

**Forward Plan reference number:** Not applicable

<b>Report title:</b> To agree on procurement approach for a new Libraries Management System for the Library service and its customers	
<b>Report to:</b> Cllr Susan Barker, Cabinet Member for Customer, Communities, Culture and Corporate	
<b>Report author:</b> Suzanna Shaw, Director, Customer	
<b>Date:</b> 19 <sup>th</sup> February 2020	<b>For:</b> Decision
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<b>County Divisions affected:</b> 'All Essex'	

**Confidential Appendix**

**This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.**

## **1 Purpose of Report**

- 1.1 The Future Libraries Cabinet report which presented the Future Library Service Strategy was approved by Cabinet 23 July 2019. As part of the commitment to the successful delivery of the strategy, £3m was awarded to Essex Library Service from the Council's Transformation Reserve, to enable the investment and improvement of the library service as detailed in the Strategy.
- 1.2 This funding was allocated to three key areas:
  - £180,000 towards modernising technology (updating the currently Library Management system)
  - £924,000 towards working with and supporting community groups or other partners to set up community run libraries
  - £1.9m towards a library refurbishment programme
- 1.3 This paper addresses the modernising technology strand, and the decision to upgrade the current Library Management System (LMS) which will enable the library service to deliver a modern, customer focused service.
- 1.4 This paper seeks a decision on the recommended approach (Option 1 in section 4 below) to the procurement of the new LMS, which will be implemented by Summer 2021.

## **2 Recommendations**

- 2.1 Agree to join the Libraries Consortium.

- 2.2 Agree to procure a library management system (LMS) using a call-off contract to Sirsi Dynix under the Libraries Consortium framework agreement on an initial contract for 4 years with the option to extend the contract by a further 4 years.
- 2.3 This report asks the Cabinet Member for Customer, Communities, Culture and Corporate to delegate the approval of contract award to the Executive Director, Corporate and Customer Services.

### **3 Summary of issue**

- 3.1 The current LMS, supplied by Infor (United Kingdom) Ltd, has been in place since 2004. It is no longer suitable for a modern library service as it offers basic functionality whereas the Council is driving towards customer self-serving which other systems better support. It is now the optimal time to explore best value options, that will help transform the Library Service in line with Strategic and service ambitions. For example, the ability to implement additional and innovative features such as online functionality; interacting with customers, electronic resources, mobile device technology, etc.
- 3.2 The existing supplier contract has been extended multiple times by means of a procurement waiver and is currently due to expire June 2020. (This will need to be extended to cover the proposed procurement and implementation period.)
- 3.3 Essex Library Service is looking for a modern and new LMS, which will help the service to deliver the ambitions and vision as set out in the Future Library Service Strategy (see Table 2 below) and which highlights the need to deliver library provision in “new and more efficient ways to create an active and sustainable service”.

### **4 Options (please also see Table 1; Comparative procurement considerations table)**

There are effectively 4 options to consider:

- 1. Procure a “call-off” contract under a consortium (e.g. Libraries Consortium)
- 2. Procure a “call-off” contract under a national framework agreement (e.g. ESPO)
- 3. The Council to carry out its own tender exercise
- 4. Extend the current contract with Infor

#### **4.1 Option 1 (Recommended):**

**Procure a “call-off” contract under The Libraries Consortium Framework agreement (See further details in 5.0)**

**The suitability of this option is subject to Essex Legal Services’ review and acceptance of the Libraries Consortium framework agreement and call-off terms, which will be undertaken as part of the procurement process. It is also**

**subject to review and acceptance of the information sharing agreement that ECC is required to sign up to in order to join the Libraries Consortium.**

## **4.2 Option 2:**

**Procure a “call-off” contract** under a national framework agreement.

The Council could procure a contract under a national framework: e.g.

### **(a) Eastern Shires Purchasing Organisation (ESPO) Library Solutions and Systems ref 350 Lot no. 2**

This framework enables customers to access a cloud hosted LMS. It includes associated hosted hardware, installation, support maintenance and training. Under the framework, Essex would run a further-competition (mini-tender exercise) between the framework suppliers.

Advantages:

1. Choice of four suppliers who have already been assessed for suitability (financial, experience, technical ability etc): Applied Network Solutions Ltd, Civica UK Ltd, PTFS Europe Ltd, SirsiDynix.
2. Able to demonstrate best value for money through the evaluation process

Disadvantages:

1. Call-off contract is under ESPO terms not the Council's terms, although it does allow some amendments

### **(b) Crown Commercial Services (CCS) G-Cloud ref RM 1557**

This framework allows the customer to search a large database of suppliers and direct award a contract to the supplier that best meets the customer requirements.

Advantages:

1. Fast and easy route to market – 2 to 3 months
2. Large choice of suppliers (includes the five market leaders)

Disadvantages:

1. Call-off contract under supplier terms not the Council's terms
2. Costs not yet known
3. Suppliers only provide “out of box” solution which may not fully meet the Council's specification
4. Not able to demonstrate best value for money through the evaluation process.

## **4.3 Option 3:**

**The Council to carry its own tender exercise**

Under this option the Council would run its own procurement exercise. The procurement would be run using the single-stage Open Tender Procedure in

accordance with EU and UK procurement directives and a contract would be awarded to the winning bidder.

Advantages:

1. Contract would be under the Council's terms

Disadvantages:

1. Requires a large amount of internal resource
2. Takes approximately six months to run the procurement process

#### 4.4 Option 4:

##### Maintain current contract with Infor via a procurement waiver

The Council's current contract with Infor expires in June 2020. We could choose to extend the contract for another medium-term period via an internal procurement waiver. However, the current LMS is outdated and no longer fully meets the Council requirements or the vision of the Library Strategy.

**Table 1:**

	Options	Supplier/s have already been assessed for suitability (financial, experience, technical ability etc)	Choice of suppliers	(Before procurement) Solution already includes additional benefits/added value outside of an LMS (computer) system	Minimum Length of procurement process	Allow the Council to specify some bespoke requirements	Call-off the Council's terms
1	Procure a "call-off" contract under a consortium (e.g. Libraries Consortium)	Y	N	Y	2 months	Y	N
2a	Procure a "call-off" contract under a national framework agreement (e.g. ESPO)	Y	Y	N	4 months	Y	N
2b	Procure a "call-off" contract under a national framework agreement (e.g. CCS)	Y	Y	N	2 - 3 months	Y	N
3	The Council to carry out its own tender exercise	N	Y	N	6 months	Y	Y
4	Extend the current contract with Infor	Y	N/A	N	We could extend for a further 12 months minimum	Y	Y

Whilst there are some differences with the procurement approaches as seen in Table 1, the Libraries Consortium has been selected as the recommended option. The detail and benefits of this option can be seen in section 5.0 and Table 2 below.

## **5 Further details about the preferred option: Procure a call-off contract under The Libraries Consortium framework agreement**

- 5.1 The Libraries Consortium is not itself a legal entity. In 2018 Sutton Council, on behalf of the Consortium, awarded a 4-year framework agreement to a single service provider, SirsiDynix. The Libraries Consortium currently comprises of 17 London authorities (plus Luton) with approximately 170 libraries.
- 5.2 Joining the consortium, would mean Essex would benefit from the procurement work undertaken by the consortium to purchase an LMS. It would ensure Essex has a value for money LMS that meet the needs of the strategy. (See table below). It would also provide additional features not currently available on the existing LMS.
- 5.3 Essex would call off the Libraries Consortium Framework and set up an individual contract with the Consortium's LMS supplier (Sirsi Dynix). The contract period is 4 years with 4 further optional extension periods of 12 months each (4+1+1+1+1).
- 5.4 Essex's customer and stock data would then be placed on the shared server. This would have two implications:
  - ECCs customer and stock would be visible and accessible to the other authorities and customers in the consortium. This would mean that reports could be run on both an individual basis and a consortium basis. For example for benchmarking, FOIs and streamlining stock information and analysis across the consortium
  - ECC library customer would have access to over 6 million of stock items and e-resources (such as e-books, audio books and e-magazines)
- 5.5 Whilst their stock and customer data would be visible and accessible to other members, each member of the consortium has complete responsibility for their own data, their own stock budget and their own user information. Stock and the reservation system are both regularly monitored across the consortium to prevent any bias towards one authority in terms of stock and there is also a 42-day ban on new stock being reserved. Although some authorities have been nervous that their 'best' stock will be permanently loaned out of the area, the operating experience of the consortium has been that this does not happen, and that the shared catalogue and the resulting loans have an overall positive impact on the customer experience for all authorities.
- 5.6 All stock data and customer data are managed and controlled by information sharing policies. All staff accessing the shared data are monitored by their authority's GDPR regulations, and data protection policies and training.
- 5.7 SirsiDynix also offer a cloud hosted solution which will provide us with greater security than we have at present so would reduce the risk of IT security issues such as network vulnerability. The Information Governance Impact Assessment has

been approved to proceed to procurement and will be assessing the security controls in detail as part of the contractual and technical considerations prior to the formal award (e.g. formal discussions with the supplier SirsiDynix).

- 5.8 Joining the consortium, would provide Essex with access to cost effective stock contracts if required – e.g. books, eBooks and audio materials, transport, etc. As each new member joins the consortium, all existing members benefit from a 1% reduction in their annual fees. Part of the annual fee is dedicated to the regular monitoring of the contract, by the lead authority.
- 5.9 The LMS supplier, Sirsi Dynix, provides a fully managed service and robust KPIs are in place and monitored to ensure the supplier provides a high level of service under the contract, and Supplier Credits are applied if the KPIs are not met.
- 5.10 The contract includes the development of a Library Services Platform. This will transform the customer experience by providing an interactive and modern discovery platform (providing customers with an experience like Netflix).
- 5.11 The system also includes features that are currently expensive add-ons to the current system or non-existent; e.g.
- mobile device compatibility e.g. customers and staff will be able to access the library service easily from a range of devices like a tablet or a mobile phone
  - a library app
  - 24/7 book renewal automated telephone line
  - Stock visibility on search engines such as google (making Essex stock visible on a google search and pointing customers to the library it is located in, or enabling them to reserve it)
  - Visibility of e books and resources on the catalogue alongside traditional book formats
  - Single sign in to create a seamless experience (e.g. so customers won't have to move in and out of suppliers)
  - An event and booking system
  - Marketing alerts

**Other Benefits:**

- (1) Sirsi Dynix is one of the leading LMS suppliers
- (2) As the LMS is shared with other authorities, best practice and benchmarking has created both a standardised “off the shelf” specification plus additional requirements as agreed for over 170 libraries, which have been tested and agreed across the consortium.
- (3) The current contract, specification, KPIs, framework agreement, GDPR and compliance issues, have been reviewed and agreed with 18 different legal and procurement teams, across the consortium
- (4) Some bespoke amendments can be made if required
- (5) The system went live in March 2019 for other consortium members, so lessons have been learnt and amendments identified
- (6) The growth of the platform is ongoing so Essex can be involved in future development discussions, tests, and decisions. Substantial Service Credits are in place if the platform is not developed on time.
- (7) Once implemented, the system is fully managed by the supplier – including the website and management reports

**Table 2.** How will the Consortium help to deliver the key drivers in the strategy?

Key driver in the strategy	Consortium offer
<p><b>Strategy Ambition and our priorities</b></p> <p>We have placed books and reading at the heart of our library service offer (p22 – our priorities)</p> <p>We have transformed how people access library services and how reading materials are borrowed and distribute (p10 – what will be different in 5 years' time)</p>	<p>Shared catalogue providing access (in addition to Essex's current stock of 1.4 million titles) to</p> <ul style="list-style-type: none"> <li>• over 6 million books,</li> <li>• over 40,000 eBook titles*</li> <li>• over 800 e magazines*</li> <li>• nearly 5,000 audio books plus other e resources*</li> </ul> <p>Shared expertise and resources, stock managers from different authorities work together on stock issues and policies</p> <p><i>*There are a number of different eStock (ebooks; emagazines; eaudiobooks) contracts running across the Consortium and consortium members can have access to each others eStock if they sign up to these. ECC will need to choose from and sign up to the consortium's suppliers in order for its customers/borrowers to have access to the wider consortiums stock. ECC already have an existing contract with eStock suppliers and during Contract Award and Implementation, will identify and look to transfer and disperse its existing eStock budget across/or into the single Consortium supplier spending pots (there is a spending pot per eStock supplier), ensuring best value for money and improved choice and reading experience for its customers. Where ECC currently has additional eStock on offer that the Consortium may not, such as eNewspapers and eComics. ECC will keep its existing supplier arrangements and would consider joining Consortium suppliers when available, so its customers can continue to have access to a wealth of reading options.</i></p>
<p>Invest in and support our employees and volunteers so they remain well informed and have the right skills and equipment (p22 – our priorities)</p> <p>We have upskilled staff and volunteers to improve the service to users (p8 – strategy commitments)</p>	<p>Comprehensive training programme on transition to new system plus:</p> <ul style="list-style-type: none"> <li>• ongoing shared training and support for staff</li> <li>• best practice and benchmarking</li> <li>• shared opportunities to work on consortium wide improvements to stock and services</li> </ul>

<p>People can access library services online more easily 24 hours a day via the eLibrary (p10 – what will be different in 5 years' time)</p> <p>We have a comprehensive e library offer and embrace digital technology (p9 – our vision and ambitions)</p>	<ul style="list-style-type: none"> <li>• professional networking forums</li> </ul> <p>Access to library 24/7 via library app and website, providing</p> <ul style="list-style-type: none"> <li>• easy access to library service,</li> <li>• reservation and renewal facility</li> <li>• social media advertising events and activities</li> </ul> <p>Online visibility of the catalogue when searching the internet for a book on a search engine (e.g. google)</p>
<p>We make much better use of insight from our customers and systems to ensure that the quality and range of books, eBooks and materials on offer is high and books are rotated when possible to ensure choice (p10 – what will be different in 5 years' time)</p>	<ul style="list-style-type: none"> <li>• Enhanced data analytics via LMS reports,</li> <li>• analysis of data across the consortium by stock experts</li> <li>• monitoring usage, issue stats,</li> <li>• stats from shared book and e resources suppliers,</li> <li>• providing best value, bench marking, and ensuring stock and e resources are working harder</li> <li>• Customer Relationship Management will build up a knowledge of customers ensuring that the right message, goes to the right audience, at the right time.</li> <li>• Consortium FOI requests</li> </ul> <p>statistics provided for CIPFA reports</p>
<p>The Service is reaching new communities increasing service usage and bringing in new customers through outreach, marketing and providing a service that is appealing and relevant to them (p10 – what will be different in 5 years' time)</p> <p>Better engagement with residents</p> <ul style="list-style-type: none"> <li>• Tackling isolation</li> <li>• Helping people get the best start (p9 – our vision and ambitions)</li> </ul>	<p>The consortium platform will provide a socially interactive platform and user experience (like Netflix),</p> <ul style="list-style-type: none"> <li>• Users will be able to follow their favourite authors, friends, read press releases on forthcoming titles</li> <li>• Customers will be able to share their stories, talk about their library service, what they are reading, their reviews and recommendations.</li> </ul> <p>It will:</p> <ul style="list-style-type: none"> <li>• enable authors to engage with their readers</li> <li>• display the most popular titles, the current content and latest releases</li> <li>• host virtual book clubs</li> <li>• provide “Find My nearest” functionality</li> </ul>

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	<ul style="list-style-type: none"> <li>• provide self-publishing options to budding authors or local community magazines</li> <li>• target customers through automated alerts, key calendar spikes, or library events and promotions</li> </ul> <p>provide an event booking system – will make it easy for customers to discover, browse and book library events and classes.</p>
Increase income from activities helps to reduce cost or to enhance the service we provide (p10 – what will be different in 5 years' time)	<p>Consortium Marketing and Commercials Channel Manager, provided as part of the consortium contract, will be dedicated to</p> <ul style="list-style-type: none"> <li>• driving income generation ideas,</li> <li>• advertising and sponsorship</li> <li>• promoting the consortium</li> </ul> <p>overseeing the marketing and commercial opportunities for the consortium</p>
<p>Council's organisation Strategy</p> <ul style="list-style-type: none"> <li>• Transform the council to achieve more with less (p9 – our vision and ambitions)</li> </ul>	<p>Shared Library Management system and consortium membership provides</p> <ul style="list-style-type: none"> <li>• value for money</li> <li>• flexible and inclusive of additional features e.g. app</li> <li>• Significant savings each year</li> <li>• Discounted fees and cost-effective contracts</li> <li>• Fully managed service</li> <li>• Less staff intensive</li> <li>• Consistency and efficiency</li> </ul> <p>Consortium wide system updates &amp; upgrades</p>

## 6. Issues for consideration

Issue/Risk	Mitigations
<p><b>Transition &amp; Migration Delays</b>  Risk: Timeframe for transition to new LMS may be longer than expected resulting in increased project delivery costs and delay to benefits.  Potential causes:  a. Existing data is of poor quality / data cleansing effort underestimated.  b. Poor level of cooperation from existing supplier if not selected.</p>	<ul style="list-style-type: none"> <li>• Ensure data cleanse Business As Usual activity is completed before the transition happens</li> <li>• Build contingency into current provision</li> <li>• Engage with other Local Authorities to understand their experience.</li> <li>• Incorporate sessions with selected supplier to enhance mutual understanding.</li> </ul>
<p><b>Data Migration Costs</b>  There will be additional costs to transfer data from existing LMS supplier. These will be part of the implementation costs.</p>	<ul style="list-style-type: none"> <li>• Review of existing contract with Legal.</li> <li>• Indicative costs for previous migration work obtained from current supplier regarding Southend.</li> <li>• Confirm charges with existing supplier and options to cover within existing budgets.</li> </ul>
<p><b>Thurrock Libraries</b>  A move to a new Library Management System and/or the Libraries Consortium will affect Thurrock</p>	<ul style="list-style-type: none"> <li>• Need to engage with them asap to ensure they are aware and so that we are aware of their preferred option</li> </ul>
<p><b>Contract Award could be over 2 months</b>  The standard contract requires amending to accommodate larger county councils. Libraries Consortium (LC) may not be willing/permitted to amend their standard contract documentation and therefore ECC may have to agree with LC for some special terms to be added to ECC's call-off contract only. Also ECC may require bespoke changes to standard spec, which could lengthen the procurement process.</p>	<ul style="list-style-type: none"> <li>• Engage with Libraries Consortium throughout process</li> <li>• Essex Legal and Procurement team to work closely to review and ensure documents meet standards and detail required before Contract Award</li> </ul>
<p><b>Bespoke requirements</b>  These could come at an additional cost and take us over the approved technology budget</p>	<ul style="list-style-type: none"> <li>• There may be insufficient budget within the £180,000 to cover the cost of additional requirements</li> <li>• If requirement costs exceed the amount available then the Library service will need to resource any excess from within their existing budgets.</li> </ul>

## **7. Financial implications**

- 7.1 The Future Libraries Strategy Cabinet Paper approved in July 2019 authorised the withdrawal of up to £3m from the Transformation Reserve to support the implementation of the new Strategy, with £180,000 for the procurement and implementation of the new LMS.
- 7.2 The soft market testing indicates that this funding should be sufficient to cover the implementation, configuration and data migration costs.
- 7.3 The ongoing maintenance and support costs of the system will be funded by Technology Services. It is not anticipated that this will create any pressure on the medium term resource strategy as there is existing budget available to pay the current support costs and new supplier costs are not expected to be any higher.
- 7.4 Should the risk of requiring to dual run the existing LMS alongside the new system materialise this could create a one-off cost pressure. At this point options will be investigated in order to mitigate this potential pressure.
- 7.5 More information relating to the one off and annual costs is provided in the confidential appendix
- 7.6 Decisions relating to e-stock will be subject to separate procurement arrangements and any associated governance.

## **8. Legal implications**

- 8.1 Use of a framework agreement is a lawful way of procuring. If there is a single supplier framework it is permissible to directly award the contract to the single supplier on that framework in accordance with the rules of that framework.
- 8.2 The new system will need to be configured in a way which ensures that we can meet our obligations to customers under the General Data Protection Regulation

## **9. Equality and Diversity implications**

- 9.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
  - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.

- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 9.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a characteristic.

## 10 List of appendices

**Appendix 1:** Equality Impact Assessment

**Appendix 2:** Confidential Appendix

## 11 List of Background papers

[Essex Future Library Services Strategy 2019-24](#)

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor Susan Barker, Cabinet Member for Customer, Communities, Culture and Corporate</b>	20/02/2020

**In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Executive Director for Corporate &amp; Customer Services</b>	24/01/2020
<b>Margaret Lee</b>	
<b>Director Customer</b>	06/01/2020
<b>Suzanna Shaw</b>	
<b>Executive Director for Finance and Technology (S151 Officer)</b>	19/02/2020
<b>Stephanie Mitchener for Nicole Wood</b>	
<b>Director, Legal and Assurance (Monitoring Officer)</b>	24/01/2020
<b>Paul Turner</b>	