 88 and 89, the pre-tender considerations are set out below:

Ref.	Requirement	Response	
(i)	The nature of the services	Phases three and four of council-wide Microsoft Dynamics 365 development, integration and ongoing support.	
(ii)	The estimated value.	£1,967,360	
(iii)	The contract term.	The contract period is as per the standard G-Cloud 11 terms, ie. 2 years. All G-Cloud 11 contracts are allowed to have 2 extensions, each of up to 12 months.	
(iv)	The tender procedure to be adopted.	Award from G-Cloud 11 Framework	
v)	The procurement timetable.	Indicative dates are:	
		Evaluation of G-Cloud Suppliers	July 2019
		Contract Decision	July 2019

Ref.	Requirement	Response	
		Report recommending Contract award circulated internally for comment	17 July 2019
		Officer Decision	22 July 2019
		5 day call in period	23 July – 29 July 2019
		Contract Mobilisation	30 July 2019
		Contract start date	Early August 2019
(vi)	The evaluation criteria and process.	As described in 3.3 below.	
(vii)	Any business risks associated with entering the contract.	None additional to those stated elsewhere in this report.	
(viii)	The Council's Best Value duties.	The award of the contract facilitates the fulfilment of the Council's Best Value duties.	
(ix)	Consideration of Public Services (Social Value) Act 2012	See paragraph 9 of this report.	
(x)	Any staffing implications, including TUPE and pensions.	See paragraph 8 of this report.	
(xi)	The relevant financial, legal and other considerations.	As stated elsewhere in this report.	

3.3 Evaluation Process:

- (i) An outline statement of requirements was produced in order to enable the best supplier selection.
- (ii) Officers from Digital Services and the Digital Transformation team carried out the evaluation.

- (iii) The suppliers on Lot 3 Cloud Support were shortlisted using search terms as per the G-Cloud guidance. The search terms were selected on the basis of key elements of the statement of requirements.
- (iv) 3 suppliers were shortlisted, and their Service Descriptions and Pricing were evaluated. The G-Cloud evaluation process allows the following criteria to be used:
 - Whole-life cost: cost effectiveness; price and running costs;
 - Technical merit and functional fit: coverage, network capacity and performance as specified in relevant service levels;
 - After-sales service management: help desk, account management function and assurance of supply of a range of services;
 - Non-functional characteristics.
- (v) Award can be made on price only where services are comparable.
- (vi) All three suppliers demonstrated through their service descriptions that they are capable of meeting the statement of requirements, and therefore were moved on to a price only evaluation stage.
- (vii) The 3 suppliers' G-Cloud ratecards were evaluated, using a blended rate that matches the blend of skills needed for Phases Three and Four. Further details of this are contained in Appendix 2.
- (viii) The outcome of this price evaluation, based on 6,400 delivery days, was as follows:

Supplier	Price
A	£4,089,984.00
B	£3,769,600.00
C	£1,967,360.00

- (ix) Supplier C, Infosys Limited have therefore been selected as the preferred bidder.

3.4 (i) The award will be made using Lot 3 Cloud Support.

(ii) Infosys Limited have been selected as the preferred supplier using the G-Cloud longlisting, shortlisting and evaluation process.

3.5 The procurement has been conducted in accordance with the rules governing call-offs under the Framework Agreement.

4.0 Financial Implications

4.1 Part 3 of the Council's Constitution states that the Strategic Director

Digital and Customer Services has delegated authority to approve the award of contracts for services valued at less than £2 million.

- 4.2 The estimated value of this contract is £1,967,360.
- 4.3 It is anticipated that the cost of this contract will be funded from the Digital Strategy Capital programme budget which was agreed by Cabinet in Feb 2019. In addition, the work being carried out on the Housing Management system will be separately funded by the HRA at a value of £490K.

5.0 Legal Implications

- 5.1 The estimated value of this contract over its lifetime is in excess of the EU threshold for Services and the award of the contract is therefore governed by the Public Contracts Regulations 2015 (the “EU Regulations”). The award is subject to the Council’s own Standing Orders in respect of Medium Value Contracts and Financial Regulations.
- 5.2 For Medium Value Contracts, the Strategic Director Digital and Customer Services must approve the procurement and pre-tender considerations as set out in paragraph 3.2 above in accordance with Contract Standing Orders 88 and 89.
- 5.3 Officers have used a framework to procure the contract. The EU Regulations allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process. Call offs under the framework need to be carried out in accordance with the framework rules, to include using evaluation criteria specified in the framework and utilising the terms and conditions set out in the framework. Officers have confirmed that the contract has been procured in a compliant manner.
- 5.3 The Council’s Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where call off under the framework agreement is approved by the relevant Chief Officer and provided that the Director of Legal, HR, Audit and Investigations has advised that participation in the framework is legally permissible. The Director of Legal, HR, Audit and Investigations confirmed that participation in the relevant G-Cloud 11 framework is legally permissible.

5.4 As the proposed contract is classified as a Medium Value Contract, the Strategic Director Digital and Customer Services therefore has delegated authority to award the contract.

5.5 As the procurement is from a framework, there is no requirement for the Council to observe a 10 day standstill period under the PCR 2015 although the award of the contract will be subject to the council's usual call-in process.

6.0 Equality Implications

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

7.0 Consultation with Ward Members and Stakeholders

7.1 This work is part of the programme to deliver the Council's Digital Strategy 2017-20. Consultation was carried out to inform development of the strategy which was agreed by Cabinet in June 2017.

8.0 Human Resources/Property Implications (if appropriate)

8.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract.

9.0 Public Services (Social Value) Act 2012

9.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.

9.2 The framework evaluation criteria are strictly defined, and therefore Social Value was not able to be used as part of the evaluation process.

Report sign off:

Sadie East
Head of Transformation

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Precedent 1(b)

Cabinet Authority to Award Report

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