

Decision Pathway – Report Template



PURPOSE: Key decision

MEETING: Cabinet

DATE: 10 May 2022

TITLE	Extension of externally procured IT services contract for The Bottle Yard Studios to 4th contractual year		
Ward(s)	Hengrove		
Author: Laura Aviles	Job title: Senior Bristol Film Manager		
Cabinet lead: Designated Deputy Mayor with responsibility for City Economy, Finance & Performance	Executive Director lead: Stephen Peacock, Executive Director Growth & Regeneration		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: <ol style="list-style-type: none">To approve The Bottle Yard Studios to extend Provision of IT Services contract with Bristol IT Company Ltd for a period of 12 months ('Year 4') between July 2022 and June 2023, noting a formal change of scope to provide services for both the main site and the expansion site at Hawkfield Business Park.To approve commencement of procurement process for the Provision of IT Services contract for July 2023 – June 2031.			
Evidence Base: <ol style="list-style-type: none">The Bottle Yard Studios (TBYS) successfully procured a bespoke IT solutions contract externally in 2019 on a 3+1 contractual term, having undertaken a robust business case project evidencing that this route was best for the business. The contract, with Bristol IT Company Ltd (BITC), provides resilient internet supplies, Voice Over Internet Protocol (VoIP) telephony solutions and a bespoke IT support package, including a full time onsite engineer.TBYS moved these services externally in consultation with BCC ICT teams as we cannot meet the requirements internally.TBYS and BITC have a positive relationship with BITC providing a high level of service to TBYS. BITC are contracted to build the network for the expansion site, currently due to open late summer 2022.TBYS wish to enact the +1 contractual year and extend the contract to June 2023 (July 22 – June 23). TBYS wish to add a change of scope to provide services for both the main site and the expansion site at Hawkfield Park.Legal and procurement advice has been sought – see advice below - there is no legal or contractual reason why the contract cannot be varied, and a 4th year instructed.Cabinet approval to proceed is required as the additional year takes the contract value to over £500k. Year 1 – 3 cost the Council £417k (inc. £72k upfront new costs). Year 4 maximum budget is £162,895.08 + VAT.			

7. The Bottle Yard Studios intend to re-tender the IT services contract in 2022/23 financial year for period 2023 - 2031. Cabinet approval to proceed with the commencement of re-procurement is also sought.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Authorises the Executive Director for Growth & Regeneration in consultation with the Deputy Mayor– Finance, Governance and Performance to extend the Provision of IT Services contract with Bristol IT Company Ltd for a period of 12 months from July 2022 - June 2023 at a cost of £163k + VAT with a change of scope to provide services for both the main site and the expansion site at Hawkfield Business Park.
2. Authorise the Executive Director for Growth & Regeneration in consultation with the Deputy Mayor -Finance, Governance and Performance to take all steps required to procure and award the TBYS Provision of IT Services contract (including any individual contracts over £500k) from July 2023 with a contract term of 5+2+1 years at a cost of up to £1.4m in-line with the procurement routes and maximum budget envelope outlined in this report.

Corporate Strategy alignment:

1. Links to Council building blocks:
 3. Development and delivery by working in partnership to deliver quality services
 4. Environmental sustainability by using the procurement process to maximise our positive environmental impacts and mitigate negative ones
 5. World Class Employment by ensuring our partner offers the highest levels and standards of employment providing Real Living Wage as standard and ensure the workforce reflects the population
2. Links to Council themes:
 - Effective Development Organisation:
 - One Council - making it easier to get things done as 'One Council'
 - Good governance – make sure we are financially competent and resilient, offering good value for money
 - Economy & Skills:
 - TBYS is a key strand of the Council's economic growth work with a focus on building inclusive and resilient communities in South Bristol through its skills agenda.
 - TBYS is a key contributor to the Council's Economic Recovery Plan.

City Benefits:

1. Maintains business continuity at The Bottle Yard Studios during a year of significant change and business expansion.
2. The extension of the BITC contract will enable the build of the expansion site IT network, with continuity of knowledge and services between the two sites.
3. The ability to maintain business operations enables TBYS to meet financial targets laid out in the expansion full business case.
4. Enables TBYS to offer essential services such as furnished offices and bespoke IT and telephony services to clients.
5. Enables smooth opening of expansion site and delivery of bespoke IT solutions in line with client requirements.
6. Ability to monetise bandwidth and telephony rental and maximise those recharge revenue streams to clients.
7. Maintains a high profile contract with a local SME company, aligning with Council social value policies. This contract includes employment of 1 FTE onsite engineer at TBYS as well as remote out of hours IT support resource locally.
8. Enables sufficient time for TBYS, with support from procurement colleagues, to re-tender the contract in late 2022 / early 2023.

9. Extended re-tendered contract term will provide TBYS with a period of stability and financial security until 2031 which is when the expansion site WECA repayment commitments end.

Consultation Details:

1. Engagement and advice from BCC procurement and legal colleagues
2. C&CI SLT sign off – Jon Finch approval to progress to DMT
3. Growth & Regeneration DMT sign off – John Smith approval to progress to EDM
4. BITC have been engaged and year 4 contractual quotation obtained should extension of contract be awarded.

Background Documents:

1. Appendix A

Revenue Cost	£163k + VAT	Source of Revenue Funding	Bottle Yard Studios
Capital Cost	£0	Source of Capital Funding	N/A
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. **Finance Advice:** The report seeks cabinet approval to extend the existing contract for an additional year under the current contractual arrangements.
2. This will take the total cost of the current contract to a value of £580k and therefore the approval of Cabinet is required under the council’s finance rules.
3. The cost of the additional year is for a maximum of £163k. This cost can be funded from the proposed 22/23 budget for these services.
4. The report further seeks cabinet approval to commence procurement for a new contract for potentially 8 years from 2023 and potentially costing a total of £1.4m over this period.

The cost of the new contract must be contained within the net budget (cash limit) for this service.

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner, Growth & Regeneration, 3 March 2022

2. Legal Advice: The extension of the contract for one year is provided for in the contract. The procurement process for the new contract must be conducted in line with the 2015 Procurement Regulations and the Councils own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements. Any contract specification should include the ability to be novated should TBYS governance alter at all during the contract term.

Legal Team Leader: Husinara Jones, Team Leader/Solicitor, 19 April 2022

3. Implications on IT:

There are no additional implications on IT in regards to this activity.

With our current network infrastructure BCC IT is not best placed to offer connectivity that would support the service offered by the Bottle Yard. As such, at this time we are happy that outsourcing is the most appropriate route to enable the Bottle Yard to function in the most effective way. When our core network has been upgraded IT would be interested in reviewing this prior to renewal of future outsourcing agreements from 2031 onwards.

IT are comfortable that the arrangements in place for the Bottle Yard do not jeopardise our core networks integrity and liaise with the team on a regular basis to ensure this.

IT Team Leader: Gavin Arbuckle, Head of Service Improvement and Performance, 21 March 2022

4. HR Advice: There are no HR implications evident		
HR Partner: Celia Williams, HR Business Partner, 1 March 2022		
EDM Sign-off	Peter Anderson, Interim Director Management of Place	9 th March 2022
Cabinet Member sign-off	Cllr Craig Cheney, Cabinet Member, Finance, Governance and Performance	21 st March 2022
For Key Decisions - Mayor's Office sign-off	Mayor's Office	11 th April 2022

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal Not applicable; Daniel Shelden 1/3/22	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO