

Homes and Neighbourhoods
Tompion Centre
40 Percival Street
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Report of: Acting Corporate Director of Homes and Neighbourhoods

Date: 22 March 2023

Ward(s): All

Subject: Procurement strategy for purchase, installation, ongoing maintenance, data and hosting for Electronic Notice Boards (ENB) on housing estates

1. Synopsis

- 1.1. This report sets out a proposed approach to the commissioning of a contract for purchase, installation, maintenance, data and hosting for Electronic Notice Board (ENB) in accordance with Rule 2.8 of the Council's Procurement Rules.
- 1.2. ENB utilise mobile technology to transmit data to professional display screens across any given area, they do not require anyone to physically visit the site as changes can be made via the internet or other software. Electronic notice boards can show images, posters, film, animation, web pages and potentially integrate with other software packages to show live data. Staff can design their own posters or notices on PowerPoint or on other readily available software which can be added to a board within minutes. Start and finish times can be programmed which prevents out of date information from showing and boards can rotate large amounts of data. Interactive boards have been commissioned since 2018 and this will be the standard going forward as this will enable residents to have control on content they wish to receive.

2. Recommendation

- 2.1. To approve the procurement strategy as set out in this report.

3. Date the decision is to be taken

- 3.1. 22 March 2023.

4. Background

4.1. **Nature of the service**

The notice boards display community, partner and internal communications in the form of JPEG, PNG and in some cases MP4 video. These messages are sent through to our dedicated electronic notice board email address.

These messages are spread across Homes and Communities four priority areas, which are Belonging, Jobs and Money, Health and Wellbeing and Intervention Messages are then authorised and vetted by the housing communications department to ensure that the messages meet council policy.

All notice board locations can be found on the internal Geographic Information System viewer, which can be found on izzi internally or via the concierge web page found on the Islington website. Currently it shows 352 locations across the borough by estate and block.

The screens are backlit LED screens and are energy rated A. They are housed in a vandal proof casing and are predominately placed within communal areas i.e. lobby areas, lifts and walkways to ensure that they are seen by most residents. These locations are identified in collaboration with estate services, Tenant Management Organisations, community team and estate champions to ensure there is adequate power and space for the board.

All boards have three interactive buttons to enable internal and external stakeholders to navigate around the electronic notice boards content on the four priority areas.

The council has an existing contract for the maintenance, hosting a bespoke media platform and provision of the data sim cards for the council's ENB and is currently recharged via the concierge budget.

This strategy is to procure a new contract to ensure service and supply continuity ENB.

4.2. **Estimated value**

The maintenance contract, data sims and hosting software is funded within the Housing Revenue Account concierge's budget.

Budget allocation is available for costs on maintenance, sims and hosting platform.

The total value of the proposed contract is £223,000 per annum which amounts to £892,000 for the entire length of the contract based on a two-year contract, with the option to extend for a further one year, plus an additional one year (total four years).

Last year's financial outturn was £142,059, There are a number of worldwide factors which have given rise to increased costs in electronic items for repairs and new, fuel costs for contractors to undertake maintenance and repairs and an increase to the current infrastructure of ENB over the last 24 months. Current projected costs for 2023 are £156, 780.

There will be no reduction in budget due to current market costs on electronic equipment rising in line with inflation. However, the notice boards provide a saving on staff to replace paperwork in traditional hard notice boards. As the entirety of the borough and not all estates and blocks have ENB's, further installations of ENB's will have a saving on staffing costs, environmental savings on printing notices.

There is potential during the contract term to generate income via monetising the notice boards to advertise local businesses. This would require a communication strategy to ensure that the strategy aligns with Housings corporate strategy.

4.3. **Timetable**

Provisional timetable listed below:

Task	Date
Procurement Strategy approved	April 2023
Open Tender competition	May 2023
Evaluation/ Moderation	June 2023
Contract award	July 2023
Start date for new contract	August 2023

The current contract expires 31 March 2023, there will be a requirement for a short-term extension with the current incumbent for the maintenance of the ENB's. This extension has been agreed for a further 4 months.

4.4. Options appraisal

To meet future needs, commissioners have explored a range of procurement routes that have been considered. A summary is outlined below:

- Providing the service in-house
- Using an existing framework agreement
- Competitive tender
- Collaboration

Detailed Options appraisal	
Option 1: Delivering in-house	
Description	Providing service in-house for purchase, installation, maintenance, data and hosting for ENB.
Benefits	Potential savings on sourcing equipment internally via procured routes Having internal responsibility to work with future development of product.
Dis-benefits	Currently within Islington, there are no teams that can put in place the maintenance program required to facilitate the cloud system that hosts the software, repair breaks in the system code and fit the required infrastructure needed. There are no existing contracts in place to support or purchase and infrastructure required for future expansion if managed inhouse.
Recommended	No
Option 2: Using an existing framework agreement	
Description	To utilise external framework agreement
Benefits	Direct award where necessary to facilitate the need to continue with current system.
Dis-benefits	There are no suitable frameworks available to meet our scope of requirements.
Recommended	No
Option 3: Competitive tender	
Description	A full competitive process solely for Islington.
Benefits	To see if there is a competitive competition to evaluate requirements of the system that support future technological advancements. Transparency to ensure that the correct governance and procurement rules are undertaken.

Dis-benefits	There is potential that interest in this procurement is limited due to current infrastructure and integration of a new technological solution.
Recommended	Yes

Therefore, the option recommended is to advertise the contract and undertake a competitive tender.

Collaboration with other boroughs has been considered and the proposals discussed with Enfield Council and Waltham Forest Council.

We have shared our best practice, provided statistical data and survey analysis recently conducted in 2022 and provided templates of our communication methods which has been adopted by other local authorities who have now put in place ENB's. Enfield and Waltham Forest are currently not as mature as Islington in terms of volume requirements and infrastructure so therefore it was agreed by all parties that a joint procurement at this stage would not be beneficial. This is an option that will be explored again for the strategy that supersedes this.

4.5. **Key Considerations**

The requirement for real London Living Wage will be a condition of the contract where legally permissible.

Delivering a contribution to the council's social value objectives is a key element of this procurement strategy and contract award. The supplier must demonstrate their contribution over the duration of the contract to economic, environmental, and social benefits.

The awarded contractor would be required to demonstrate a number of social value commitments which would include:

- Contribution of expert hours in regard to system and consultation with local residents, businesses and stakeholders.
- Contribution to the council's net zero ambition by using electric vehicles or ULEZ, congestion compliant vehicles.
- To consider being part of the council's housing initiatives to demonstrate products to residents and stakeholders at community days.
- Consideration of an apprenticeship scheme.

Business opportunity exists to create further social value within this contract.

There are no TUPE implications for this contract.

4.6. **Evaluation**

The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

Bids will be assessed based on 60% quality of which 20% will be allocated to social value, and 40% price.

The valuation is based on the strict requirement of the specification and criteria breakdown as set below –

Cost – 40%

Quality criteria (60%) will be split as outlined below:

- Social value (20%)
- Quality of electronic notice boards, technical merit (20%)
- Logistics and delivery capabilities (5%)
- Maintenance (5%)
- Installation (5%)
- Software data hosting (5%)

These criteria have been selected to ensure providers are able to deliver a safe, well-led, high quality, person-centred offer to Islington residents.

The evaluation panel will include professionals with a range of experience including council employees from Concierge, Estate services.

4.7. **Business risks**

The potential business risks associated with this procurement are:

- Cost increase due to market fluctuations
- ICT issues with integration of new infrastructure
- data and system risk with integration with hosting platform
- poor service from new supplier
- failure to adhere to contract may lead to default charges and non-compliance
- failure to appoint a suitable supplier

These risks will be mitigated and managed by monthly SLA meetings agreed between the local authority and contractor and any remedial works required managed via an action plan.

The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1. Nature of the service	<p>The notice boards display community, partner and internal communications in the form of JPEG, PNG and in some cases MP4 video.</p> <p>See paragraph 4.1</p>
2. Estimated value	<p>The estimated value per year is £223k per annum.</p> <p>The agreement is proposed to run for a period of '2 years' with an optional extension of '1 + 1' years.</p> <p>See paragraph 4.2</p>
3. Timetable	<ul style="list-style-type: none"> • Advert • Shortlisting • Award • Other relevant dates <p>See paragraph 4.3</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>The contract will be competitively tendered by using Open Tender procedure.</p> <p>See paragraph 4.4</p>
<p>5. Consideration of:</p> <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; 	<p>In all line with council policy and as outlined in this report.</p>

<ul style="list-style-type: none"> • Best value; • TUPE, pensions and other staffing implications 	See paragraph 4.5
6. Award criteria	<p>Direct award. The award criteria price/quality breakdown is more particularly described within the report.</p> <p>See paragraph 4.6</p>
7. Any business risks associated with entering the contract	<p>Minimal business risks based on communication strategy</p> <p>See paragraph 4.7</p>
8. Any other relevant financial, legal or other considerations.	See paragraph 5

5. Implications

5.1. Financial Implications

Based on market research, the cost of renewing the ENB maintenance contract is expected to be approx. £198,000 per annum plus an allowance of £25,000 for maintenance of new boards should they be installed, bringing the total estimated annual cost to £223,000.

The contract length is expected to be 2 years initially with the option to extend for 1 + 1 years.

The current HRA base budget provision for this service is £142,000. If the contract is let on this basis, this would equate to an increase of £81,000 per annum.

The increased costs as compared to the current charges are primarily due to a 20% increase in maintenance cost from £300 to £360 per notice board, and 137 offline boards expected to being activated increasing the cost from £200 per board to £360. In addition, the estimated annual costs include a provision for maintenance cost for new boards (£25,000) should the Council decide to expand their use of ENBs on estates.

ENB maintenance costs are recoverable from tenants and leaseholders via their annual service charges. The increased cost would equate to an increase to tenant charges of approx. £0.06 per week or an increase to leaseholders' charges of £0.25 per month.

As tenants service charges have already been set for 2023/24, the estimated tenant's proportion of the costs (£58,731) will need to be met by the HRA through a call on contingency, in-year underspends if applicable or HRA reserves. From 2024/25, costs will be recovered from tenants via an increase in service charges. The leaseholder proportion of the costs (£22,269) will be recovered as part of the Leaseholder service charge actualisation process in 2024/25.

5.2. Legal Implications

- a) This report seeks approval to run an Open Competition to procure a contract for 2 years with a council option to extend for a further one year plus one year (2+1+1 years) with a total contract value over the maximum 4 years of £892k.
- b) The Open Competition route is compliant with both the Public Contracts Regulations 2015 and council Procurement Rules and the tender must be published on *Find A Tender* service.
- c) The Council has power to enter into this proposed contract under section 1 of the Local Government (Contracts) Act 1997.
- d) The Corporate Director has power to award contracts up to £2million (revenue spend) subject to being satisfied that the contract provides value for money for the council.

5.3. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

This contract will have several environmental implications. Purchasing, installing and maintaining the electronic noticeboards will result in environmental impacts related to the manufacture of the boards, emissions from vehicles transporting the installation technicians and ongoing energy use from the boards once installed. Ongoing maintenance will result in environmental impacts from the manufacture of replacement parts, disposal of broken parts and transport for the technicians. The hosting software will also result in electricity use in the data centres it is hosted in.

The use of electronic noticeboards has some environmental benefits, including reducing the use of posters and sending out letters (paper manufacture, printing and waste disposal) and reducing the need for officers having to travel around the borough replacing posters on a regular basis.

There are also some measures that will mitigate the environmental impacts identified above. The noticeboards will be housing in vandal-proof casing, reducing the likelihood of replacement parts being required. The successful contractor will also be required to demonstrate how they mitigate their environmental improvement, particularly around vehicle use to meet the councils net zero ambition by 2030.

5.4. Equalities Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of

opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (Section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

An Equalities Impact Assessment was completed on 17 November 22. The main findings are that a full EQIA is not required due to neutral impacts via the system.

6. Conclusion and reasons for the decision

A new procurement strategy is required in order to provide continuation of front facing resident engagement. Improved quality of service and additional social value benefits.

7. Record of the decision

7.1. I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Approved by:

Jed Young, Acting Corporate Director, Homes and Neighbourhoods

Date:

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Appendices –

- Equalities Impact Assessment.
- Map of borough wide coverage.
- Location of activated electronic notice boards.
- Number of boards by ward.