

**Forward Plan reference number:** Not applicable

<b>Report title:</b> Purchase of new self-serve machines in libraries across Essex	
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<b>Date:</b> 27 <sup>th</sup> July 2020	<b>For:</b> Decision
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<b>County Divisions affected:</b> Libraries/All Essex	

## 1. Purpose of Report

- 1.1 To seek approval to procure 122 self-service machines to replace the 149 existing unsupported models across the whole library estate, 74 libraries. This aligns with the library strategy, agreed in 2019 to invest and modernise libraries.

## 2. Recommendations

- 2.1 The recommendation is for the purchase of a suitable replacement of the self-serve machines within Libraries. To enter a procurement process via the ESPO Framework 350-19 Lot 1A funded by the existing approved capital allocation and revenue under spends from 2019/20.
- 2.2 A decision is required to run a tender exercise with the 5 suppliers on Lot 1A of the ESPO Framework on behalf of the library service and once evaluated seek recommendation to award the contract to one of the suppliers on the authorisation of the delegated authority by Suzanna Shaw, Director Customer Services.
- a) The initial purchase will be inclusive of a one-year maintenance and support agreement entered with the supplier (to be agreed and handled by Tech Services).
  - b) The approved to procure the self-service machines is delegated to Suzanna Shaw, Director Customer Services.

Note: Value for money will be demonstrated and achieved by running a further competition between the 5 suppliers appointed to the framework. Through the further competition process suppliers are permitted to bid lower prices than their published framework prices but not higher. The evaluation will be based on 60% price and 40% quality split.

- c) The approval to award contract(s) is delegated to Suzanna Shaw, Director Customer Services.

### **3. Summary of issue**

ECC currently has 74 libraries with each library having at least one self-serve machine. The machines will enable customers to manage their Library account to checkout, return and reserve items from the library. The self-serve machines handle 345,906 or 70% (2019) of all transactions within the libraries. This, in turn, facilitates the release of staff to carry out other duties and provide additional services, such as children's events, etc.

The purchase and use of self-service machines are part of the Future Library Strategy for 'providing a modern library service and spaces, which are fit for purpose both now and in the future' as well as to 'Offer a consistently good customer experience'.

The current machines were purchased from Bibliotheca over the last 10 years and are now no longer covered by a maintenance contract. The machines have deteriorated in both their physical and software capabilities and have restricted functionality and/or software issues. They are also non compatible with the cash transactions functionality, and do not always provide accurate and reliable transactional records. They will not be GDPR compliant after December 2020, and will not be supported by TDS.

This is impacting on operational delivery, as well as impacting on staff and customers who avoid using the machines because they do not function correctly.

If the machines are not replaced, they will need to be removed which would result in the withdrawal of the self-service function from Essex libraries. This would impact on staff and customers, have a negative impact on the delivery of the Future Libraries Programme.

There are currently 149 machines in place across the service, and the use of each machine has been reviewed. The review recommends that the current number of machines across the estate is reduced from 149 to 122 in order to ensure that they are cost effective and fully utilised.

New machines purchased would come with a one-year free warranty, after which we would enter a maintenance contract with the supplier to ensure that the estate is maintained and developed.

The procurement process would be to run a further competition within a specialist framework (ESPO) aligning supplier capabilities with the service and technical requirements.

### **4. Options**

There are two main options to be considered:

1. Procure new machines
2. Continue as is/do nothing

1a Procure new machines via one of the below routes:

Further competition exercise under Eastern Shires Purchasing Organisation (ESPO) Framework ref 350-19 Lot 1A Library RFID Solutions (expiry date November 2021).

Advantages:

Faster procurement process than running a full tender as suppliers have already been assessed (during the procurement process to establish the framework) for their suitability in terms of financial stability, track record, experience, security and professional ability.

- Terms and conditions of contract already agreed under the framework.
- Leading RFID market players appointed to the framework
- Framework has been let in full compliance with UK procurement regulations.

Disadvantages:

- Limited number of suppliers available under the framework.

1b Full tender process using “Open” OJEU tender procedure:

Advantages:

- Unlimited number of suppliers permitted to tender.

Disadvantages:

- Significantly longer procurement process compared to using framework:
  - Suppliers to be assessed for financial stability, track record, experience, security and professional ability.
  - Potentially greater number of bids to evaluate.

Note: This option may no longer be viable within current time constraints

1c Full tender process using “Restricted” OJEU tender procedure

Advantages:

- Short-listing of applicants to select suitable suppliers.
- Restricted number of suppliers invited to tender.

Disadvantages:

- Significantly longer procurement process compared to using framework:
  - Suppliers to be assessed for financial stability, track record, experience, security and professional ability.

Note: This option may no longer be viable within current time constraints.

## 2. Continue to maintain estate until end of current machine life/do nothing

To continue the support from TDS until the machines were either out of support December 2020 (software) and would then be running at risk (as non GDPR compliant) or were unrepairable/beyond economic repair. This would accelerate a gradual decline in the self-service offering.

### Advantages:

- There is no initial expenditure associated to this option and we would be able to manage and repair machines in house.
- There is initial cost avoidance as the new machines would not be purchased.

### Disadvantages:

- There will be a need for more face to face contact with service users which, is not advised following Covid-19.
- During 2018/19 RFID's were used for a total of 4,265,016 transactions – with staff transactions totalling 1,852,524. The percentage split across the year was 70/30 respectively
- Removing self-service functionality, would mean a significant percentage shift of transactions which will need to be undertaken by staff. Using the FTE across the library service during this same year as a baseline – it shows that it would have a heavy impact on their ability to maintain a service to the public) as well as completing their other tasks and activities
- The machines would not be GDPR compliant. A further licence would need to be purchased to ensure the machines are secure.
- The operating system is outdated and end of life.
- Additional resource would need to be identified from Technical Services to help support the machines. However, the remedial work carried out would only maintain the machine as is, without the purchase of expensive parts (from one of the potential suppliers).

**The preferred option is to purchase the required machines via the ESPO Framework 350-19 Lot 1A enabling a time sensitive resolution to be attained with confidence in the procurement route.**

## 5. Issues for consideration

Name and Description	Mitigation
Procurement timelines could extend past workable timeframes – especially if a full tender process (using either the “Open” or “Restricted” procedure).	Timeline is governed closely with key cut off deadlines being highlighted.
The amount of time for implementation/roll out of machines could exceed current parameters	Gain clear sight of delivery timelines during any potential procurement exercise and develop implementation plan accordingly
The recent Covid 19 outbreak could affect supplier's capability to deliver the required	Early engagement with potential suppliers to understand associated timelines and

number of machines within the required timeframe	capabilities to fulfil ECC requirements (number of units and cost).
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## 6. Financial implications

Based on the costs contained in the ESPO framework the cost of the 122 machines is anticipated to be between £440,000 and £542,000 depending on supplier.

The purchase of the machines will be partially funded by the RFID replacement scheme that is in the capital programme (£342,000) with the remaining balance (up to £200,000) funded by a carry forward of revenue under spends from 2019/20. In the event the carry forward is not approved the balance will be funded by the Future Libraries Programme (funding earmarked for technology and libraries modernisation approved at Cabinet in July 2019).

Further costs of, circa, £60,000 per annum, are required for a suitable maintenance contract (1<sup>st</sup> year is under warranty with maintenance contract billable from year 2 onwards), these costs will be contained within the existing Library Services budget from 2020/2021 onwards.

## 7. Legal implications

The procurement will be conducted under ESPO Framework Agreement 350-19 Lot 1a which has been let in full compliance with The Public Contracts Regulations 2015 (PCR 2015) and expires in November 2021. By running a further competition in accordance with terms of the framework, the Council will ensure that it is fully compliant with its own internal procurement policies and with PCR 2015.

## 8. Equality and Diversity implications

- a) The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

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

Advance equality of opportunity between people who share a protected characteristic and those who do not.

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

- b) 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).

- c) The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## 9. Appendices

- A copy of the EQIA is available for review.

<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 Customer, Corporate, Culture and Communities</b>	<b>27/07/20</b>
<b>Margaret Lee FCPFA, Executive Director for Corporate and Customer Services</b>	<b>06/08/20</b>

In consultation with:

<b>Role</b>	<b>Date</b>
<b>Suzanna Shaw, Director Customer Services</b>	<b>04/08/20</b>
<b>Peter Shakespear - Head of Finance Corporate &amp; Strategic Partnerships</b>	<b>07/08/20</b>