

**South Ayrshire Council**

**Report by Director - Place  
to Leadership Panel  
of 17 September 2019**

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**Subject: Authority to Accept Tenders**

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**1. Purpose**

- 1.1 The purpose of this report is to seek Leadership Panel approval to accept a Tender that is not the lowest priced Tender.

**2. Recommendation**

- 2.1 **It is recommended that the Panel grants authority to the Head of Finance and ICT, in terms of Standing Order 18.2.3 of the Council's Standing Orders Relating to Contracts, to accept the Most Economically Advantageous Tender submitted for the provision of Microsoft 365 – Implementation Support Services.**

**3. Background**

- 3.1 In terms of clause 18.2.3 of the Council's Standing Orders Relating to Contracts, in the case of Tenders where the Tender evaluated as the Most Economically Advantageous is not the lowest priced Tender, by an amount exceeding 10 per cent of the lowest priced tender received, the authority of Council or Leadership Panel is required before the relevant Executive Officer may accept the Tender.
- 3.2 It is a legal requirement of all regulated procurements, under the Procurement Reform (Scotland) Act 2014, that all Tenders above the relevant Scottish Procurement Threshold are evaluated on price and quality and may not be awarded on the basis of lowest price or lowest cost only.
- 3.3 The Council has a requirement to appoint a partner to assist in the detailed planning and implementation of a variety of Microsoft technologies. This includes the phased adoption of public Cloud services and migration to M365.
- 3.4 The Council has recently entered into a 3 year M365 agreement with Microsoft which includes all current corporate users, approximately 2,300, as well as all of the products included within M365. The agreement with Microsoft will cover Windows, SQL, Project, Visio, Visual Studio and Windows Server licensing.

- 3.5 The vast majority of existing ICT services are currently delivered via two on-premises data centres and there is a requirement to introduce public cloud services in a phased and risk averse manner.
- 3.6 Given the scale of this work the Council has decided to appoint an Implementation Support Partner to guide and support the Council through this transition, which will involve various Microsoft products.
- 3.7 On 2 April 2019, a Request for Procurement Action (RPA) was completed, confirming the available budget for the provision of Microsoft 365 – Implementation Support Services:
- 3.7.1 A Tendering exercise was undertaken and the outcome of which, is that the supplier recommended for award did not submit the lowest price for the Tender, by an amount exceeding 10 per cent of the lowest priced Tender received.
- 3.7.2 Full details of the Tender process and recommendation for award are outlined in the MEAT Award Report at [Appendix 1](#).

#### **4. Proposals**

- 4.1 Taking into account the Tender evaluations that took place, it is proposed that the tenderer who scored highest in the Tender evaluation process but were not the lowest priced, are appointed to provide the Council with Microsoft 365 – Implementation Support Services. Panel is requested to authorise acceptance of this Tender by the Head of Finance and ICT in accordance with Standing Order 18.2.3 of the Council’s Standing Orders Relating to Contracts.

#### **5. Legal and Procurement Implications**

- 5.1 There are no legal implications arising from this report.
- 5.2 The recommendations in this report are consistent with procurement requirements

#### **6. Financial Implications**

- 6.1 The financial implications relating to this contract have been accounted for and approved through the appropriate Request for Procurement Action (RPA) process.

#### **7. Human Resources Implications**

- 7.1 Not applicable.

#### **8. Risk**

##### ***8.1 Risk Implications of Adopting the Recommendations***

- 8.1.1 There are no risks associated with adopting the recommendations.

##### ***8.2 Risk Implications of Rejecting the Recommendations***

- 8.2.1 The Council wide implementation of Microsoft 365 applications is a vital project for Finance and ICT and the risks associated with rejecting the

recommendations are that the Council's vital Service requirements will not be in place and there will be a breach of statutory obligations on the evaluation of Tenders for regulated procurements.

## **9. Equalities**

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

## **10. Sustainable Development Implications**

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## **11. Options Appraisal**

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## **12. Link to Council Plan**

- 12.1 The matters referred to in this report contribute to the Council strategic objective of 'Increase the Profile and Reputation of South Ayrshire and the Council' and within that to the outcome 'Improve trust and confidence in the Council and increase customer satisfaction with services'.

## **13. Results of Consultation**

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Peter Henderson, Portfolio Holder for Resources and Performance, and the contents of this report reflect any feedback provided.

## **14. Next Steps for Decision Tracking Purposes**

- 14.1 If the recommendations above are approved by Members, the Director – Place will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
Acceptance of the Most Economically Advantageous Tender for the provision of Microsoft 365 – Implementation Support Services	7 October 2019	Head of Finance and ICT/ Acting Service Lead - Procurement

**Background Papers**    **None**

**Person to Contact**    **Gavin Cockburn, Acting Service Lead - Procurement**  
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**Date:**    **10 September 2019**

**Contract Reference: CE-52-19-MC**

**Provision of Microsoft 365 Implementation  
Support Services**

## CE-52-19-MC

### Provision of Microsoft 365 Implementation Support Services

#### 1. Background

- 1.1 The Contract for the Provision of Microsoft 365 Implementation Support Services is a new requirement for the Council.
- 1.2 The Contract duration is anticipated to be between eighteen (18) and twenty-four (24) months.
- 1.3 The estimated total value of the overall Contract is £300,000.00.
- 1.4 In order to comply with the Council's Standing Orders Relating to Contracts and The Public Contracts (Scotland) Regulations 2015 a competitive tendering exercise was undertaken.

#### 2. Contract Notice, Interest and Returns

- 2.1 It was decided to seek offers for this requirement by conducting a mini-competition through the Scottish Government's, Procurement Scotland, Dynamic Purchasing System: Digital Technology Services – Lot 1 – Digital Technology Projects.
- 2.2 The Council invited each Organisation appointed to the Dynamic Purchasing System to bid, by issuing a Mini-competition document, via the Public Contracts Scotland (PCS) advertising portal on Friday 17 May 2019, with a return date of 12 noon, Friday 31 May 2019.
- 2.3 Of the ninety-three (93) Organisations party to the Dynamic Purchasing System, five (5) submitted responses to the Mini-competition.

#### 3. Evaluation and Assessment Process

- 3.1 Each submission was assessed against the following published criteria:

<b>Price</b>	<b>30%</b>
<b>Quality</b>	<b>70%</b>

- 3.2 The Tender evaluation was carried out by appropriate officers from the Council's ICT Operations Service with support from Executive Managers. An Officer from the Council's Procurement Service facilitated the evaluation but did not score the submissions.
- 3.3 Following the Tender evaluation, a high level summary sheet of the result was completed as shown below:

Organisation Name	Total Price	Price Score	Quality Score	Total Score	Ranking
██████████	██████████	18.95	32.81	51.76	2
██████████	██████████	27.47	21.96	49.43	3
██████████	██████████	16.07	7.61	23.68	5
██████████████████	██████████	16.40	10.50	26.90	4
██████████	██████████	18.84	49.79	68.63	1

- 3.4 [REDACTED] submitted the Most Economically Advantageous Tender and in doing so achieved the highest score of 68.63. This ranked the company first (1st) with a Tendered price of [REDACTED]
- 3.5 [REDACTED] Tendered the lowest price of [REDACTED] and scored lower at 49.43, ranking the company third (3rd). The Tender Evaluation Panel had major reservations about the low rates and quality aspect of [REDACTED] Tender, especially in relation to their proposed timescales and resource required to deliver the required services.
- 3.6 There were major concerns among the Tender Evaluation Panel regarding the resource impact on SAC staff in accepting the lowest priced Tender. The Panel also had reservations about the evidence provided by the lowest bidder regarding their previous experience of delivering such vital services involving projects for major change.
- 3.7 There was also a stark lack of commitment to Community Benefits in [REDACTED] Tender response.

#### **4. Recommendation of Evaluation Panel**

- 4.1 The recommendation of the Tender Evaluation Panel is that that a Contract be awarded to the Ranked 1 successful Tenderer, [REDACTED] for the Provision of Microsoft 365 Implementation Support Services.
- 4.2 As the bidder identified in 4.1 did not submit the lowest priced Tender, by an amount exceeding 10 per cent of the lowest priced Tender received, authority from the Leadership Panel is required to award, in accordance with Standing Orders Relating to Contracts clause 18.2.3.

## South Ayrshire Council Equality Impact Assessment Scoping

### 1. Proposal details

<b>Proposal Title</b>	<b>Lead Officer</b>
Authority to Accept Tenders	Gavin Cockburn

### 2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this proposal? Please indicate whether these would be positive or negative impacts

Community, Groups of People or Themes	Negative Impacts	Positive impacts
The whole community of South Ayrshire	n/a	n/a
People from different racial groups, ethnic or national origin.	n/a	n/a
Women and/or men (boys and girls)	n/a	n/a
People with disabilities	n/a	n/a
People from particular age groups for example Older people, children and young people	n/a	n/a
Lesbian, gay, bisexual and heterosexual people	n/a	n/a
People who are proposing to undergo, are undergoing or have undergone a process to change sex	n/a	n/a
Pregnant women and new mothers	n/a	n/a
People who are married or in a civil partnership	n/a	n/a
People who share a particular religion or belie	n/a	n/a
Thematic Groups: Health, Human Rights, Rurality and Deprivation.	n/a	n/a

### 3. Do you have evidence or reason to believe that the proposal will support the Council to:

General Duty and other Equality Themes	Level of Negative and/or Positive Impact (high, medium or low)
Eliminate discrimination and harassment faced by particular communities or groups	Low impact
Promote equality of opportunity between particular communities or groups	Low impact
Foster good relations between particular communities or groups	Low impact

<b>General Duty and other Equality Themes</b>	<b>Level of Negative and/or Positive Impact (high, medium or low)</b>
Promote positive attitudes towards different communities or groups	Low impact
Increase participation of particular communities or groups in public life	Low impact
Improve the health and wellbeing of particular communities or groups	Low impact
Promote the human rights of particular communities or groups	Low impact
Tackle deprivation faced by particular communities or groups	Low impact

#### 4. Summary Assessment

<b>Is a full Equality Impact Assessment required?</b> (A full EIA must be carried out on all high and medium impact proposals)	<b>YES</b> <input type="checkbox"/> <b>NO</b> <input checked="" type="checkbox"/>
<b>Rationale for decision:</b>  This report proposes that Leadership Panel approves of the award of an ICT support services contract. This has no specific equality implications.	
Signed : <b>Donald Gillies</b> Director	
Date: <b>23 August 2019</b>	Copy to <a href="mailto:equalities@south-ayrshire.gov.uk">equalities@south-ayrshire.gov.uk</a>