

# Cabinet

## Dorset County Council



Date of Meeting	19 July 2017
<u>Cabinet Member(s)</u> Cllr Deborah Croney – Cabinet Member for Economy, Education, Learning and Skills	
<u>Local Member(s)</u> All Local Members	
<u>Lead Director(s)</u> Sara Tough – Director for Children’s, Adult and Community Services	
<b>Subject of Report</b>	<b>Request for approval to re-procure and award a contract for the provision of self service (RFID) technology in libraries.</b>
Executive Summary	<p>Self-service technology was first installed in all DCC libraries in 2008 and is now nearing end of life and uses an unsupported Microsoft Windows operating system which presents an ICT security risk. The self-service kiosks enable users to check books in and out, pay charges and check their account without the need for staff intervention. This enables staff to focus on other areas of service delivery, contributing to delivery of the County Council’s outcomes such as digital support sessions and other activities.</p> <p>The current contract for the provision of self service equipment used in libraries has expired and advice from Legal and Procurement services is that a new contract for the supply of self service equipment and the support and maintenance arrangements needs to be re-procured in order to be legally compliant.</p> <p>There are 53 self-service kiosks in use across the 25 DCC managed and 8 community managed libraries. The proposal is to rationalise the number of kiosks to 43 whilst maintaining the same number of kiosks for the community managed libraries (1 per library).</p>

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<p>Impact Assessment:</p>	<p>Equalities Impact Assessment: Not required – replacement of existing equipment.</p> <hr/> <p>Use of Evidence: Advice from Legal and Procurement Services has been used to understand the contract position and determine the need to re-procure.</p> <p>(Note: Evidence within the body text to support the recommendations and, where relevant, include a description of how the outcomes of public consultations have influenced the recommendations.)</p> <hr/> <p>Budget: The corporate Information Strategy Group have earmarked capital funding to re-procure and implement the new self-service equipment. The funding bid was based on estimated costs although actual costs will not be known until the market has been tested.</p> <p>The annual support and maintenance costs are funded by the library service revenue budget and it is anticipated that the current budget available will be adequate to fund the new support arrangements. However this will not be known until the market has been tested and that best value has been secured.</p> <hr/> <p>Risk Assessment:  Having considered the risks associated with this decision using the County Council’s approved risk management methodology, the level of risk has been identified as: Current Risk: LOW Residual Risk LOW</p> <hr/> <p>Other Implications:  The re-provision of the self-service equipment will continue to be part of the package of support provided to enable 8 community managed libraries to deliver library services locally.</p>
<p>Recommendation</p>	<p>It is recommended that the Cabinet approve that:</p> <ul style="list-style-type: none"> <li>i) the contract for the re-provision of self service equipment and the subsequent support and maintenance arrangements is tendered.</li> <li>ii) following the tendering process, to award a contract that represents best value to the Council over the life of the contract arrangement to the preferred supplier</li> </ul>

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	identified through the tender evaluation process for the replacement self-service equipment and support and maintenance.
Reason for Recommendation	To ensure that the County Council is operating legally. To ensure compliance with Dorset County Council's Constitution and Contract Procedure Rules. To provide innovative and value for money services by delivering a cost efficient and effective service for the management and delivery of the self-service kiosks.
Appendices	Appendix 1 – Exempt Information under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 - Financial implications
Background Papers	None
Officer Contact	Name: Tracy Long, Library Service Manager Tel: 01305 224458 Email: t.long@dorsetcc.gov.uk

### 1. Background

- 1.1 Each of the 25 DCC managed libraries and the 8 community managed libraries has at least one self-service kiosk which allows library customers to self-serve to check books in and out, pay charges and check their account. In total there are 53 kiosks across the library network. Of the transactional work done in libraries, approx. 90% is done by customers using the self-service kiosks.
- 1.2 The technology is essential business requirement to the library service as it:
- supports the transactional work and enables staff to focus on other areas of service delivery which contribute to delivering outcomes such as events and activities.
  - supports the community managed libraries
  - used by volunteers to extend opening hours in some DCC libraries
  - used by customers in co-located libraries e.g. children's centres, outside of library opening hours.
- 1.3 The current kiosks were originally installed in 2008 and the hardware is ageing and the supplier has notified that it will no longer support the equipment beyond July 2018. The software supporting the current solution uses Microsoft Windows XP – this is an unsupported operating system which presents an ICT security risk (we have mitigations in place to manage this risk currently, but Windows XP threatens our compliance with national security requirements which allows us to connect to secure government, NHS and other public sector organisations).
- 1.4 It should be noted that the library service has reviewed the current estate and will reduce the number of kiosks to 43. The community managed libraries will continue to

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be provided with a self-service kiosk as part of the agreed package of resources, approved by the County Council at its meeting in July 2011.

- 1.5 The library service proposes introducing card payment facilities as part of the implementation of the new self-service equipment. Currently library users are able to pay overdue charges and hire charges via coinboxes. By improving the customer offer to provide payment by debit/credit, it is hoped that more customers will be encouraged to pay their charges promptly. Given the costs involved in installing and providing card payment facilities, it is intended to only offer this facility where income levels warrant it (likely to up to 6 libraries) so that the costs of providing the card payment facility can be funded within existing service resources.
- 1.6 Advice from Legal & Procurement services is that we are non-compliant in contracts terms. This is because the contract spend is over the indicated value in the contract and any extension to the contract would be unlawful in contract terms. Their clear advice is that we need to re-procure the kiosks and the support and maintenance arrangements with the supplier in order to be legally compliant.

## **2. Procurement process**

- 2.1 There is a national EPSO framework contract for RFID services which is available for use. This would be via a further competition on the relevant lot. This will help minimise the procurement and other costs involved in the tendering process.
- 2.2 There are other options for procurement if the ESPO framework is not considered suitable to meet the specified requirements and needs of Dorset and the other partners. It would be possible to issue an Open Tender via an OJEU notice.
- 2.3 There are two other library authorities in the south west who are also currently in the market for re-procuring for self-service equipment. One of these authorities is also part of the LibrariesWest consortium, of which Dorset is a member. Discussions are underway with these authorities on a possible joint procurement process in order to achieve best value for money. The decision whether to undertake a joint procurement process will be determined when soft marketing testing has been undertaken and the specification has been developed. The intention will be to work towards a joint procurement process in order to maximise spending power and to share procurement costs.
- 2.4 The contract will be let for an initial term of 4 years with an extension of a further 2 years. This is in accordance with the ESPO framework.

## **3. Financial implications**

- 3.1 As the total life cycle costs for the contract (capital costs for equipment implementation and annual support costs for as long as six years) might exceed the key decision threshold, approval is being sought from the Cabinet:
  - to issue a tender either via the further competition route on the ESPO national framework or via an Open Tender via an OJEU notice and
  - to award the contract to the bidder whose offer represents the best value for money for the requirements over the lifetime of the contract arrangement.
- 3.2 Further information about the financial implications are set out in the exempt appendix.

**Sara Tough**  
**Director for Children's, Adults and Community Services**  
June 2017