

### PT 3 - Procurement Options Report

This document is to be used to identify all Procurement options available and recommended



Author:	Prachi Ranade and David Scott		
Project Reference:	TBC		
Project Title:	Library Self Service Kiosks		
Summary of Goods or Services to be sourced			
Replacement or Upgrade of Self Service Kiosks in Barbican, Artizan Street and Shoe Lane Libraries			
Contract Duration:	3+2 (5 years)	Contract Value:	Up to £120,000 (£70k capital, £50k revenue)
Stakeholder information			
Project Lead & Contract Manager: Prachi Ranade	Category Manager: David Scott		Lead Department: DCCS
Other Contact		Department	
Carol Boswarthack		DCCS	
Opportunity for Inter-City Collaboration (is there another site/department that could benefit from this project)?			
Potentially City of London Business Library and Reference Library			

### Specification and Evaluation Overview

#### Summary of the Specification:

The City of London Corporation has a statutory duty under the Public Libraries and Museums Act 1964 'to provide a comprehensive and efficient library service for all persons.' These local authority functions are delivered by staff and commissioned services, and overseen by the Culture, Heritage and Libraries Committee.

To meet its statutory responsibilities, the City of London uses self-service kiosks for the public to issue, renew and return stock. The system also controls security of the items with tags and security gates.

The current service is provided by two organisations; Bibliotheca's contract started on 31<sup>st</sup> January 2016 and ends on 30<sup>th</sup> January 2021, and D-Tech's contract started on 31<sup>st</sup> January 2015 and ends on 29<sup>th</sup> January 2020. Bibliotheca provides support and maintenance for the kiosks in Artizan and Barbican libraries, and D-Tech provide 2 kiosks, 2 return bins and maintenance for the kiosks in Shoe Lane Library. As the D-Tech contract is ending in January 2020, the City needs to begin its commissioning and procurement process to ensure sufficient time is allocated for mobilisation of the new contract. It is proposed that Bibliotheca's contract will be given a 3 month notice period so that it ends in line with the D-Tech's contract so that a streamlined procurement process can take place.

The current service's kiosks and software are coming to the end of their life and are currently unsupported. This project is looking to replace or upgrade the kiosks that we have in place. This will enable a more efficient service for the public, that will free up staff from issuing and discharging to allow them to focus on stock maintenance and delivering a range of public facing activities in the library. The improved technology will also improve the speed of the issuing process for users so that the public no longer need to queue.

The system will need to continue to provide self-service facilities to the public in relation to library services, allow the public to pay their fines and loan fees, control security of items, interact with the Library Management System and provide management information to report on performance.

#### Overview of the key Evaluation areas:

Award Criteria	Level 1	Level 2
<b>Technical</b>	<b>40%</b>	
- Service Delivery		Tbd
- Technical Solution		
- Delivery Team – Key Personnel		Tbd
- Mobilisation		Tbd
- Support & Maintenance		Tbd
<b>Commercial</b>	<b>60%</b>	
- - To be confirmed		tbd

**Technical and Pricing evaluation ratio**  
**40% (Technical) / 60% (Price)**

Is the contract likely to require financial uplifts? (Please describe what method will be used to calculate the uplift and whether this will be capped)	
The contract costs will be fixed for the implementation and support.	
Are there any accompanying documents with this report?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Will this project require the winning supplier to process personal data on our behalf?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
If yes, please make sure you've defined roles and responsibilities within your project specification. For more information visit <a href="#">Designing Specifications under GDPR</a> . You may include your Privacy Impact Assessment or other relevant report as an appendix to this PT form when submitting to category board (for information).	
Evaluation Panel – Please enter Name and Department below	
Asok Basu Jonathan Gibbs Matthew Cox/Phil Pettit	DCCS DCCS IT

### Customer Requirements

Target completion date	31/05/2019	Target Contract award date	01/01/2020
Are there any time constraints which need to be taken into consideration?			
The contract with D-Tech ends on 29 <sup>th</sup> January 2020, so the new contract must be fully mobilised by then.			

Efficiencies Target with supporting information	
Dependant on the solution, it is unlikely there will be overall savings on the project. This will depend on the method of delivery and utilisation of the existing infrastructure.	

Procurement Timeframes - To be determined using PTO Project Plan with Roles and Responsibilities	
Procurement Start date	31/01/2019
Procurement End date	31/05/2019

### City of London Initiatives

How will the Procurement meet the City of London's Obligation to
Adhere to the Social Value Act: n/a
Take into account the London Living Wage (LLW): n/a
Consideration for Small to Medium Enterprises (SME): The likely market for this requirement will include SMEs due to the specialist nature of the requirement.
Are there TUPE/Pension liabilities that need to be considered? N/a
Other:

**Procurement Strategy Options** Procurement Strategy is building the way in which the contract will look once awarded. This could include inter-departmental usage, existing contracts integrated once expired or adding it to an existing contract.

<b>Option 1: Continue with current solution</b>
<b>Advantages to this Option:</b>
<ul style="list-style-type: none"> <li>- No need to transfer data.</li> <li>- No risk of change.</li> </ul>
<b>Disadvantages to this Option:</b>
<ul style="list-style-type: none"> <li>- No comparison with other market providers in terms of value for money.</li> <li>- No option to extend in agreement leading to lack of negotiation power.</li> <li>- Upgrades not provided for within the contract.</li> </ul>
<b>Please highlight and possible risks associated with this option:</b>
<ul style="list-style-type: none"> <li>- Current contract does not allow for this. In addition, current solution is no longer supported.</li> </ul>
<b>Option 2: Market test the key outcomes and requirements for a new contract/system</b>
<b>Advantages to this Option:</b>
<ul style="list-style-type: none"> <li>- Competitive bidding process obtaining value for money</li> <li>- Competitively source and leverage appropriate expertise from the market</li> <li>- Sound contractual footing with performance metrics for service delivery</li> </ul>
<b>Disadvantages to this Option:</b>
<ul style="list-style-type: none"> <li>- Time implications for a nationally advertised procurement</li> </ul>
<b>Please highlight and possible risks associated with this option:</b>

- Delay to the desired commencement date of the service
<b>Option 3: Co-procure with another London Borough</b>
<b>Advantages to this Option:</b> <ul style="list-style-type: none"> <li>- May derive some advantage through economies of scale (i.e. buyer power increased)</li> <li>- Competitive bidding process obtaining value for money</li> <li>- Competitively source and leverage appropriate expertise from the market</li> <li>- Sound contractual footing with performance metrics for service delivery</li> </ul>
<b>Disadvantages to this Option:</b> <ul style="list-style-type: none"> <li>- No London boroughs are currently looking at this with the same timescales as required here.</li> <li>- Issues with ensuring that both LAs have the same expectations for outcomes.</li> <li>- Co-ordination costs likely to be dis-proportionate to the contract value.</li> <li>- Time and resource implications leading a collaborative procurement, collating joint and local requirements etc.</li> <li>- Other contracting authorities have already launched individual local procurements</li> </ul>
<b>Please highlight and possible risks associated with this option:</b>

### Procurement Strategy Recommendation

<b>City Procurement team recommended option</b>
<b>Option 2: Market test the key outcomes and requirements for a new contract/system</b>

**Route to Market Options:** *Route to market is the way in which the City will invite suppliers to bid for the procurement.*

<b>Option 1: Advertised sub-OJEU Tender</b>
<b>Advantages to this Option:</b> <ul style="list-style-type: none"> <li>- An increase in competition due to more suppliers having the opportunity to bid opposed to a closed supplier list under a Framework Agreement</li> <li>- Organisations of all sizes have the opportunity to submit a tender, increasing the opportunity for a number of innovative proposals/solutions</li> <li>- Advantageous for simple and straight forward requirements</li> <li>- The City uses its own Terms which can be more favourable than a generic Framework agreement</li> <li>- Able to target the niche suppliers in the market for a direct bid rather than via resellers.</li> </ul>
<b>Disadvantages to this Option:</b> <ul style="list-style-type: none"> <li>- All tenders must be evaluated; therefore, there can be resource implications of a potentially lengthy tender evaluation (due to a high volume of responses)</li> </ul>
<b>Please highlight and possible risks associated with this option:</b> There may be a large number of tenders submitted all requiring evaluation, thus requiring more resource than anticipated. Proportionate minimum requirements, thresholds and weightings being applied to the pre-determined evaluation criteria can help mitigate the risk of an excessive response rate.
<b>Option 2: CCS Framework RM3804 (Technology Services 2)</b>
<b>Advantages to this Option:</b> <ul style="list-style-type: none"> <li>- Instant route to bidding phase</li> <li>- Compliant with procurement law</li> <li>- Reduced administrative burden in terms of the time and transaction costs (both supplier and Corporation) compared to running a full EU procurement process</li> <li>- Suppliers have been identified, vetted, and quality checked via a competitive EU procurement process</li> <li>- Overarching contractual terms agreed minimising clarifications and qualifications post-tender</li> <li>- Security of supply / capacity (multi-supplier agreements) – e.g. if one supplier on the Framework Agreement runs into difficulty there would still be other suppliers capable of delivering the requirements</li> <li>- Niche suppliers are not available as a direct supplier on this framework. Therefore, contract would be with a reseller, adding margin and potential for a cumbersome contract management process.</li> </ul>
<b>Disadvantages to this Option:</b> <ul style="list-style-type: none"> <li>- Closed competition thus limited to the appointed suppliers under the Framework Agreement</li> <li>- There could be new suppliers and/or solutions within the market that were not included when the Framework Agreement was established originally</li> </ul>

- The bespoke needs of the Corporation might not be reflected, and the Framework Agreement will be limited in variation to any resultant call-off contract

**Please highlight and possible risks associated with this option:**

- Commercial challenge by way of pricing - is this competitive still? This CCS Framework Agreement commenced October 2016 and may have been established when the market rate was high, although suppliers' margins are contractually capped and audited on a monthly basis (by the CCS).
- Officer time in undertaking due diligence (Comptrollers, Procurement, Finance, Insurance and Stakeholder)

**Route to Market Recommendation**

**City Procurement team recommended option**

**Option 1: Advertised sub-OJEU Tender**

**Recommendation**

**Is the procurement split into lots?**

Yes ☐ No ☒

**Please specify why you have taken this decision regarding lots**

Not able to disaggregate requirement.

**City Procurement team proposed route for sign off:**

IT Category Board > Gateway Process

**Sign Off/Internal Checks**

**Date of Report:**

**Reviewed By:**

**Reviewer Signature :**

**Insurance**

Yes ☐ No ☐ N/A ☐

**Financial**

Yes ☐ No ☐ N/A ☐

**Health and Safety**

Yes ☐ No ☐ N/A ☐

**Contract Approval**

Yes ☐ No ☐ N/A ☐

*Add additional as required*