

To: Finance, Resources and Customer Services Policy Board

On: 5th June 2019

Report by: Joint Report by the Chief Executive and Finance and Resources

Heading: Software Asset Management as a Service

1. Summary

- 1.1 The purpose of this report is to seek the formal approval of the Finance, Resources and Customer Services Policy Board to award a contract for Software Asset Management as a Service.
 - 1.2 The recommendation to award a contract follows a procurement exercise which was conducted in accordance with Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts for an above EU Threshold Open Procedure for a Service.
 - 1.3 A Contract Strategy was approved by the ICT Partnering & Commissioning Manager and the Strategic Commercial and Procurement Manager on 11th March 2019.
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2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise the Head of Corporate Governance to:
 - 2.1.1 Award a contract for Software Asset Management as a Service to Business Continuity Services Limited;

2.1.2 The contract will be for an initial period of three (3) years with the option (at the discretion of the Council) to extend on an annual basis on two (2) occasions. The intended start date is 1 July 2019 however, the actual date will be confirmed within the Council's Letter of Acceptance;

2.1.3 The initial contract value will be £238,439.40 excluding VAT or £397,399 excluding VAT where initial and both extension periods are utilised.

3. Background

3.1 The Council currently utilises more than 200 software applications across all corporate services with a number of additional applications in use in schools to support the delivery of their services.

3.2 The Council has identified a requirement to procure a Software Asset Management as a Service system to ensure licence compliance, software optimisation and cost reductions.

3.3 A contract notice was despatched via the Public Contracts Scotland portal on 12th March 2019 and published in the Official Journal of the European Union (OJEU) on 14th March 2019 with a tender deadline of 12 noon on 15th April 2019.

3.4 During the tendering period, forty four (44) Tenderers expressed an interest in the tender opportunity with five (5) tender submission responses submitted by the tender deadline.

3.5 All five (5) Tenderers confirmed compliance with the minimum selection criteria set out within the European Single Procurement Document (ESPD) and the published Contract Notice; each were then evaluated against the published set of Award Criteria of 70% Quality / 30% Price by representatives from the Corporate Procurement Unit and ICT Services.

3.6 The scores relative to the Award Criteria for each of the five (5) Tenderers are noted below:

| Tenderer | Quality (70%) | Price (30%) | Total Score |
|--------------------------------------|----------------------|--------------------|--------------------|
| Business Continuity Services Limited | 55.00% | 23.95% | 78.95% |
| Phoenix Software Limited | 32.50% | 30.00% | 62.50% |
| Specialist Computer Centres Plc | 26.25% | 24.09% | 50.34% |
| Pricewaterhouse Coopers LLP | 22.50% | 24.08% | 46.58% |

| | | | |
|------------------|--------|--------|---------------|
| Celerity Limited | 22.50% | 22.15% | 44.65% |
|------------------|--------|--------|---------------|

- 3.7 The evaluation of the tender submissions received identified that the submission by Business Continuity Services Limited was the most economically advantageous tender.
- 3.8 Community Benefits were requested as part of the procurement process and Business Continuity Services Limited advised within their tender submission that the following Community Benefits would be made available to the Council during the Contract:

| Skills and Training | | Number of placements |
|---|--|----------------------|
| Work Experience Placement for an individual aged 14 to 16 years of age | Duration of placement must be a minimum of 5 days taking into account the circumstances and needs of the individual. | 2 |

Implications of the Report

- Financial** - The financial status of Business Continuity Services Limited was assessed which confirmed that they satisfied the Council's requirements in relation to financial stability. The value of the contract is within the available budget.
- HR & Organisational Development** - None.
- Community/Council Planning** – None.
- Legal** - This procurement was carried out in accordance with the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts for an above EU threshold Services Contract.
- Property/Assets** – None.
- Information Technology** - The implementation of Software Asset Management as a Service is aligned with the strategic direction of ICT and addresses issues raised by Internal Audit and promote and maintain excellence by managing and monitoring compliance across business, applications, technology, data security etc.

7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None.
9. **Procurement** – Procurement of this contract was conducted in accordance with the Open procedure for an above EU threshold Services Contract under the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts.
10. **Risk** – Business Continuity Services Limited insurances were assessed and evaluated by Corporate Risk and met the minimum requirements regarding insurable risk.
11. **Privacy Impact** – None.
12. **Cosla Policy Position** – None.

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