Executive Summary

1.1 On the 5th March 2019, Cabinet approved the Smarter Newham Programme and agreed to fund the first year of the programme. The remaining funding will be requested from Cabinet in March 2020. This will follow the completion of a post implementation review for the first phase of the programme.

1.2 In July 2019 the Pre-Procurement Report for the programme was approved by Cabinet in order to commence the procurement activity for items required to deliver the programme. Officers now seek contract award against the first tranche of the programme for the purchase of devices.

1.3 In the meantime, to assure the timeline of the Smarter Newham Programme, the items required for Tranche 1 have been procured independently, within the scheme of delegation, using the routes to procure articulated in the aforementioned Cabinet Pre-Procurement report. This included the purchase of user devices and peripherals, for the first tranche, to value of £338,744.

1.4 Based upon forecasting, the total value of spend for the remaining tranches (excluding Tranche 1) of the programme for devices and peripherals is £2,003,296.
   • £962,389 for the first year of the programme (excluding Tranche 1).
• £1,040,907 for the second year of the programme.

1.5 As the aggregate expenditure for devices and peripherals for the first year of the programme, including Tranche 1, exceeds the £1 million pound threshold for an officer key decision, as set out in the Newham Council’s Scheme of Delegation, the programme is returning to Cabinet to award the contract for the remaining devices and peripherals for the first year of the programme.

1.6 In line with the established procedure and to provide full transparency, the programme seeks approval to award the call-off contract for the purchasing of user devices and peripherals for the first year of the programme (excluding Tranche 1) to XMA Ltd at a value of £962,389.

1.7 As outlined above, the programme only has its first year of funding approved at this stage. In line with the July 2019 Pre-Procurement Report, the contract award for the devices and peripherals for the second year of the programme will be awarded by Cabinet in March 2020 to assure that devices can be procured in advance of the expiry of the Crown Commercial Services Framework CCS National Aggregated call off (EA16) from RM1054 Lot 1.

2 Recommendations

2.1 For the reasons set out in the report and its appendices, Cabinet is recommended to agree to:

2.1.1 Award the contract for further devices and peripherals for the first year of the Smarter Newham programme to XMA Ltd, as per the terms and conditions of the Crown Commercial Services Framework, CCS National Aggregated call off (EA16) from RM1054 Lot 1. The Lot 1 call-off contract for the purchasing of devices and peripherals will commence on 10th October 2019 and expire 31st May 2020, and cost £962,389.

3 Background

3.1 On the 5th March 2019, Cabinet approved the Smarter Newham Programme and agreed to fund the first year of the programme.

3.2 The Council is embarking on an ambitious change programme to facilitate improved employee mobility, better use of our assets and implement a new, more flexible, way of working and supporting culture.

3.3 The Smarter Newham programme will introduce new, and smarter, ways of working across the council, and through doing so, will consolidate our office portfolio. The programme will deliver a number of technology products that will transform our workforce and the way the work. The programme is rolling out in 9 tranches from December 2019.
3.4 In July 2019, a Pre-Procurement report was approved by Cabinet to commence the procurement activity of items required to deliver the Smarter Newham Programme.

3.5 In order to assure the timeline of the Smarter Newham Programme, the purchase of devices and peripherals required for Tranche 1 have been ordered following the approval of a Non Key Decision taken on 15th August 2019 to the value of £338,744.

3.6 This Cabinet Report however seeks to agree to award the contract to purchase the rest of the devices and peripherals required to deliver the remaining tranches within the first year of the programme.

3.7 In preparation for this, a Checkpoint 2 Report was submitted to Checkpoint Board for the contract award to the value of £962,389 for the purchase of the remaining devices and peripherals for that first year of the programme. This report was approved by Checkpoint Board on 02/09/19.

3.8 As background to this decision, in 2016, Crown Commercial Service (CCS) undertook a collaborative Further Competition process known as ‘EA16-NFC39’ to put in place aggregation call off utilising the Technology Products Framework Agreement - RM1054 Lot 1 for items such as desktops, laptops, monitors, windows tablets, hybrid tablets and thin clients. This further competition procurement process was managed by Crown Commercial Service and tendered via the CCS E-sourcing Portal System on behalf of all 30 plus participating Local Authorities during March 2016.

3.9 As a result of the further competition exercise, on behalf of local authorities, individual contract(s) for Laptops, Monitors, and Tablets were awarded to XMA Limited. This report recommended to award a contract to XMA Limited via the London wide call off that CCS have put in place on the local authority’s behalf.

3.10 A benchmarking exercise run by oneSource has been undertaken to demonstrate that the proposed contract with XMA Limited from the EA16-NF39 call off offers best value to the Council. The London wide call off contract and associated prices with XMA Limited will end 31st May 2020.

3.11 As the aggregate expenditure value for the first year of the programme, including the £338,744 approved by the Non Key Decision taken on the 15th August 2019, exceeds the £1 million pound threshold for an officer key decision, as set out in the Newham Council scheme of delegation, the programme is returning to Cabinet to award the contract for devices and peripherals for the first year of the programme.

3.12 The funding for the second year of the Smarter Newham Programme will be requested from Cabinet in March 2020. This will follow the completion of a post implementation review for the first phase of the programme and at this point we will seek approval to award the contract for the purchase of the remaining devices from Crown Commercial Services Framework CCS National Aggregated call off (EA16) from RM1054 Lot 1 in May 2020, at an expected value of £1,040,907.
4 Key Considerations & Proposals

4.1 Following on from Cabinet Approval of the pre-procurement report on 2nd July 2019, the programme has worked closely Procurement, Legal, Policy and Finance teams to initiate procurement activity for the programme.

4.2 As previously mentioned, to ensure the timeline of the Smarter Newham Programme was not compromised all the items required for Tranche 1 were procured independently, within the scheme of delegation, using the routes to procure agreed within the aforementioned Pre-Procurement Report.

4.3 This Cabinet Report seeks to agree to award the contract to purchase the rest of the devices and peripherals required to deliver the remaining tranches within the first year of the programme.

4.4 The procurement activity is funded through the unallocated General Fund Capital Resources and the HRA Capital Programme. Confirmation of this funding is also outlined in the Smarter Working Programme Cabinet Report approved at March 2019 Cabinet.

4 Policy Implications & Corporate Priorities

In order to meet the Mayor’s priorities and ensure that as a Council, we are putting people at the heart of everything we do, we need to have systems and processes that enable staff to work efficiently and effectively. A challenging financial context which includes unprecedented cuts to our budget, makes this even more essential: Central to this is:

- Having responsive systems including our digital infrastructure
- Empowering our workforce to focus on improving outcomes for our residents
- Improving channels of communication between residents and the Council

Furthermore, The Smarter Working Programme is closely aligned to the delivery of Priority 6 (An efficient and effective Council: making Newham Council work better for everyone) in the Council’s Corporate Plan, by modernising our systems to support smarter ways of working and supporting the delivery of better outcomes for our residents.

5 Alternatives considered

5.1 Alternative Procurement Routes - The Procurement Team has undertaken some soft market testing of a range of alternative available external
Frameworks for the purchase of devices and Crown Commercial Services Framework CCS National Aggregated call off (EA16) from RM1054 Lot 1 has been confirmed as providing the best value for the Council.

5.2 **Joint procurement with Havering** – The Smarter Working Programme in Havering has a different scope, timeline, programme delivery strategy and benefits profile. Furthermore, waiting for the Havering programme to commence procurement would push the timeline for Smarter Newham back significantly resulting in a longer programme pay back. The subject of this report relates to the purchase of devices. The cost for those purchases offer no opportunity for economies of scale in any joined up effort. As a result, any joint procurement exercise with Havering has been discounted.

6 **Consultation**

6.1 Cabinet were consulted on the details of this report at a briefing meeting on Thursday 12th October – there were no comments to note.

7 **Implications**

7.1 **Financial Implications**

1. The report seeks approval to award the contract for the purchasing of devices and peripherals for the first year of the Smarter Newham Programme.

2. The cabinet meeting held on the 5th March 2019 approved the release of an initial £5.442m of funding to support the delivery of the first year of the programme.

3. A further paper will be presented to Cabinet in March 2020 to outline the programme’s procurement strategy for the second year, lessons learned from the programme’s first year of delivery and requesting the release of the remaining earmarked funding to complete the programme, which is costed at £4.616m.

4. The estimated cost of this procurement in year 1 is £0.962m, which will be funded from the £3.178m capital programme allocation for the first year.

5. There will be an option to utilise the framework in order to procure the £1.601m required for year 2. This will also be funded from the capital allocation for the second year of £1.88m which is subject to cabinet approval.

6. All costs associated with the procurement and delivery of the contract will be met from within the overall Smarter Working programme.

7. The costs of this contract will need to be regularly monitored against the available resources to ensure that maximum VFM is achieved.
7.2 Legal Implications

1. The report seeks the approval of the Cabinet to award a call-off contract to XMA Ltd, following the evaluation of the quotes by the Procurement unit and the client department. The recommendation for the award is based upon the evaluation of the quotes on a MEAT criterion as per the terms and conditions of the Crown Commercial Services Framework CCS National Aggregated call off (EA16) from RM1054 Lot 1, and in accordance with EU procurement rules and treaty principles and the Council’s Contract Standing Orders (“CSO”) 22.

2. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions. The contract may be procured in accordance with these powers.

3. The proposed contract value is above the EU threshold for Service/Supply contracts; therefore accordingly, the procurement exercise needed to comply with the full EU Directives and PCR 2015.

4. With the assistance of the Procurement unit, the client department has undertaken a procurement process which is allowable under the Public Contracts Regulations 2015 (“PCR 2015”) and the Council’s CSO, including the award selection using the MEAT criterion. The most economically advantageous tender (MEAT) criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.

5. The Council’s CSO 3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the Council. The body of this report confirm the relevant financial implications arising from the Council’s award of the contract.

6. Cabinet will be aware of the Public Sector Equality Duty (PSED) set out in section 149 of the Equality Act 2010. At each stage, in exercising its function (and in its decision making processes) the council must have due regard to the need to:

   a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
   b) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
   c) foster good relations between person who share a relevant protected characteristic and those who do not share it.

The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and
sexual orientation.

7. The Legal and Governance officers are available to assist the client department in finalising the terms and conditions of the contract.

7.3 Equalities Implications

7.3.1 The recommended supplier has an existing contract with the London Borough of Newham so quality checks have been carried out to ensure they do not unlawfully discriminate against staff deliver against their Equality, Diversity and Inclusion policy.

7.3.2 Access needs and specialist training requirements for staff will be identified as part of the data collection process and be delivered directly via the Smarter Newham Programme.

7.4 Other Implications relevant to this report:

7.4.1 Procurement Implications

7.4.1.1 This report recommends the Council award a contract to XMA Limited for the supply of user devices and peripherals as part of the Smarter Newham Programme.

7.4.1.2 In 2016, Crown Commercial Service (CCS) undertook a collaborative Further Competition process known as ‘EA16-NFC39’ to put in place aggregation call off utilising the Technology Products Framework Agreement - RM1054 Lot 1 for items such as desktops, laptops, monitors, windows tablets, hybrid tablets and thin clients. This further competition procurement process was managed by Crown Commercial Service and tendered via the CCS E-sourcing Portal System on behalf of all 30 plus participating Local Authorities during March 2016.

7.4.1.3 As a result of the further competition exercise, on behalf of local authorities, individual contract(s) for Laptops, Monitors, and Tablets were awarded to XMA Limited. This report recommends to award a contract to XMA Limited via the London wide call off that CCS have put in place on the local authority’s behalf.

7.4.1.4 A benchmarking exercise has been undertaken to demonstrate that the proposed contract with XMA Limited from the EA16-NF39 call off offers best value to the council.

7.4.1.5 The London wide call off contract and associated prices with XMA Limited will end 31st May 2020
7.4.1.6 This contract supports the Mayor Priority 6: An efficient and effective Council: making Newham Council work better for everyone, within the Newham Council Corporate Plan.

7.4.1.7 Should the decision to award the contract be agreed, the council will be required to publish an Award Notice in Contracts Finder.

7.4.1.8 The Strategic Procurement Unit will continue to work with the service to conclude the award of contract subject to the recommendations within this report being agreed

8 Background Information used in the preparation of this report

8.1 Statutory requirement to list

8.2 None