

<b>Committees:</b> Projects Sub Committee <i>[for decision]</i> Culture Heritage and Libraries Committee <i>for decision]</i>		<b>Dates:</b> 22 March 2019 25 March 2019
<b>Subject:</b> Library Self Service Kiosks  <b>Unique Project Identifier:</b> 12013	<b>Gateway 3/4:</b> <b>Options Appraisal (Regular)</b>	
<b>Report of:</b> Director of Community & Children's Services <b>Report Author:</b> Prachi Ranade, Commissioning and Contracts Officer Department of Community and Children's Services		<b>For Decision</b>
<b>Project Description:</b> <p>This project is looking to replace or upgrade the kiosks and maintenance contracts that we have in place.</p>		
<b>Recommendations</b> <p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• approve Option 2 to source a new system, for proceeding to procurement and Gateway 4a</li> <li>• approve the total estimated cost of £120,000</li> <li>• approve request for additional Capital budget of £70,000 to proceed to procurement and reach the next Gateway</li> </ul>		
<p style="text-align: center;"><b><u>Summary</u></b></p> <p>This report follows on from the Gateways 1 and 2 report presented to the Project Sub Committee on 7th November 2018. It was agreed at the meeting that the project should follow a regular project gateway process. Therefore, this report provides information required for Gateways 3 and 4.</p> <p>The procurement aims 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 who can choose to use the kiosks rather than queue to see a member of staff.</p>		
Project status	Amber	

Timeline	<p>Specification and terms and conditions developed by April 2019</p> <p>Publish tender documents in May 2019</p> <p>Tender returns in June 2019</p> <p>Evaluations in July 2019</p> <p>Final decision by August 2019</p> <p>Gateway 5 Report by September 2019</p> <p>Award contract by October 2019</p> <p>Mobilisation period, transfer of information and decommissioning of existing system: October 2019 – January 2020</p> <p>Staff training between November 2020 – January 2020</p> <p>System go-live: January 2020</p>	
Programme status	Pending approval of Gateway 3/4 – options appraisal	
Latest estimated cost of works	As Gateway 1/2, up to £120,000 – dependent on tenders returned, this includes installation of hardware, support to migrate data, training and annual support and maintenance costs for the duration of the contract.	
Expenditure to date	Staff costs - £4,506.48	
Total project cost	Up to £120,000 – dependent on tenders returned, this includes installation of hardware, support to migrate data, training and annual support and maintenance costs for the duration of the contract.	

### **Progress to date (including resources expended and any changes since previous Gateway)**

Following Projects Sub approval to proceed to Gateways 3 and 4 on 7<sup>th</sup> November 2018, the steering group has commenced the development of the specification through consultation with all agreed stakeholders.

The IT Category Board approved the procurement route on 11<sup>th</sup> December 2018.

### **Financial Implications**

<b>Description</b>	<b>Option 2:</b>	
Works costs	As Gateway 1/2, up to £120,000 – dependent on tenders returned	
<b>Total</b>	Up to £120,000	
<b>Funding strategy:</b>		
Source		

	Barbican and Community Libraries - annual support and maintenance	£50,000		
	Bid for Capital funding	£70,000		
	<b>Total</b>	£120,000		

<b>1. Next steps and Requested decisions</b>	<b>Next Gateway:</b> Gateway 4a: Inclusion in Capital Programme <b>Next Steps:</b> Staff costs to cover the project management of the commissioning and procurement timetable and to engage the market. <b>Requested Decisions:</b> <ul style="list-style-type: none"><li>• To approve Option 2 for proceeding to procurement and Gateway 5</li><li>• Projects Sub Committee and Spend Committee to approve budget, and the Resource Allocation Sub Committee to approve Capital funding</li></ul>												
<b>2. Resource requirements to reach next Gateway</b>	<i>From recommended option</i> <table><tr><th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr><tr><td>Staff Time</td><td>Project management of the commissioning /procurement timetable</td><td>Existing officer time – Local risk</td><td>£10,000</td></tr><tr><td><b>Total</b></td><td></td><td></td><td>£10,000</td></tr></table>	Item	Reason	Funds/ Source of Funding	Cost (£)	Staff Time	Project management of the commissioning /procurement timetable	Existing officer time – Local risk	£10,000	<b>Total</b>			£10,000
Item	Reason	Funds/ Source of Funding	Cost (£)										
Staff Time	Project management of the commissioning /procurement timetable	Existing officer time – Local risk	£10,000										
<b>Total</b>			£10,000										
<b>3. Overview of project options</b>	<b>Overview of Options and Proposed Way Forward</b>  There are three options:  <u>Option 1: Do nothing</u> This option is not viable – The equipment is at end of life and cannot be upgraded to, for example, accept card and												

	<p>contactless payments. Therefore, it will not be possible to negotiate continued support contracts, which means that in the case of equipment failure there is no way to organise a repair. It would be a risk to continue our relationship with the current supplier without a contract on the City of London Corporation's terms. This would also mean having to side-step finance and procurement best practice by having to sign off financial waivers to the current supplier.</p> <p><u>Option 2: Source a new system</u> This option is recommended. A new system (or upgrading if the incumbent supplier is successful) will be able to meet the statutory requirements and improvements needed in the Libraries service.</p> <p><u>Option 3: Co-procure with another London borough</u> This option is not viable – no other London boroughs are currently looking at this with the same timescales as the City. Co-ordination costs are likely to be dis-proportionate to the contract value.</p>
<b>4. Recommended Option</b>	<p><u>Option 2: Source a new system</u> This option is recommended. An upgraded or a new system will be able to meet the statutory requirements and improvements needed in the Libraries service. Therefore, the only option available currently is a procurement exercise to source a new system.</p>
<b>5. Procurement approach</b>	<p>Competitive procurement via the Capital E-Sourcing Portal for Option 2. This will give organisations of all sizes the opportunity to submit a tender, increasing the opportunity for several innovative proposals.</p>

## Appendices

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	PT3 Procurement Form
<b>Appendix 3</b>	Risk Register

## Contact

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## Options Appraisal Matrix

<i><b>Option Summary</b></i>	<i><b>Option 1</b></i>	<i><b>Option 2</b></i>	<i><b>Option 3</b></i>
<b>1. Brief description of option</b>	<p>Do not procure a system and continue service with current providers.</p> <p>Sign off financial waivers to the supplier every year for annual support and maintenance costs.</p>	Procure an upgraded or a new system that will meet the statutory requirements and improvements needed in the Libraries service.	Co-procure with another London borough for an upgraded or new system to meet statutory requirements.
<b>2. Scope and exclusions</b>	<p>The current service's kiosks and software are coming to the end of their life and are currently unsupported.</p> <p>The current contract has no provision for upgrades.</p>	<p>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.</p> <p>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.</p>	
<i><b>Project Planning</b></i>			

<i><b>Option Summary</b></i>	<i><b>Option 1</b></i>	<i><b>Option 2</b></i>	<i><b>Option 3</b></i>
<b>3. Programme and key dates</b>	Not applicable	<p>Specifications and terms and conditions developed by April 2019</p> <p>Publish tender documents in May 2019</p> <p>Tender returns in June 2019</p> <p>Evaluations in July 2019</p> <p>Final decision by August 2019</p> <p>Gateway 5 Report by September 2019</p> <p>Award contract by October 2019</p> <p>Mobilisation period, transfer of information and decommissioning of existing system: October 2019 – January 2020</p> <p>Staff training between November 2020 – January 2020</p> <p>System go-live: January 2020</p>	Not applicable

<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>4. Risk implications</b>	High	Medium	High
<b>5. Stakeholders and consultees</b>	<ul style="list-style-type: none"> <li>• Current Provider</li> <li>• IT Division</li> <li>• Commissioning</li> </ul>	<ul style="list-style-type: none"> <li>• Libraries staff</li> <li>• IT Division</li> <li>• City Procurement</li> <li>• Service Users</li> <li>• Commissioning</li> <li>• Chamberlain – Finance</li> <li>• Agilisys</li> <li>• Barbican and Landlords of Artizan and Shoe Lane Library</li> </ul>	
<b>6. Benefits of option</b>	<ul style="list-style-type: none"> <li>• No need to transfer data as continue with current suppliers.</li> </ul>	<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> </ul>	<ul style="list-style-type: none"> <li>• May derive some advantage through economies of scale.</li> <li>• Competitive bidding process obtaining value for money.</li> </ul>
<b>7. Disbenefits of option</b>	<ul style="list-style-type: none"> <li>• No option to extend contract in current agreement leading to lack of negotiation power.</li> </ul>	<ul style="list-style-type: none"> <li>• Time implications for a nationally advertised procurement.</li> </ul>	<ul style="list-style-type: none"> <li>• No London boroughs are currently looking at this with the same timescales as required by the City.</li> </ul>



<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
	<ul style="list-style-type: none"> <li>Upgrades not provided for within the contract</li> </ul>		<ul style="list-style-type: none"> <li>Co-ordination costs likely to be disproportionate to the contract value.</li> </ul>
<b>Resource Implications</b>			
<b>8. Total Estimated cost</b>	Not applicable	Up to £120,000 dependent on tenders and system chosen.	Not applicable
<b>9. Funding strategy</b>	Not applicable	<p>Barbican and Community Libraries - support and maintenance £50,000</p> <p>Bid for Capital funding - £70,000</p>	Not applicable
<b>10. Investment appraisal</b>	Not applicable	The investment appraisal that will be used to assess the cost of options will be 'whole life cost', which will include the initial cost plus the cost of maintaining the system over its useful life.	Not applicable

<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>11. Estimated capital value/return</b>	£0	Bid for Capital funding - £70,000 dependent on tenders and system chosen	£0
<b>12. Ongoing revenue implications</b>	Approximately £50,000 per year	This cost is to be identified as part of the tender process, but likely to be in the region of £50,000 per annum.	Approximately £50,000 per year
<b>13. Affordability</b>	Revenue costs included within local budget.	Revenue costs included within local budget. Capital costs are not allocated.	
<b>14. Legal implications</b>	One contract expires in January 2020 and the other expires in January 2021. The terms are outdated and will not reflect current practice or laws.	Any future system must have functionality to execute the statutory services provided by the Libraries service and be able to cater to specific requirements expected. Procurement will be carried out using the Capital E-Sourcing portal. This ensures that the system requirements and statutory services needed should be met.	

<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>15. Corporate property implications</b>	None	Liaising with Daisy Estrada in the Built Environment regarding potential replacement of security gates at Barbican Library. Should they need replacing DCCS may need to apply for listed building consent.	None
<b>16. Traffic implications</b>	None	None	None
<b>17. Sustainability and energy implications</b>	None	None	None
<b>18. IS implications</b>	None	IT implications include: <ul style="list-style-type: none"> <li>a. use of hosted, subscription and/or software-as-a-service (SaaS) options are preferable</li> <li>b. IT Division will need to ensure that connectivity is set up to be as</li> </ul>	None

<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
		<p>resilient as possible to support this approach.</p> <p>IT Division will need to prepare for any data management or system integration work required to support the new system. Phil Pettit from IT is involved, and the project has been highlighted and approved through the IT Project Management Office (PMO) process.</p>	
<b>19. Equality Impact Assessment</b>	Not required	Test of relevance completed. No negative impacts identified and therefore full EIA not undertaken.	Not required
<b>20. Data Protection Impact Assessment</b>	Not applicable	Not applicable	Not applicable
<b>21. Recommendation</b>	Not recommended	Recommended	Not recommended

