

**Agenda Item No. 8j**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**11 OCTOBER 2016**

**Report of the Strategic Director of Corporate Resources**

**USE OF G-CLOUD FOR EXTERNALLY HOSTED ICT SOLUTIONS  
(COUNCIL SERVICES)**

**1 Purpose of the Report**

To seek approval under Protocol 2 of the Council's Financial Regulations to utilise a Crown Commercial Service (CCS) framework to procure low value/low risk, externally hosted solutions where appropriate and not covered under existing contracts.

**2 Information and Analysis**

The Council has in place over 300 contracts for ICT solutions which range from low value/low risk services to large scale, strategic/critical software applications. Some of these solutions are hosted internally on the Council's infrastructure and others are provided through externally hosted i.e. "cloud" environments.

For some low value/risk solutions there can be a small number of potential suppliers e.g. music partnership database and nutritional software solutions. In recent procurements there have been occasions where the Council has received only one or no compliant bids. This has resulted in more protracted or repeated procurement processes to try and secure solutions.

To ensure more timely delivery at a cost that ensures best value, it is proposed that where appropriate low value/low risk externally hosted solutions are procured through the CCS G-Cloud framework.

The framework is refreshed every six months, allowing 2 versions to be live simultaneously. The current versions are G-Cloud 7 and G-Cloud 8.

G-Cloud has over 21,000 listings assigned across both live versions and procurements are run as desktop assessments. This means that the Council would develop a specification and evaluation criteria. However, rather than inviting suppliers to respond to an invitation to tender and waiting for the deadline to pass, the procurement team would use the CCS Digital Marketplace to undertake searches to identify suitable suppliers. An evaluation of the suitable supplier offerings is then undertaken against the Council's specification. This means that the procurement process would be much quicker and less resource intensive for both the Council and potential suppliers.

The framework provides a level of commercial assurance in that:

- The framework terms and conditions are pre-agreed, which avoids lengthy negotiation;
- The maximum contract duration is 2 years, which means the arrangements are regularly reviewed and must be benchmarked at this point before a further contract period can be let; allowing prices to be monitored and redressed if found to no longer represent best value; and
- The framework provides levels of discount which reflect the aggregated volumes sold nationally, enabling individual public sector organisations to take advantage of lower prices than they would be able to secure as single buyers.

Because the contract term is restricted to 2 years, and the terms and conditions are not negotiable, G-Cloud will not be used for situations where the cost of investment requires a longer contract term, or where specific terms and conditions are required to protect the Council's interests e.g. high risk/high value contracts.

### **3 FINANCIAL CONSIDERATIONS**

The maximum expenditure to be incurred through the G-Cloud would be capped below the OJEU threshold, which is currently £164,176, for each contract awarded. Its cost effectiveness will be kept under review. The funding for individual contracts will be held within departmental service budgets.

### **4 LEGAL CONSIDERATIONS**

Based on the circumstances set out in this report, the Director of Legal Services considers that the proposed use of the CCS G-Cloud framework satisfies the requirements of EU procurement law.

Protocol 2 of the Council's Financial Regulations state that where the value of the services in question is above the OJEU threshold, it is for Cabinet to decide whether to approve the award of contract. This report is seeking approval to use G-Cloud under Protocol 2 as a procurement process rather than awarding a contract. However, the aggregated contract values of subsequent awards could exceed the OJEU threshold.

As the value of individual contracts to be let through G-Cloud will be capped below the OJEU threshold, separate reports will be submitted to the relevant Cabinet Member, or Strategic Director, for the award of such contracts in accordance with the Council's Financial Regulations.

## **5 SOCIAL VALUE**

In considering the award of any contracts through the CCS G-Cloud framework, work will be undertaken during the lifetime of the contracts with the successful suppliers, where appropriate, to capture and deliver social value initiatives.

## **6 OTHER CONSIDERATIONS**

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality of opportunity, environmental, health, human resources, property and transport considerations.

## **7 Key Decision**

No.

## **8 Call-in**

Is it required that call-in be waived in respect of the decisions proposed in the report?

No.

## **9 OFFICER'S RECOMMENDATION**

That Cabinet approves, under Protocol 2 of the Council's Financial Regulations, use of the CCS G-Cloud framework to procure low value/low risk, externally hosted solutions where appropriate and not covered under existing contracts.

**Judith Greenhalgh**  
**Strategic Director of Corporate Resources**