

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Director of Resources

Date: 09/03/2021

Subject: Extension of call off contract for the ICT Service desk

Report author: Roland de la Mothe, Contract monitoring officer, Digital services

SUMMARY

On 19th December 2013, Westminster City Council (WCC) awarded a pan-London single supplier framework contract for Information Technology and Communications Services to Agilisys Limited. The Framework is based on a service catalogue from which it is possible to call-off a full managed service, individual commodity items, or any service in between. LBHF awarded a call off order from this framework on 11 March 2016 for 'Service desk'.

This call off contract has a five-year term from 1 April 2016 and expires on 31 March 2021. There is a provision to extend for up to 3 years. This paper recommends that this extension clause is activated for a single year only pending assessment of the new 'Service Now' service management toolset from Agilisys.

RECOMMENDATIONS

1. That the Appendices A and B are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
 2. To approve a one-year permitted extension to the existing call off contract with Agilisys Limited from the Information Technology and Communications Services' framework for 'Service desk'. The total value of the contract is £2.6m. The estimated maximum value of this extension is £511,998 (12 months).
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Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	The call off agreement has provided good value for money in maintaining the availability and quality of the council's network and of the applications and equipment that the council and its staff

	rely on to be able to deliver frontline services. Extending the existing agreement will allow H&F to continue to benefit the existing arrangement while assessing the benefits of the new Service Now service management toolset which Agilisys have developed since the original call-off in 2016.
Taking pride in H&F	The service desk services that the call off agreement delivers provides a mechanism for the rapid identifying and solving of issues arising among the various H&F ICT systems and services. This has achieved consistently high availability of applications and services, allowing H&F departments to be confident in delivering their services to residents in a way that council officers and residents can be proud of.

Financial Impact

The details of the financial cost of the decision are contained in Appendix A. It is expected that the cost of the extension will be funded from established revenue budgets within digital services for service desk provision, and that there is sufficient budget in place.

As the current contract costs are determined by a volume pricing model, there is a risk that costs could increase should there be an increase in the consumption of services. This will be monitored closely by digital services and mitigating actions taken should this arise.

Where the 'Information Technology and Communications Services' framework is used to enable other programmes of work, such as enabling work for REAP, additional funding will be requested and approved separately.

Legal Implications

This report recommends that the decision maker approves an extension to the Contract for service desk with Agilisys until 31st March 2022. The estimated value of these changes will be £511,998. The initial term of the contract expires on 31st March 2021 with an option to extend for a further 3 years.

The contract value is above the threshold for services under the Public Contracts Regulations 2015 (as amended) (PCR). Therefore the PCR applies in full and any modification to the contract must fall under one of the 'safe harbours' set out in Regulation 72 PCR. The proposed modification is allowed under Reg. 72(1)(a) as it is provided for in the contract in clear, precise and unequivocal review clauses. This also fulfils the requirement for a high value contract extension under CSO 25.2 of the Council's Contract Standing Orders in relation to the contract.

In accordance with CSO 25.3, the decision maker is the relevant SLT Member. The decision maker should be satisfied with the contractor's performance, value for money and benchmarking in relation to the extension of the call-off contract (CSO 25.2).

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Background Papers Used in Preparing This Report - None.

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The value of the call off contract to date has been £2,559,989 for the five-year term. The contract has provided good value for money during the contract. This has required developing relationships with and co-ordinating a range of service provider teams based in BT, Agilisys, within the Council itself as well as from other external suppliers. Despite the complexity in maintaining these processes, Agilisys have met performance expectations throughout the contract term. Customer satisfaction has also been very good and the average rating for December 2020 was 6.36 out of 7.
2. The current charges are based on a volume pricing model and we only pay for what we consume. The alternative of not extending would require a new provider of service desk services to be procured. There would then need to be an implementation of new processes etc as the inter-dependent relationships and processes developed during the initial term would be lost and would have to be re-established with a new Service desk provider.

3. The current provider is currently replacing their existing service desk product with a new proposal for several of their customers, and they have suggested that the council also transfer to the new product. The new proposal will 'provide an intuitive self-service and self-help portal to empower users to resolve common issues and track their incidents and service requests'. Users will be presented with a personalised dashboard showing status of services, user satisfaction ratings and outstanding requests. Feedback and searchable knowledgebase functions will be available.
4. The new proposal offers benefits in targeted communication, the automation of processes, a comprehensive knowledge base, automation and ease of access for users. This paper recommends that the extension clause is activated for a single year only pending assessment of the proposed new service management toolset from the current provider as well as other options and possible alternative suppliers for the service desk provision.

Reasons for Decision

5. The recommended contact extension offers the best value for money for the council by maximising the use of services and processes developed in the initial term.
6. It is possible that there will be significant changes to some of the large applications underlying the council's frontline services in the coming year, as these contracts are currently being re-procured and are expected to conclude within the year. The implementation and integration of any new application will result in teething problems and will require a well-developed problem resolution process to be in place. Not extending the call off contract and switching services to a new provider and or delivery model would result in more fundamental changes which would pose a risk to day-to-day operations.
7. The extension period will enable the council to evaluate the new service desk proposal and to decide whether to extend the current service desk contract for the final two years.

Equality Implications

8. It is not anticipated that the approval of these proposals, as set out in the recommendations, will have any direct negative impact on any protected groups, under the Equality Act 2010.

Risk Management Implications

9. The Council will benefit from the extension affording sufficient time to evaluate future needs and requirements following Covid-19 and the channel shift to more self-service digital services. Benefits from the proposal contribute to the Council's value of Being Ruthlessly Financially Efficient and these are outline in the exempt Appendix 1 of the report. Furthermore, a change now would potentially impact on services and at this time is not desirable whilst focus is providing vital service continuity to residents throughout this pandemic.

Implications verified/completed by: Michael Sloniowski, Risk Manager, tel: 020 8753 2587

ICT IMPLICATIONS

10. The extension delivers service continuity for the Service Desk service, which is one of the critical services we deliver to our colleagues across H&F.
11. The one-year extension will allow us to evaluate if we can transform this service through the implementation of the new proposal and what benefits that would have for our workforce, as well as understanding the impact on our operational running costs.
12. From an Information management point of view, there are no implications from the award of this contract and all information governance requirements are in place.

Implications verified/completed by: Veronica Barella, Chief digital officer, Tel 020 8753 2927.

Local Economy and Social Value

13. The council's Social Value Strategy became effective on the 15 May 2020 and introduced a mandatory requirement for all procurement activities over £100,000 to generate a minimum 10% in social value.
14. Following discussions with the commissioning lead, the contractor will be made aware of the 10% social value requirement for the extension period.
15. The contractor will be required to register on Social Value Portal to set social value commitments from H&F Themes Outcomes and Measures framework (TOMs). Contract managers will need to work with the councils Social Value Officer to ensure commitments are being effectively monitored and delivered.

Implications by: Ilaria Agueci, Social Value Officer, tel. 0777 667 2878

List of Appendices

Exempt Appendix A – Financial information
Exempt Appendix B – Performance