

PT3/8 - Procurement Options and Award Report: Services and Goods

This document is used to identify the Procurement Strategy and Purchasing Routes associated with a project and only considers the option recommended on the associated Gateway report.

City Procurement Project Reference:	TBC		
Project / Contract Title:	Library Management System		
Category Board:	IT		
Category Board date:	Offline approval		
Project Lead & Contract Manager:	Sarah Greenwood	Lead Department:	Community and Children’s Services
Category Manager:	Chris Mulhall/Loredana Sandu	Other Contact:	David Clelland – IT Solution Architect Christina Paraskevoidou – Category Officer
Total Contract Value (excluding VAT and inc. extension options):	£152,255	Contract Duration (inc. extension options):	5 years – This would include an initial period of 3 years plus 2 x 12 month period)
Revenue Budget Value:	£152,255 (to be funded from local risk budget)	Approved:	Yes – Budget already in place for current contract
Capital Budget Value:	N/A	Approved:	N/A
Capital Project/project vision reference (if applicable):	N/A		
Agreed Savings Baseline (£):	£125k (excluding capital set up costs)		
Gateway Approval Process			
<ul style="list-style-type: none"> - Is this project subject to the Gateway process? Yes under delegated authority - If so, what was the last Gateway report, and date of approval, and what is the next Gateway report and scheduled date for recommendation for approval? Gateway 2 approved under delegated authority (and shared with Committee members for information) 			
Opportunity for Inter-City Collaboration (is there another site/department that could benefit from this project)?			
The London Metropolitan Archives (LMA), Guildhall Music Library and the Small Business Research and Enterprise Centre are partners and their requirements are already included within the specification			

Procurement Strategy Recommendation

City Procurement team recommended option
Outsource to a third party

Route to Market Recommendation

City Procurement team recommended option
Direct Award to Sirsi Dynix via ESPO Framework Framework 350_19

Specification and Evaluation Overview

<p>Summary of the main requirements:</p> <p>The City of London Corporation has a statutory duty to provide a “comprehensive and efficient” public library service including the free loan of books to those who live, work or study within the area. The legislation governing the City’s library provision is The Public Libraries and Museums Act 1964 (amended by the Local Government Act 1972) .</p> <p>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.</p>
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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.	
Technical and Pricing evaluation ratio Direct Award	
Overview of the key Evaluation areas (if known at this stage): N/A	
Does contract delivery involve a higher than usual level of Health & Safety, Insurance, or Business risk to be allowed in the procurement strategy? - No	
Is there a requirement for a Performance Bond on this Project and if so, on what grounds? N/A	
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) Inflationary uplifts only of 4.9% annually and these have been factored into the pricing	
Will the procurement process require a financial assessment? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please indicate recommended assessment: Finance Check <input type="checkbox"/> Financial Appraisal <input type="checkbox"/> Please indicate reasons for this recommendation (please include in this section information on project being rated low/not low): direct award through a framework where bidders have met financial checks , current provider and risk assessment completed gave a score of 11.	
Are there any accompanying documents with this report? e.g. PTO/outlined project plan identifying roles and responsibilities as appropriate If yes, please include information in the appendices section below.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Will this project require the winning supplier(s) 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 Designing Specifications under GDPR. You may include your Data Protection Impact Assessment or other relevant report as an appendix to this PT form when submitting to category board (for information).	
DPIA and G1 data processing authorisation form approved by the City's DPO	
Evaluation Panel – Please enter Names of evaluators and Departments below (if known)	
No evaluation panel, due to direct award but the following have designed the specification Sarah Greenwood Carol Boswarthack Jonathon Gibbs Charlotte Jones David Clelland	Commissioning Manager Head of Barbican and Community Libraries IT and Operational Librarian Music Librarian Projects & Data Manager, Chamberlains

Procurement Timeframes

Target tender live date (to market)	N/A	Notification of outcome / intention to award date	07/03/2022
Target contract start date	31/07/2022		
Are there any time, quality, or cost constraints which need to be taken into consideration? New contract to start immediately from the end of the current contract.			

Policy and Compliance Considerations

How will the Procurement meet the City's:
Responsible Procurement Strategy: N/A as direct award but social value to be investigated with Sirsi Dynix
TUPE/Pension liabilities that need to be considered (including future exit provisions where applicable)? N/A
Will this procurement be split into Lots? No – direct award
Other: N/A

Baseline Savings Calculation: This section should include how the baseline figure for savings has been calculated against the [Efficiency and Savings Process Manual](#) in accordance with paragraph 3.1, including any suggested savings or efficiencies e.g. reduced service.

Agreed Baseline (£):	£125k (£25k pa over 5 years revenue only excluding initial capital set upcosts)
Summary of Baseline Calculations / Savings Proposal	
<u>Note:</u> Typically, the baseline is an existing price but may also be a budget value, estimate, forecast, standard cost or planned expense.	
Please confirm the Baseline Calculation that has been applied below to establish the Agreed Baseline :	
<ul style="list-style-type: none"> - Previously Contracted Costs (where there is an existing contract): <input checked="" type="checkbox"/> - Previously Contracted Costs (where there are multiple contracts): <input type="checkbox"/> - Attributed Costs: <input type="checkbox"/> - Target Cost: <input type="checkbox"/> - Other methodology** (agreed with Finance Representative) and explained below: <input type="checkbox"/> 	
** e.g. BAFO for under OJEU contracts	
There may be cost avoidance savings identified dependent up on the route to market.	
Preferred /recommended option of direct award to Sirsi using the ESPO framework has a cost profile of :	
Year 1: £ 27,609.42 with each subsequent year increased by 4.9% which will be met by local risk budget	

Procurement Strategy Options: *This could include inter-departmental usage, external collaborative opportunities, existing contracts integrated once expired or adding it to an existing contract. Options for Make (In-house delivery) versus Buy (Outsource) decision to be considered; also indicate any discarded or radical options.*

Option 1: Outsource to a third party (preferred option)
Advantages to this Option: (include savings opportunity of the option)
<ul style="list-style-type: none"> • Provider expertise across the market • Competitively source and leverage appropriate expertise from the market • Potential for product and service development to meet good practice
Disadvantages to this Option:
<ul style="list-style-type: none"> • Potential time and cost implications for a competitive procurement
Please highlight and possible risks associated with this option:
<ul style="list-style-type: none"> • Time and capital cost implications to change providers
Option 2: Insource via in-house delivery
Advantages to this Option: (include savings opportunity of the option)
<ul style="list-style-type: none"> • No contract required
Disadvantages to this Option:
<ul style="list-style-type: none"> • The Corporation does not have the required expertise to deliver the service and would need to recruit • Increase in staff costs (for example, via recruitment; salaries; on-costs; pension liabilities; & training etc.) <p>Does not comply with the City's policy of buy not build</p>
Please highlight and possible risks associated with this option:
<ul style="list-style-type: none"> • Departmental budgets do not account for the cost of an internal service • City of London is not a specialist case management provider – potential risks to quality outcomes for service users and clients
Option 3: join with another Local Authority (e.g. Westminster)
Advantages to this Option: (include savings opportunity of the option)
<ul style="list-style-type: none"> • City shares many services with other neighbouring Local Authorities. • Potential reduced costs of service • Potential access to the London Libraries Consortium services
Disadvantages to this Option:
Westminster would be the preferable service given we currently share service users but are not currently in a position to consider a shared service and do not yet know when they might be
Please highlight and possible risks associated with this option:
<ul style="list-style-type: none"> • Timescales might not be aligned

N.B. Additional advantages/disadvantages may apply if a waiver is the recommended route. If recommending an extension, please make sure that CCM has been consulted (where appropriate) and that we include information on contract terms.

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

<p>Option 1: Open Tender</p> <p>Advantages to this Option:</p> <ul style="list-style-type: none"> • An increase in competition due to more suppliers having the opportunity to bid opposed to a closed supplier list under a Framework Agreement • Organisations of all sizes have the opportunity to submit a tender, increasing the opportunity for a number of innovative proposals/solutions • Providing full tender documentation (at the outset) enables candidates to make an informed decision as to whether they can satisfy the requirements or choose to discount themselves from the competition <p>Disadvantages to this Option:</p> <ul style="list-style-type: none"> • All tenders must be evaluated; therefore, there can be resource implications of a potentially lengthy tender evaluation (due to a high volume of responses) • Increases the risk of challenge - more responses and time invested/transaction costs in preparing a tender as opposed to a Selection Questionnaire • Poor quality bids, typically due to the fact there is an increased chance of being unsuccessful and a limited timescale • No opportunity to discuss / refine bids • No guarantee wider market engagement will deliver better options than ESPO framework <p>Please highlight and possible risks associated with this option:</p> <ul style="list-style-type: none"> • Large number of tenders submitted all requiring evaluation. • Proportionate minimum requirements, thresholds and weightings being applied to the pre-determined evaluation criteria can help mitigate the risk of an excessive response rate. Furthermore, such risk can be further minimised where there are a small number of specialist suppliers who can meet the specific requirements of the Corporation. • Capital resource implications for implementation and data migration
<p>Option 2: Direct Award to Sirsi Dynix using an established multi-Supplier Framework Agreement (ESPO) (preferred option)</p> <p>Advantages to this Option:</p> <ul style="list-style-type: none"> • Direct Award procedure on the basis of being able to identify the most economically advantageous provider without conducting a further competition. • Continuity of supplier (no need for a mobilisation period) • The other 2 providers within the ESPO Framework do not meet the City's requirements (primarily they do not provide a managed service – this function was required as a result of a post redundancy) • Supplier current system knowledge and set up • Cost avoidance – potential saving of £20k of capital costs (capital costs of product, data migration, training) • Allows time for discussion with Westminster regarding longer term joint tender • Framework Due diligence completed in 2019 (for ebooks contract but is still valid) • Price negotiation has taken place with the approval of ESPO to reduce the framework cost <p>Disadvantages to this Option:</p> <ul style="list-style-type: none"> • None identified <p>Please highlight and possible risks associated with this option:</p> <ul style="list-style-type: none"> • Potential for challenge by other competitors although this is minimal. The City can justify direct award via ESPO using value for money basis and the other 2 providers do not meet the City's needs.
<p>Option 3: Mini Competition within an established multi-Supplier Framework Agreement (e.g. CCS)</p> <p>Advantages to this Option:</p> <ul style="list-style-type: none"> • Instant route to bidding phase • Reduced administrative burden in terms of the time and transaction costs (both supplier and Corporation) compared to running a full procurement process • Suppliers have been identified, vetted, and quality checked via a competitive procurement process • <p>Disadvantages to this Option:</p> <ul style="list-style-type: none"> • Closed competition thus limited to the appointed suppliers under the Framework Agreement • 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 <p>Please highlight and possible risks associated with this option:</p> <ul style="list-style-type: none"> • Risk of capital resources and Library staff time to configure, test and implement new system including workflows and reporting, migration of data and training
<p>Option 4: London Wide Contract – Join the Libraries Consortium</p>

A group of 17 LAs jointly procured a single provider framework and each LA signs an individual call off contract.

Advantages to this Option:

- Reduced administrative burden in terms of the time and transaction costs (both supplier and Corporation) compared to running a full procurement process
- Supplier has been identified, vetted, and quality checked via a competitive procurement process
- Continuity of supplier (no need for a mobilisation period) as the consortium supplier is the City's current supplier
- Cost avoidance – potential saving of £20k of capital costs (capital costs of product, data migration, training)

Disadvantages to this Option:

- Closed competition thus limited to the appointed suppliers under the Framework Agreement
- The bespoke needs of the Corporation won't be reflected (The LLC won't agree to unique cataloguing)
- No flexibility on base costs for small Local Authority – likely to be more expensive at £50,000 pa minimum access for first 4 years plus £2.5k pa to manage the contract which is considerably higher than the cost of a direct award
- Requirement to joint with the inter-library van service at a cost of £40,000

Please highlight and possible risks associated with this option:

- Risk of capital resources and Library staff time to configure, test and implement new system including workflows and reporting, migration of data and training

Outline of appendices

o N/A

Report Sign-offs (prior to Category Board approval)

Senior Category Manager	Oli Watling	Date	
Finance Representative	Graham Nickless	Date	31/03/2022
Departmental Stakeholder	Carol Boswarthack	Date	29/03/2022