

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Councillor Rowan Ree, Cabinet Member for Finance and Reform

Date: 31/01/2024

Subject: IT Service Desk Procurement Strategy and Award report

Report of: Tina Akpogheneta, Interim Chief Digital Officer

Report author: Roland de la Mothe, Contract Monitoring Officer

Responsible Director: Tina Akpogheneta, Interim Chief Digital Officer

SUMMARY

The current service desk contract for the Council is due to end on 31 March 2024 and cannot be extended beyond this date. The service provider, Agilisys Limited, has consistently delivered a high performing service which has been good value for money and which has achieved a high level of customer satisfaction.

The contract is ending at a time of considerable change in the delivery of IT services to the council, including our migration to Azure, our transition to the Modern Desktop Service, as well as the beginning of the transition to the Civic Centre and preparation for Tech-tonic 2.0. The possibility of switching to another Service Desk provider at the end of the current contract on 31 March 2024 has been considered. However, it is very probable that making such a switch during a time of significant change and transition for Digital services would have a negative impact on the delivery of IT services to the wider council.

It is therefore recommended to award a new five-year service desk contract to Agilisys Limited. This will enable the continued delivery of the high performing service and, as a fixed price contract, will provide good value for money to the council as well as certainty around how much the service will cost. The new contract award would enable the Service desk to be further updated by moving to updated tools with a modern look and by utilising new ways of working to ensure that issues get resolved quicker.

RECOMMENDATIONS

1. To note that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that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 the Procurement Strategy for the award of Service Desk contract by way of a five year call off contract from Lot 5: Service Integration and

Management of the RM6100 Technology 3 framework from the Crown Commercial Service. It is estimated that the total value of the contract over five years will be about £2.6m This will cover the costs incurred by Agilisys for transition. The operational cost will be funded from Digital Services' existing operational budget.

3. To approve the award of Service Desk contract to Agilisys limited by way of a direct award from the above framework.
4. To approve reserve spend of £137,000 for transition costs payable to Agilisys and a further £100,000 for Council change management costs.
5. To note that this proposal is supported by the Chief Digital Officer.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Creating a compassionate council	As part of this contract Agilisys are keen to contribute to skills training in the Borough and will contribute their Apprenticeship Levy to the Council or a nominated apprenticeship training provider. They can provide support to the Adult Learning and Skills Service and are also keen to work with schools on career pathways and to participate in Big Reveal events.
Being ruthlessly financially efficient	The call off contract will provide good value for money and improvements to the way that the Service desk is delivered.
Taking pride in H&F	The Service desk services that the call off contract will provide a mechanism for the rapid identifying and solving of issues arising among the various H&F IT systems and services. This will enable the high availability of applications and services and will allow H&F departments to be confident in delivering their services to residents in a way that council officers and residents can be proud of.
Rising to the challenge of the climate and ecological emergency	The Agilisys Carbon Reduction Plan sets out Agilisys' ambitions and commitments around their

	<p>environmental and emissions status. This includes reporting on sources of carbon emissions over which they have operational control using the UK Government GHG Conversion Factors for Company Reporting. Much the carbon emissions reductions from the new contract will arise from switching to servers in the cloud, rather than using Agilisys on-premise servers, which are more energy efficient with lower emissions.</p>
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Financial Impact

The 5 year cost of the IT Service Desk is estimated be £2,642,000. This includes £137,000 for transition costs incurred by Agilisys.

The annual costs of approximately £501,000 per annum will be met by the digital services revenue budget. The new contract will be a fixed price model that is not subject to price changes caused by fluctuations in demand on the service desk, unless the maximum level agreed by both parties is exceeded.

The Agilisys transition costs of £137,000 will need to be funded by the IT and Tech reserve. Further Digital Services change management costs may also need to be incurred by the Council and these are estimated to be up to £100,000 and will also need to be funded by the IT and Tech reserve in 2024-25.

Agilisys Limited has a credit score of 81, which represents a very low risk.

Alex Pygram, Head of Finance, Corporate Services, 5th January 2023

Verified by Sukvinder Kalsi, Director of Finance, 18th January 2023

Legal Implications

The Council has the power to procure these services as they are incidental to and support a range of its functions.

The value of the contract means that this is a public services contract under the Public Contracts Regulations 2015 (PCR). The advertising and competition requirements therefore need to be complied with. The CCS Framework for Technology Services RM 6100 was procured under the PCR and the Council is entitled to call-off contracts under it for a term of up to 7 years. The framework

expires on 15 June 2025. It allows for direct awards. The appropriate lot for these services is lot 5: Service integration and management.

This is a high value contract under the Council's Contract Standing Orders. The use of a suitable third party framework in accordance with its terms is a compliant method of procuring a contract of this value. The procurement strategy and proposed award to Agilisys is therefore compliant with the CSOs.

This is a key decision under the Council's Constitution and needs to be included in the key decision list on the Council's website.

John Sharland, Senior solicitor (Contracts and procurement)
20th December 2023

Background Papers Used in Preparing This Report

Not applicable.

DETAILED ANALYSIS

Proposals and Analysis of Options

1. This report recommends that a new five-year contract is awarded to Agilisys Limited contract from Lot 5: Service Integration and Management of the RM6100 Technology 3 framework from the Crown Commercial Service which runs up to 15 June 2025. This will enable continued delivery of the high performing Service desk and will also allow sufficient time for a procurement to be carried out for a subsequent successor contract, including enabling sufficient time to transition to any successor contract, once the current level of change that Digital services is managing has been delivered.
2. The new service will comprise:
 - i. a Service Desk, operating 24x7x365
 - ii. Implementation of the cloud-hosted Hornbill ITSM tool, comprising of Virtual Agent, Self Service Portal and forms relating to the services offered
 - iii. Incident Management, Problem Management and Change Management services
 - iv. Spam and Junk Mail releasing services
 - v. Service Delivery & Reporting
 - vi. Participation in Continuous Improvement
 - vii. The transition from on-premise legacy SupportWorks to Hornbill
3. Consideration has been given to switching to another Service Desk supplier at the end of the current contract on 31 March 2024. However, in view of the considerable amount of change at present, it is very probable that making such

a change would have a negative, or even significantly detrimental, impact on the delivery of digital and IT services to the wider council.

4. Exempt Appendix 1 demonstrates the costs of the current Service Desk contract with Agilisys.

Background

5. This call off contract had a five-year term from 1 April 2016 with a provision to extend for up to 3 years. The original term expired on 31 March 2021 and it has been extended for the three available years, so the contract will end on 31 March 2024.
6. The current contract with Agilisys Limited has provided good value for money as the current charges are based on a volume pricing model and we only pay for what we consume. The service has required developing relationships with, and co-ordinating a range of service provider teams based in BT and 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 October 2023 was 6.71 out of 7.
7. The ending of the current Service desk contract has come at a time of significant change for the delivery of IT services to the wider council. The majority of the Council's other managed IT services were also procured via three large call off contracts at the same time. These included the managed Desktop computing contract and the Data centre contract which were both also called off from the WCC framework, as well as the Network and telephony contract, which was called off from a framework procured by the Royal Borough of Kensington and Chelsea (RBKC).
8. All of the other three large call off contracts have ended or are ending in the same year, and Digital services have been in the process of transitioning away from existing suppliers and familiar methods of delivering services and will continue to do so. This involves both a new supplier and a new way of working for both our Desktop service (formerly our Managed computing contract) and our Azure platform (formerly our data centre contract). While the Network and telephony contract is remaining with the same supplier (BT), the new contract will also require familiarising the team with new ways of ordering, delivery of requirements, etc. As part of the transition, several of the Council's BT sub-contractors have now become direct suppliers and will require more direct management both operationally and contractually.
9. In addition to these changes, the completion and transition to the new Civic Campus, and delivery of Tech-tonic 2.0, our device refresh, will also place considerable demands on Digital services.
10. Once these changes are considered there is clearly a need for a Service Desk provision to continue beyond the end of the current contract. The proposed

new contract will continue the present high performing service as well as updating the delivery of services to meet the demands of new technology and ways of delivering the council's services. It is anticipated that the amount of change will increase the demands on the service and the new fixed price contract will provide greater certainty on costs than the current volume based service

Reasons for Decision

11. The recommended award of a new Service Desk contract to Agilisys Limited offers the best value for money for the council. Unlike the current contract, it will be a fixed price contract - rather than the volume pricing model used for the current contract - which will provide certainty around how much the service will cost when prices are rising and are expected to continue to do so. There will be a single charge with no additional support and maintenance costs as the cost scales with the volume of licenses H&F need. The service will be a cloud-hosted, always-on, pay-as-you-go SaaS solution. This means that there will be no additional processes to navigate for upgrades, downtime, and Release Management.
12. There have already been a number of changes to the large applications underlying the council's frontline services, such as the Land and Property Management System, and there will continue to be changes over the next few years. This will necessarily involve the implementation and integration of new applications which will result in teething problems and will also require a well-developed problem resolution process to be in place. Transferring the service desk to a new provider with a new delivery model would result in more fundamental changes which would pose a risk to day-to-day operations.
13. The existing contract delivers 24/7 Major Incident management and Agilisys have proven robust processes in place with good relationships with our other key suppliers, enabling joined up responses to major incidents and supporting overall service continuity. The proposed new contract award will build on the service delivered to council during the previous seven years and would maximise the use of services and processes developed in the current contract.
14. The service would continue to be delivered 24x7x365 from the Agilisys centre in the North West by the existing service team which has developed considerable experience of the Council's systems and ways of working and has provided excellent customer service. The service will be continually monitored and secured and any necessary security updates will be applied centrally.
15. A new contract award would enable these services to be further updated by moving to a next-generation IT Service Management (ITSM) tool, with Virtual Agent, powered by the Microsoft Teams Power Platform and incorporating elements of AI to help answer customer questions. The new ITSM platform has a modern look and feel for the customer, is accessible standards compliant (excellent for users with assistive requirements), is customisable and has good access to knowledge and user-guidance. This will be delivered once Digital

services have confirmed that they are ready to support the transition to a new ITSM tool.

16. The Service desk will incorporate new ways of working via the webchat channel to assist users who do not want (or cannot) call the Service Desk. This will ensure that issues get resolved quicker and the Virtual Agent will enable a comfortable webchat experience which then transitions into a support ticket if required.
17. Agilisys will also ensure that all team members will be trained in ITIL to continue to offer excellent levels of customer service and aim to provide a service which 'delights customers'. They will fix as much as possible at the first point of contact – to ensure that council staff spend minimal time talking to IT and maximum time doing their day jobs.
18. While it has a long association with the borough, Agilisys currently only maintains a small office in White City so there is little scope for direct training opportunities such as apprenticeships. As part of their Added Value contribution the company is willing to contribute their Apprenticeship Levy, to be donated to the Council or a nominated apprenticeship training provider. Agilisys would also be keen to contribute to skills training in the Borough and can provide support to the Adult Learning and Skills Service. They are also keen to work with schools on career pathways and would be happy to participate in Big Reveal and other similar events.

Equality Implications

Since this contract will be with the incumbent supplier for the continued use of the existing system, before transitioning to Hornbill Cloud ITSM, there are no anticipated negative implications for groups with protected characteristics, under the Equality Act 2010. Recently completed EIA is attached in Appendix 2.

Risk Management Implications

There are a number of risks relating to entering into a fixed price contract with an existing supplier. These risks relate to a drop in the quality and responsiveness of the service provided or that the costs are not fully understood by either (or both) parties leading to dissatisfaction and non-engagement. Furthermore, in cases where a dispute arises differing interpretation of scope, quality standards, quality measurements (or KPIs), or dispute resolution. In all cases regular reviews of performance by the council must be undertaken and communicated to the vendor with corrective actions taken as necessary.

The risk of continuing a contract engagement is that it may result in complacency of the vendor, lack of drive to adapt to new initiatives, or over dependency of the council upon the supplier. The council must consider other suppliers, the market place and (as above) review the supplier's performance on a regular basis.

Agreed: Jules Binney, Risk and Assurance Manager, 2023

Climate and Ecological Emergency Implications

There are no direct impacts within the borough as this is an online service and telephone helpdesk service, but the service will rely on use of data centres and other offsite servicing which has an energy use and carbon footprint. Agilisys have a 2050 net zero target and interim targets and are reporting on some sources of carbon emissions over which they have operational control, with a target to report on all sources from 2025.

Roland de la Mothe, Contract Monitoring Officer, 22 December 2023.

Verified by: Jim Cunningham, Climate Policy & Strategy Lead, 4th January 2024

Digital implications

The awarding of a new Service Desk contract to Agilisys Limited provides continuous and reliable service desk support at a time when there are a lot of changes to the council's digital infrastructure. The Chief Digital Officer is supportive of the decision.

IM Implications: The existing DPIA and SSQ with Agilisys should be reviewed and kept up to date.

The contract with Agilisys will need to include H&F's data protection and processing schedule. This is compliant with the UK Data Protection law.

Implications completed by: Cinar Altun, Digital Strategy Lead, 20 December 2023

Local Economy and Social Value Implications

It is a requirement that all contracts awarded by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. These commitments must amount to at least 10% in value of the price of the contract proposed.

The recommended supplier proposed social value measures amounting to a proxy value of 10.2% of the contract price. These include contributing their Apprenticeship Levy to the Council or a nominated apprenticeship training provider and software licences agreed with the Digital Team.

It is recommended that the commissioner works with the Legal Service to ensure appropriate social value clauses are included in the contract so that the council can enforce its right to financial remedies if social value commitments are not delivered.

Implications completed by: Paul Clarke, Social Value Officer, 9 January 2024

LIST OF APPENDICES

Exempt Appendix 1 – Total Cost of current Service Desk contract

Appendix 2 – Equalities Impact Assessment

Appendix 2 - H&F Equality Impact Analysis Tool



Conducting an Equality Impact Analysis

An EIA is an improvement process which helps to determine whether our policies, practices, or new proposals will impact on, or affect different groups or communities. It enables officers to assess whether the impacts are positive, negative, or unlikely to have a significant impact on each of the protected characteristic groups.

The tool is informed by the [public sector equality duty](#) which came into force in April 2011. The duty highlights three areas in which public bodies must show compliance. It states that a public authority must, in the exercise of its functions, have due regard to the need to:

- 1. Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under the Equality Act 2010**
- 2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it**
- 3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it**

Whilst working on your Equality Impact Assessment, you must analyse your proposal against these three tenets.

General points

1. In the case of matters such as service closures or reductions, considerable thought will need to be given to any potential equality impacts. Case law has established that due regard cannot be demonstrated after the decision has been taken. Your EIA should be considered at the outset and throughout the development of your proposal, it should demonstrably inform the decision, and be made available when the decision is recommended.
2. Wherever appropriate, the outcome of the EIA should be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense, and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.
5. If you already know that your decision is likely to be of high relevance to equality and/or be of high public interest, you should contact the Strategy & Communities team for support.

Further advice and guidance can be accessed online and on the intranet:

<https://www.gov.uk/government/publications/public-sector-equality-duty>

<https://officesharedservice.sharepoint.com/sites/Governance/SitePages/Reports.aspx>

H&F Equality Impact Analysis Tool

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	2023/4
Name and details of policy, strategy, function, project, activity, or programme	<p>Title of EIA: Service Desk Contract</p> <p>The current service desk contract for the Council is due to end on 31 March 2024. The service provider, Agilisys Limited, has consistently delivered a high performing service which has been good value for money and which has achieved a high level of customer satisfaction.</p> <p>The contract is ending at a time of considerable change in the delivery of IT services to the council, including our migration to Azure, our transition to the Modern Desktop Service, as well as the beginning of the transition to the Civic Centre and preparation for Tech- tonic 2.0. The possibility of switching to another Service Desk provider at the end of the current contract on 31 March 2024 has been considered. Making such a switch during a time of significant change and transition for Digital services would have a negative impact on the delivery of IT services to the wider council.</p> <p>It is therefore recommended to award a new five-year service desk contract to Agilisys Limited. This will enable the continued delivery of the high performing service and, as a fixed price contract, will provide good value for money to the council as well as certainty around how much the service will cost. The new contract award would enable the Service desk to be further updated by moving to updated tools with a modern look and by utilising new ways of working to ensure that issues get resolved quicker.</p>
Lead Officer	<p>Name: Chaya Bandodkar Position: Senior Project Manager Email: Chaya.Bandodkar@lbhf.gov.uk Telephone No:07970 528870</p>
Date of completion of final EIA	19 /12 /23

Section 02	Scoping of Full EIA		
Plan for completion	Timing: Resources:		
Analyse the impact of the policy, strategy, function, project, activity, or programme	Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy will have a positive, neutral, or negative impact on equality, giving due regard to relevance and proportionality.		
	Protected characteristic	Analysis	Impact: Positive, Negative, Neutral
	Age	The procurement of a new Service Desk to replace the current system is unlikely to have a disproportionate impact based on a person's age. All users will be offered training and assistance on any new system appropriate to their individual needs and requirements	Neutral
	Disability	The procurement of a new Service Desk to replace the current system is unlikely to have a disproportionate impact on disabled persons. All users will be offered training and assistance on any new system appropriate to their individual needs and requirements	Neutral
	Gender reassignment	The procurement of a new Service Desk to replace the current system will not impact this protected characteristic.	Neutral
	Marriage and Civil Partnership	The procurement of a new Service Desk to replace the current system will not impact this protected characteristic.	Neutral
	Pregnancy and maternity	The procurement of a new Service Desk to replace the current system will not impact this protected characteristic.	Neutral
	Race	The procurement of a new Service Desk to replace the current system will not impact this protected characteristic.	Neutral
	Religion/belief (including non-belief)	The procurement of a new Service Desk to replace the current system will not impact this protected characteristic.	Neutral

	Sex	The procurement of a new Service Desk to replace the current system will not impact this protected characteristic.	Neutral
	Sexual Orientation	The procurement of a new Service Desk to replace the current system will not impact this protected characteristic.	Neutral
<p>Human Rights or Children's Rights</p> <p>If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice</p> <p>Will it affect Human Rights, as defined by the Human Rights Act 1998? No</p> <p>Will it affect Children's Rights, as defined by the UNCRC (1992)? No</p>			

Section 03	Analysis of relevant data Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
Documents and data reviewed	Users (i.e. customer) are able to raise concerns / issues with Service Desk. At no point during the current contract have any issues of impacts on protected characteristics been raised.
New research	Not applicable

Section 04	Consultation
Consultation	Internal consultation has been undertaken with the relevant stakeholders that use the current, and will use any future, system. This has focused primarily on the functionality of the existing system and any new requirements to be catered for through procurement of a new system. The consultation has been open with respect to issues that could be raised. At no point throughout the consultation have issues regarding any impacts upon protected characteristics been raised.
Analysis of consultation outcomes	Beyond the need for training, as would be expected of updating or replacing any current IT system, no issues regarding any impacts or potential impacts upon users with protected characteristics been raised.

Section 05	Analysis of impact and outcomes
Analysis	Analysis of the current system and consultation on procurement for a replacement system has not raised any potential for impacts on individuals or groups with protected characteristics.

Section 06	Reducing any adverse impacts and recommendations
Outcome of Analysis	Beyond the need for training, as would be expected of updating or replacing any current IT system, no impacts have been identified that would require additional mitigation.

Section 07	Action Plan
Action Plan	No action plan required

Section 08	Agreement, publication and monitoring
Senior Managers' sign-off	Name: Quentin Brooks Position: Head of Service Management Email: quentin.brooks@lbhf.gov.uk Telephone No: 020 8753 6214 Considered at relevant DMT: Circulated to DLT via email in December and reviewed by CDO, who supports the approval
Key Decision Report (if relevant)	Date of report to Cabinet/Cabinet Member: 10 /01 /2023 Key equalities issues have been included: No
Equalities Advice (where involved)	Name: Position: Date advice / guidance given: Email: Telephone No: