

**Meeting of the Cabinet – 8<sup>th</sup> December 2010**

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

**Vision 2025 and DGfL3 Procurement**

**Purpose of Report**

1. To inform Cabinet of progress on the procurement of the Dudley Grid for Learning 3 (DGfL3) ICT strand of Vision 2025 and the decision of the Project Board in the appointment of the Preferred Bidder.
2. To endorse the work to be undertaken next to achieve final award of contract noting the tight timescales.

**Background**

3. 'Vision 2025' is the Council's strategic plan for all learners in the borough over the next 15 years. 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.
4. Although DGfL3 is designed to support all five key themes of Vision 2025 its key focus will be to ensure that '***Young people are equipped to use emerging technologies creatively to enhance their learning***'.
5. As described in the report to Cabinet on 30<sup>th</sup> June 2010, after wide consultation with schools, young people and other stakeholders, including Partnerships for Schools (Pfs) a major tendering exercise has been undertaken following the Competitive Dialogue procurement rules of the European Union to secure a partner willing to work with us to deliver and challenge the Council's vision for education in the 21<sup>st</sup> century. Competitive Dialogue is used for the procurement of large, technically complex contracts particularly where private sector innovation is wanted.
6. Following a rigorous 'Pre Qualification' phase the Council entered into dialogue with three bidders. This process has been overseen by the Vision 2025/DGfL3 Project Board comprising Council Chief Officers, the Cabinet Member for Children's Services and senior officers from other directorates and partner organisations. It is chaired by the Chief Executive.
7. Headteacher representatives (primary, secondary and special) have been fully involved in the competitive dialogue sessions and the evaluation of the final bids.

The dialogue phase ran from 15<sup>th</sup> June to the 28<sup>th</sup> September and included 12 sessions with each of the 3 bidders plus bidders visits to 8 Dudley schools and an initial, and then final, presentation by each bidder open to all schools. In addition to the Headteacher representatives the panel of 18 who undertook the process included the Dudley Grid for Learning Client Team, Dudley Metropolitan Borough Council ICT Services, Finance colleagues, and external advisors.

8. Final bids were submitted to the Council on 15<sup>th</sup> October 2010. On that morning a letter from one bidder advising that they would not be submitting a bid was received. The other two bidders submitted compliant bids. The evaluation team assessed each bid individually over several days against the nationally recognised framework developed by Partnerships for Schools (PfS). A two day moderation meeting of the evaluation panel then reached a unanimous group consensus and recommendation which was presented to a meeting of the Project Board on the 5<sup>th</sup> November 2010. The report was discussed in detail and the Board agreed the appointment of Research Machines (**RM**) **Education plc** as Preferred Bidder.
9. Under European Union procurement law there must be a 10 day standstill period (ending 18<sup>th</sup> November) before the finalisation of the DGfL3 contract with the Preferred Bidder can commence. Part of that finalisation process will be to confirm the exact number of schools electing to participate in the 10 year DGfL3 project. Throughout negotiations it has been made clear to bidders that each individual school will make a choice to participate or not.
10. Work between mid November and the 17<sup>th</sup> December includes the distribution of the DGfL3 Participation Agreement and financial information for individual schools, for return by 10<sup>th</sup> December 2010. In addition, the team must complete contract details particularly around the payment mechanism, develop detailed plans for the transfer of the Wide Area Network to Corporate ICT Services, initiate the first 'Best of Breed' review (secondary Management Information Systems) and finalise processes to implement the Personal Device purchase scheme. They will also be planning general communications etc. with Dudley Council's Marketing and Communications Team.
11. There will be sessions for schools to meet with the Preferred Bidder and the Dudley Grid for Learning Client Team to learn more about DGfL3 and the transformational role it will play. These will emphasise that although Research Machines (RM) are the incumbent contractor, DGfL3 will be radically different to the outgoing service, delivering greater flexibility, better resilience and innovation to all those who participate. This is coupled with excellent value for money which provides price certainty over the whole 10 years of the new contract.

## **Finance**

12. The funding for DGFL3 will be equalised over the 10 year period from 1.2.2011 to 31.1.2021 with the intention that by 31.1.2021 the account will break even.
13. The planning and consultation for the scope and performance requirements of the DGfL3 service ensures that only PFI credits, school contributions and any relevant central government funding for ICT will be used in accordance with the approved guidelines so that there would be no further financial implications for the authority.

14. 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.

### **Law**

15. 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 European Union regulations.
16. 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.
17. 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**

18. The report takes into account the Council's Equality and Diversity Policy.
19. Prior to beginning procurement the Dudley Grid from Learning Client Team undertook extensive consultation with stakeholders and users. In particular a major survey sought the views of young people on how technology will support their learning in the future.

### **Recommendation**

20. It is recommended that Cabinet:-
  - Note the progress on the procurement of DGfL3 and endorse the decision of the Project Board in the appointment of Research Machines (RM) Education plc as the Preferred Bidder.
  - Endorse the work to be undertaken next to complete the award of contract and move rapidly into the implementation phase noting the tight timescales.



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### **List of Background Papers**

- Procurement Report and Recommendation to Vision 2025/DGfL3 Project Board