

ICT Contract

1 SUMMARY

- 1.1 This report is a high level description of Rochford's Information and Communications Technology (ICT) contracts.

2 INTRODUCTION

- 2.1 ICT at RDC is outsourced to a company called Capita who are based on site and act as if they were RDC's technical ICT section. Capita are responsible for installation, support, maintenance and removal of all hardware and software as defined within the contract. They are also responsible for the network and infrastructure. All of the hardware and software is owned by RDC.
- 2.2 RDC also has support/maintenance agreements and licences for specific software (for planning, environmental health, etc.) and hardware with a number of third party companies.

3 CAPITA CONTRACT

3.1 History

- 3.1.1 The previous ICT contract was also with Capita and that ran until 31 March 2011, with an option for a two year extension. RDC in conjunction with the Essex Online Partnership did a soft market test exercise and found that the market rate for the services Capita were supplying had fallen considerably in the ten years the contract had been in effect. The two year extension was therefore agreed at the new market rates.
- 3.1.2 Three of the councils involved in the soft market test were Braintree, Castle Point, and Colchester. These councils had contracts that expired a year before ours, and it was decided to undertake a joint procurement of new contracts with an allowance for RDC to join it in the second year. This approach had not been tried before by Shire Districts, but it was felt it would substantially save on procurement costs, bring economies of scale for the contractor and allow joint working. It was also felt that each council on its own may be too small to attract any interest from the market.
- 3.1.3 SoclTM, the professional body for people involved in IT, and legal firm Sharp Pritchard were engaged to assist in the procurement process and the contract was put out to EU Tender. Thirteen companies expressed an interest at the pre-qualifying questions (PQQ) stage, but only two bids for the contract were made by Capita and Steria. Capita were successful in their bid. The other three Councils started their contracts on 1/4/2012 and RDC commenced theirs on 1/4/2013.

3.2 Length of Contract

- 3.2.1 The contract runs until 31/3/2017. There are options to extend it for two consecutive two year periods.

3.3 Operation of Contract

- 3.3.1 The contract is a volumetric based one. RDC is charged for the number of systems, physical servers, devices and users that it wants to have supported on the contract. It also gets charged per support call. These are charged on monthly basis. The annual unit rates for most of the volumetrics are reduced year on year during the contract. Every effort is made to keep the volumetric quantities to a minimum.
- 3.3.2 RDC pays for its internet connection and hosting for third party web applications through the contract. The main website and intranet are hosted for free by the third party that provides the software used to run them.
- 3.3.3 The four councils meet on a quarterly basis for a strategic governance meeting. This meeting is attended by the Head of Service/Director responsible for IT at each council and that council's IT Manager or equivalent. The first part of the meeting is used by the councils to discuss common issues with the contract and also possibilities for joint working; Capita are not present for this part of the meeting. Capita then joint the second part of the meeting to discuss any issues and also make presentations to the four councils.
- 3.3.4 The IT Managers from each council meet on an irregular basis to discuss operational matters. Most communication is done between such meetings.
- 3.3.5 Senior Mangers from Capita meet with SMT on a regular basis.
- 3.3.6 The ICT and Web Manager meets with Capita's Service Delivery Manger on a monthly basis to discuss the previous month' contract report. They also meet on weekly basis to discuss operational matters. Frequent informal conversations also take place.

4 THIRD PARTY CONTRACTS

- 4.1 These are for software and specialist hardware in use by the Council. Most of these are on a rolling annual arrangement, but a few are multi year in duration. These are all reviewed on renewal each year, but in most cases they are required so they are renewed. For many of them it would be costly to move to a different system or cancel them and there would need to be strong business case to do so.
- 4.2 Printers are on a separate contract and are managed by Support Services.

5 RISKS

- 5.1 The risk of Capita not performing to the required performance standards is mitigated by the Contract. There is a Service Level Agreement and non-performance deductions are applied if this is breached. There are also financial penalties for failures such as data loss.

6 RECOMMENDATION

- 6.1 It is proposed that the Committee **RESOLVES** to note the contents of the report.



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Background Papers:

None.

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