

<b>Committees:</b> Chief Officer [ <i>for decision</i> ] Digital Services Committee ( <i>for information</i> ) Culture Heritage and Libraries ( <i>for information</i> ) Community and Children's Services Committee [ <i>for information</i> ]	<b>Dates:</b> 23 June 2022 12 July 2022 18 July 2022 20 July 2022
<b>Subject</b> Library Management System  <b>Unique Project Identifier:</b> N/A	<b>Gateway 3/4/5: Options Appraisal and Authority to Start Work (Regular)</b>
<b>Report of:</b> Director of Community & Children's Services  <b>Report Author:</b> Sarah Greenwood	<b>For Information</b>
<h1>PUBLIC</h1>	

**Explanatory Note for Members:** The Corporate Projects Board agreed that the project should proceed under delegation until such a time that it was determined whether the project would reach the thresholds of the gateway process. Proceeding under delegation means that all usual Gateway reports are submitted to the Chief Officer who may then choose to share the reports with Committee for information. The recommendations of this Gateway report conclude the project is below Gateway thresholds and the report is shared with Members for information.

<b>1. Status update</b>	<p><b>Project Description:</b> IT system designed to manage the records of the Barbican and Community Libraries including stock details, availability, fines, payments and membership details</p> <p><b>RAG Status:</b> Green (Green at last report to Committee)</p> <p><b>Risk Status:</b> Low (Medium at last report to committee)</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> £153,755</p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> Decrease of £171,245 since the last report to Committee. £48,500 capital costs will no longer be incurred as the supplier is the current provider of the service and a reduction in projected revenue costs of £122,745 through negotiation with the supplier.</p> <p><b>Funding Source:</b></p> <p><b>Spend to Date:</b> £1,500 (local risk budget)</p>
-------------------------	---

	<p><b>Costed Risk Provision Utilised:</b> £0 (of which £0 has been drawn down since the last report to Committee);</p> <p><b>Slippage:</b> none</p>																
<p><b>2. Next steps and requested decisions</b></p>	<p><b>Next Gateway:</b> Gateway 6: Outcome Report</p> <p><b>Next Steps:</b> Development of contractual documentation</p> <p><b>Requested Decisions:</b></p> <ol style="list-style-type: none"> <li>1. Note the total cost of the project at £153,755 (excluding risk) for all five years including contract cost of £27,609.42 for year 1 increasing by 4.9% per annum for each subsequent year (revenue only);</li> <li>2. That Option <b>1c (Direct Award to Sirsi Dynix)</b> is approved</li> </ol>																
<p><b>3. Budget</b></p>	<p><i>For recommended option 1c:</i></p> <table border="1"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Funds/ Source of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>Revenue Costs</td> <td>Contractual Costs including annual licences, hosting, maintenance and managed service costs</td> <td>Local risk budget</td> <td>£152,255</td> </tr> <tr> <td>Staff Costs</td> <td>Development of required specification, Market engagement and options appraisal</td> <td>Existing Local risk funding</td> <td>£ 1,500</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td></td> <td><b>£153,755</b></td> </tr> </tbody> </table> <p><b>No Costed Risk Provision is requested for this Gateway:</b></p>	Item	Reason	Funds/ Source of Funding	Cost (£)	Revenue Costs	Contractual Costs including annual licences, hosting, maintenance and managed service costs	Local risk budget	£152,255	Staff Costs	Development of required specification, Market engagement and options appraisal	Existing Local risk funding	£ 1,500	<b>Total</b>			<b>£153,755</b>
Item	Reason	Funds/ Source of Funding	Cost (£)														
Revenue Costs	Contractual Costs including annual licences, hosting, maintenance and managed service costs	Local risk budget	£152,255														
Staff Costs	Development of required specification, Market engagement and options appraisal	Existing Local risk funding	£ 1,500														
<b>Total</b>			<b>£153,755</b>														
<p><b>4. Overview of project options</b></p>	<ol style="list-style-type: none"> <li>1. Outsource to a third party <ol style="list-style-type: none"> <li>a. open market tender,</li> <li>b. mini competition with a framework and</li> <li>c. direct award through a framework</li> </ol> </li> <li>2. In source via in house delivery</li> </ol>																

	<p>3. Join with another Local Authority (either as a procurement or join with another Local Authority's system)</p> <p>4. Not have a system. This option was ruled out at Gateway 2 and has therefore not been included within the options appraisal matrix.</p>
<b>5. Recommended option</b>	Option 1c: Outsource to a third party and direct award through a framework (procurement route recommended by IT Category Board).
<b>6. Risk</b>	<p>One new risk has been identified and realised since Gateway 2: Risk 5: insufficient funding. A capital funding bid was submitted for the capital costs for potential change of supplier, estimated at £20k. Chamberlains confirmed that this amount was below the capital bid threshold and should be funded through departmental budgets.</p> <p>One new risk (R6) was included on the register : the impact on resources (mainly staff time and capacity) of the TOM recruitment freezes and Covid 19 (in particular staff sickness) which could impact up on the timeframe.</p> <p>Further information available in the Risk Register (Appendix 2) and Options Appraisal.</p>
<b>7. Procurement approach</b>	<p>A procurement options report (see appendix 3) was discussed at the January and May IT Category Board meetings.</p> <p>IT Category Board agreed with the recommended approach to outsource to a third party. After consideration of the procurement options, the Board agreed to direct award to Sirsi Dynix, the current supplier, using the ESPO framework. Further details are included within the attached procurement options report at appendix 3.</p>
<b>8. Design summary</b>	Barbican and Community Libraries use a library management system to manage its library activities including a library catalogue, stock availability, overdue items, fines and payments and membership details. The library management system is the backbone of the library service and enables service users to have joined up services. The system integrates with the e-books contract, the public network and the self-service kiosks. The catalogue function is also used by Guildhall Library and London Metropolitan Archives and it also provides a gateway to online resources for users of the Small Business Research and Enterprise Centre
<b>9. Delivery team</b>	The project board consists of Carol Boswarthack, the Head of Barbican and Community Libraries (the Senior Responsible Officer), Jonathan Gibbs, the Operations and IT Librarian and with additional representation from IT, Comptroller and City

	Solicitor and City Procurement. The project is managed by the Commissioning Manager Sarah Greenwood.
<b>10. Success criteria</b>	1. The system enables the CoLC to deliver its library services flexibly through a variety of devices. Quality is managed through regular contract monitoring and the performance against the Service Level Agreement
	2. The system has proven capability and capacity to manage the current (and future potential) requirements of library users including flexibility to respond to changing Government, Covid and technological requirements
	3. The system enables a safe and professional experience for library staff and users with co-ordination of all records in relation to stock
<b>11. Progress reporting</b>	Progress reports will be submitted to the delivery team Library senior management team.

### Appendices

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	Risk Register (for recommended option)
<b>Appendix 3</b>	PT3/8 Procurement Form

### Contact

<b>Report Author</b>	Sarah Greenwood
<b>Email Address</b>	sarah.greenwood@cityoflondon.gov.uk
<b>Telephone Number</b>	020 7332 3594

## Options Appraisal Matrix

<i>Option Summary</i>	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
<b>Brief description of option</b>	Outsource to a third party	In source via in house delivery	Join with another Local Authority and form a new consortium or join an established consortium
<b>1. Scope and exclusions</b>	Includes a) open market tender, b) mini competition and c) direct award through a framework (recommended)	Resourcing including staffing, design and testing of new system and ongoing hosting, support and maintenance	Joining to procure or share a bespoke in house Local Authority's system
<b><i>Project Planning</i></b>			
<b>2. Programme and key dates</b>	Contract awarded June 2022  Mobilisation June 2022 – July 2022  Overall project: Completion and go live by 31 July 2022  Gateway 6 report September 2022	This option would not be complete by the expiry date of the current contract	The cost of joining an established consortium is currently prohibitive at this time.

<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>3. Risk implications</b>	<p>Overall project option risk: Low</p> <p>Further information available within the Risk Register (Appendix 2).</p>	<ul style="list-style-type: none"> <li>• Departmental budgets do not account for the cost of an internal service</li> <li>• City of London is not a specialist case management provide – potential risks to quality outcomes for service users and clients</li> </ul>	<ul style="list-style-type: none"> <li>• Considerably high cost implications to this option even if the provider remains the same due to exclusions and price band requirements</li> </ul>
<b>4. Stakeholders and consultees</b>	<p>The project board consists of Carol Boswarthack, the Head of Barbican and Community Libraries (the Senior Responsible Officer), Jonathan Gibbs, the Operations and IT Librarian and with additional representation from IT, Comptroller and City Solicitor and City Procurement. The project is managed by the Commissioning Manager Sarah Greenwood.</p> <p>Library staff and users have been consulted through user forums</p>		
<b>5. Benefits of option</b>	<ul style="list-style-type: none"> <li>• Provider expertise across the market</li> <li>• Competitively source and leverage appropriate expertise from the market</li> <li>• Direct Award procedure on the basis of being able to identify the most</li> </ul>	No contract required	<ul style="list-style-type: none"> <li>• City shares many services with other neighbouring Local Authorities.</li> <li>• Reduced procurement costs</li> </ul>

<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
	<p>economically advantageous provider without conducting a further competition.</p> <ul style="list-style-type: none"> <li>• Continuity of supplier (no need for a mobilisation period)</li> <li>• Supplier current system knowledge and set up</li> </ul>		
<p><b>6. Disbenefits of option</b></p>	<ul style="list-style-type: none"> <li>• Potential time and cost implications for a competitive procurement</li> </ul>	<ul style="list-style-type: none"> <li>• The Corporation does not have the required expertise to deliver the service and would need to recruit</li> <li>• Increase in staff costs (for example, via recruitment; salaries; on-costs; pension liabilities; &amp; training etc.)</li> <li>• Does not comply with the City's policy of buy not build</li> </ul>	<ul style="list-style-type: none"> <li>• Neighbouring Local Authorities (e.g. Westminster) would be preferable given potential for other shared services</li> <li>• Preferred Local Authorities would be those with whom the City shares service users</li> <li>• Westminster not currently in a position to consider a shared service or consortium approach to procurement</li> </ul>

<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>Resource Implications</b>			
<b>7. Total estimated cost</b>	Direct award costs £153,755 (excluding risk) for all five years at a cost of £27,609.42 for year 1 increasing by 4.9% per annum for each subsequent year (revenue only);	N/A	£250k for five years (£50,000 minimum expenditure for libraries Consortium) plus a requirement to join inter-library courier service costing £40k pa
<b>8. Funding strategy</b>	Local risk budget for direct award option. Capital bid submitted for potential capital funding if a procurement exercise was required and another supplier was awarded the contract.	N/A	Potential capital costs requiring a capital funding bid and local risk budget for revenue costs
<b>9. Investment appraisal</b>	Options considered at the IT Category Board including value for money		
<b>10. Estimated capital value/return</b>	N/A	N/A	N/A



<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>11. Ongoing revenue implications</b>	The direct award costs an additional £2,609.42 pa in year 1 compared to the current budget rising by an additional 4.9% in subsequent years. The budget holder has confirmed there is sufficient budget	Not quantified as discounted above	There is currently insufficient local risk budget to fund this option
<b>12. Affordability</b>	The additional annual cost can be managed within the local risk budget	N/A as option discounted	N/A as option discounted
<b>13. Legal implications</b>	Comptroller has been consulted on G Cloud framework terms	N/A as option discounted	N/A as option discounted
<b>14. Corporate property implications</b>	None		
<b>15. Traffic implications</b>	None		
<b>16. Sustainability and energy implications</b>	None		
<b>17. IS implications</b>	DITS Architect and business Partner have been consulted on the specification	Does not meet the IS strategy requirements	DITS Architect and business Partner have been consulted

<b>Option Summary</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
	<p>requirements and framework options</p> <p>IT category Board has received the options and has agreed this is the preferred option.</p> <p>Option meets the IS policy of a hosted cloud based system, a full support agreement and SLA</p>		<p>on the specification requirements.</p> <p>IT category Board have received the options and have agreed this is not the preferred option.</p>
<b>18. Equality Impact Assessment</b>	N/A	N/A	N/A
<b>19. Data Protection Impact Assessment</b>	New DPIA completed		
<b>20. Recommendation</b>	Recommended	Not recommended	Not recommended