

**Meeting of the Cabinet – 30<sup>th</sup> June 2010**

**Report of the Director of Children's Services**

**Vision 2025 and DGfL3 Procurement**

**Purpose of Report**

1. To inform Cabinet of the progress made on the procurement of the Dudley Grid for Learning 3 (DGfL) ICT strand of Vision 2025.
2. To seek approval for authority to progress key phases of the Competitive Dialogue Procurement process through to award of contract.

**Background**

3. The present contract with our private sector partner Research Machines (RM) plc for the fully managed ICT service in 110 Dudley schools comes to an end on the 31<sup>st</sup> January 2011.
4. In October 2009 the Council set out its proposals under the Vision 2025 Transformation Agenda for the procurement of an ICT managed service for schools and learners from February 2011 onwards.
5. Procurement of a new contract will build upon the 11 years experience of the highly successful DGfL public/private partnership. As participation will be a choice for each individual school the scope of the ICT service must be both affordable and scalable but capable of supporting all schools and learners in the borough. It must also be flexible enough to satisfy the requirements of any future programmes requiring an educational ICT input (e.g. The Primary Capital Programme) and offer good value for money overall.
6. As one of the key components of Vision 2025's Transformation Agenda the procurement of DGfL 3 is overseen by a Project Board which is chaired by the Chief Executive of the Council. The purpose of the Project Board is to provide strategic lead and direction and decision making functions for the procurement of the new ICT contract.
7. The tendering process must follow the Public Procurement rules of the European Union, often referred to as the Official Journal of the European Union (OJEU) regulations. In line with industry best practice a tendering procedure known as 'Competitive Dialogue' is being used to procure the

new contract. Specialist Technical, Procurement and Legal advisors have been appointed to support officers of the Council in the procurement.

8. The Competitive Dialogue approach has been developed for the procurement of large and technically complex contracts and in particular where private sector innovation is being sought.
9. Dudley published the OJEU Contract Notice for DGfL3 on 23<sup>rd</sup> April using the corporate e-tendering software INTEND to manage the process. The period from 7<sup>th</sup> June onwards will see a full week of Prequalification Questionnaire evaluations by a team of officers from the Council in conjunction with our advisers and the selection of a shortlist of bidders to go forward into the Competitive Dialogue phase which will run from mid June to late September.
10. The Dialogue itself will be an intensive round of up to 8 meetings with each of the shortlisted bidders through which our contract requirements are clarified and proposed solutions are developed and refined before dialogue is closed and bids priced. Final offers are then submitted to the Council and scored; the successful contractor should be confirmed in mid November 2010. This enables the new service to commence on 1<sup>st</sup> February 2011.

### **Finance**

11. The planning and consultation for the scope and performance requirements of the DGfL3 service ensures that only PFI credits, school contributions and central government standards funding for ICT will be used in accordance with the approved guidelines so that there would be no further financial implications for the authority.
12. Schools being rebuilt or refurbished through any future capital investment opportunities such as the Primary Capital Programme will have substantial capital funding streams specifically for additional ICT and 'smart' building technology.

### **Legal**

13. The contract for a private sector partner to provide a managed ICT service for schools is being let in full compliance with the Council's Standing Orders and the relevant National and EU regulations.
14. Section 1 of Local Government (Contracts) Act 1997 provides the ability for local authorities to enter into contractual arrangements, relating to the provision of services and/or assets, as well as any ancillary funding arrangements, to enable local authorities to discharge their functions.
15. Section 111 of the Local Government Act 1972 empowers the Council to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of its functions.

## **Equality Impact**

16. The report takes into account the Council's Equality and Diversity Policy.
17. The DGfL Client Team has undertaken extensive consultation with stakeholders and users. In particular a major survey has sought the views of young people on how technology can support their learning in the future. This will inform the procurement process.

## **Recommendation**

18. It is recommended that Cabinet:-
  - Notes the progress made to date on the procurement of the next DGfL contract.
  - Endorses the work to be undertaken next noting the tight timescales.
  - Authorise the Chief Executive in consultation with the Cabinet Member for Children's Services, the opposition spokesman for Children's Services and the Director of Corporate Resources, to make all necessary decisions with regard to the procurement process and the award of the contract.



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**Director of Children's Services**

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### **List of Background Papers**

- Decision Sheet DCS/28/2009
- Project Board members
- Project procurement timescales
- Full background and history of the Dudley Grid for Learning taken from DCS area of the Council website.