

OFFICER DECISION RECORD SHEET

OD-008-14

Name of decision maker: Assistant Director of Performance & Projects

Service Area: Information Communication & Technology

Title of Decision: Awarding of a contract for the Council's Telecoms Network (Voice Calls and Lines).

Decision made and reasons:

Decision:

To approve that a contract be awarded to Daisy Group Plc for the supply of Telecoms Services to Dacorum Borough Council for a three year period from January 2015.

Reason: The Council's current contract is with Daisy Group Plc and is due to expire on the 31st March 2015. Daisy have advised the Council that another Framework Agreement has just been awarded meaning the Council could benefit from the lower pricing which would deliver a 29.55% saving.

Under the Framework Agreement, the Council can carry out a direct award as long as we can prove that the company offers the best value for money. The Council carried out an assessment and found that there could be an additional saving £2,500 per annum with another supplier. This would however require additional resources to transfer the lines to the new provider as well as a risk that any other supplier will not be able to integrate with the Agresso system.

Based on this, it is recommended that the contract be awarded to Daisy as it would offer the best value for money to the Council.

Reports considered:

Procurement report attached below.

Officers/Councillors/Ward Councillors/Stakeholders Consulted:

Group Manager – Information, Communication & Technology

Team Leader – Commissioning, Procurement & Compliance

Team Leader – ICT Operations Team Leader

Monitoring Officer Comments:

No further comments to add to this report.

S151 Officer Comments:

No further comments to add to the report.

Implications:

Value for Money:

Awarding this contract to Daisy will provide the Council with an annual saving of £24,601.69 per annum or £73,805.07 over the three years. This represents a 29.55% saving.

This contract will be awarded using a Crown Commercial Services OJEU compliant framework agreement which contains 10 companies in total. The Council carried out an assessment using the fixed pricing on the Framework Agreement with another provider offering a saving of £2,500 above the £24,601.69 saving offered by Daisy. Even though this is an additional saving, the recommendation is to award to Daisy because of the following reasons:

- There will be significant resources required to move all the

lines to a new provider, especially in the Council's ICT Department. As well as the admin involved, the lines will not be transferred over in one go meaning the Council will be dealing with potentially 3 companies at one point if you include British Telecom.

- There is the possibility that the other bidders will not be able to integrate with the Council's Financial System, Agresso. This being the case, the Finance Department will have to enter the information into the system manually which will mean additional resources will be required in the Council's Finance Department. For the companies that can integrate, there is likely to be Consultancy costs which will not be known at this stage but are more than likely to eclipse the savings available if we transferred to a new provider.

- If we went with the cheaper company then we would be unable to award the contract till April 2015 as the contract with Daisy does not expire till end of March 2015. If we move ahead with Daisy then we would benefit from the lower prices from January 2015 which would provide a saving of £6,150.42 for that period.

Financial:

The successful tendered price was £58,658.40 per annum which will be £175,975.20 over 3 years.

Risk: If the contract is not awarded then the Council will keep paying a higher price of £83,260.09 per annum. Also, the Framework Agreement that the original contract was purchased from has now expired meaning the Council will be in breach of the Public Contract Regulations 2006 from the 1st April 2015.

Officer Signature:

Date: