




Report to:	Strategy & Resources Committee	Date:	15 January 2018
Report title:	Request for delegated authority to award tender on behalf of the London Libraries Consortium		
Report from:	Jan Underhill – Assistant Director, People Services Directorate (Wellbeing)		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Ruth Dombey		
Author(s)/Contact Number(s):	Madeline Barratt – Head of Libraries, Heritage and Arts - 020 8770 4755		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • An Open Council • A Green Council • A Fair Council • A Smart Council 		
Open/Exempt:	Open		
Signed:	 (Acting as Strategic Director)	Date:	04 January 2018

1. Summary

- 1.1 Sutton Library Service is the lead authority for the London Libraries Consortium (LLC). The London Libraries Consortium is the country's largest library consortium, serving over 150 library branches. The London Libraries Consortium shares a range of services including a library management system that stores customers personal and transactional information; cost effective procurement of books, audio visual materials, online resources, etc; and shared transport arrangements for the delivery of stock across the consortium
- 1.2 The London Libraries Consortium offers access to over 5.7 million items of stock across the consortium and each year, over 200,000 users take advantage of the chance to borrow stock from another authority. The consortium provides wide access to facilities, expertise and resources and to significant savings each year.
- 1.3 Axiell is the London Libraries Consortium's present technology partner and provides the current library management system, 'Open Galaxy'. The system is managed by Axiell on a single server, connecting to all of the London Libraries Consortium libraries across London. This system has been in place since 2004. The London Libraries Consortium has agreed that it is appropriate to go out to the market and source a more modern, cost effective system that suits the needs of a modern library service.

2. Recommendations

The Strategy and Resources Committee is recommended to:

- 2.1 Delegate authority to the Strategic Director - People to award the Single Supplier Framework Agreement, on behalf of the London Libraries Consortium to the winner of the competitive procurement process carried out in accordance with the PCR 2015.
- 2.2 Delegate authority to the Strategic Director - People to enter into a call off contract with the winner of the competitive procurement process for the services Sutton requires.

3. Background

- 3.1 In 2004 the London Borough of Havering established a single supplier Framework Agreement for the supply of a library management system. This Framework Agreement governs the relationship between Havering and Axiell, the current supplier in respect of the services supplied. Over the past 13 years, a total of 17 London Libraries Consortium authorities have signed up to this Framework Agreement which enables them to purchase goods and services at competitive rates, including a shared Library Management System.
- 3.2 Following a change in management and resources in Havering, the London Borough of Sutton took over as Lead authority for the London Libraries Consortium in April 2017 and has taken the lead on establishing a new Framework Agreement and developing a new specification, in consultation with the other members of the London Libraries Consortium. The LLC is not a company or any other form of corporation, but the name given to the grouping of local authorities who have availed themselves of the services offered by Axiell in the past and wish to procure further services under the new Framework Agreement.
- 3.3 The London Libraries Consortium is looking for a new system that is innovative, within budget resources, and which allows for the development of new service provisions, currently not available throughout any of the 17 authorities. A key feature of the new system will be on-going adaptability to ensure that the library system can continuously interface with new technology. Other key drivers for the new system will be enhancing connectivity with other organisations, increasing the online visibility of public libraries, and enabling customers to interact online.
- 3.4 In August 2017, suppliers submitted their expressions of interest in tendering for the new contract and invitations have been sent out inviting 6 shortlisted suppliers to submit a full tender. The closing date for the full tenders is 11 January 2018.

3.5 Timetable for transition process

Action	Date
Completion of contract documentation:	July 2017
Advertisement of Contract:	August 2017
Completion by Suppliers of Standard Questions and short list selection:	September 2017
Return of Full Tenders and Evaluation:	11th January 2018
Contract Award:	February/March 2018
Transition to new supplier :	April - December 2018
Go live	January 2019

4. Issues

- 4.1 The “do-nothing” option is no longer viable because the current system is over 13 years old and is no longer singly suitable for a modern library service. It is not cloud based, and it is expensive and cumbersome, making it non cost effective and resource high. It does not include features that would appear as standard in a new system such as interacting with customers, electronic resources, mobile phone technology, etc. These features are either not available or are charged as additional functions at a premium cost.
- 4.2 The “do-nothing” option is also not possible because the existing framework agreement ends on 31 March 2018. If a new Framework Agreement had not been established then Sutton and the other 16 members of the London Libraries Consortium would have to individually tender for a new library management system, which would be expensive and detrimental to the service currently offered to customers, as it would end the joint benefits offered by the consortium.
- 4.3 All 17 authorities have demonstrated their commitment to the procurement of a new Library Service Platform and to continuing their membership of the London Libraries Consortium and have all signed a Memorandum of Understanding to this effect.
- 4.4 Once the contract is awarded (expected March 2018) the transition period will begin. This will involve each London Libraries Consortium authority signing an individual call off contract as part of the new Framework Agreement, which specifies that Sutton is the Lead Authority, but that Sutton is not financially liable or responsible for the individual authority call off contracts.
- 4.5 The new Framework and continued membership of the London Libraries Consortium will provide each authority access to shared resources and discounts. It will run for 4 years with the potential to extend for a further 4 years. Any authority signing up to the Framework Agreement will be required to sustain this commitment until at least the end of the first four years.

- 4.6 Preparations for transition will be a lengthy process for each authority taking at least six to nine months to complete with an anticipated go live date in January 2019. At this stage, a single move over to the new system for all 17 authorities is the preferred option of the London Libraries Consortium in order to retain the shared catalogue and access to stock across the 17 authorities but this may be subject to change once the new supplier is established.
- 4.7 Procuring a new Library Service Platform for 17 authorities is a complex task. Individual authorities' procurement timelines, internal procedures, corporate and political priorities mean the management of the procurement process must be controlled and every authority needs to be aware of their responsibilities to keep within the timeframe. Evaluating the tenders, testing the new suppliers, viewing the new ways of working will take up time and resources and individual staff in each authority will be required to support the process.
- 4.8 Internally, Sutton staffing resources will be required to manage the project, and ensure that timescales can be met to configure the system for library use including integration with the finance systems and ICT infrastructure. Teams are currently being put together.

5. Options Considered

- 5.1 Continue with the current supplier: This was rejected on the grounds that the current contract has rolled over for several years and that a look at new systems is well overdue. The current contract had been in place in most of the 17 authorities for over 13 years, which is not best practice or compliant with current procurement rules and regulations.
- 5.2 Going out to the market provides the London Libraries Consortium with an opportunity to enhance service provisions to customers and to be ambitious with services in the future. The new system could provide a single Library Services Platform which would enable the London Libraries Consortium to work with other authorities and suppliers, interface with new technology, and provide a more bespoke marketing service including sending emails to customers that reflect their interests for reading materials and event, etc. The single Library Services Platform would have the potential to expand and could possibly become a national library platform. This was considered to be the preferred option as the London Libraries Consortium wanted to explore if there is a cost effective, innovative system available or one that could be developed.

6. Impacts and Implications

Financial

- 6.1 The new supplier will be procured through a restricted tender procedure and each authority has agreed to commit a maximum cap of £50,000 per annum for the first four years of the contract. This equates to their current core library system costs and allows for the provision of a new core system plus the development of an innovative platform.
- 6.2 There is a 1% deduction in fees for every authority that joins up to the new Framework agreement.

- 6.3 Costs associated with the procurement will be funded centrally by London Libraries Consortium members using achieved savings in the existing contract. These funds are centrally held and have enabled the London Libraries Consortium to progress the procurement process by appointing supporting consultants and funding legal advice during the procurement process and for the development of the new single supplier framework agreement.
- 6.4 A fixed cost of £2.5K per authority per annum has been included in the new contract to contribute to the on-going cost of managing the Framework Agreement post award. This budget will be held by Sutton as Lead Authority.
- 6.5 The new system will be very different to the current system, and will include many modern features that currently incur additional costs - such as mobile technology and the capacity to email customers. The new system will offer significantly enhanced and modern services currently not available. It will be cost effective and support Sutton's eVolve's vision to engage and empower residents through technology and to make improvements to the way we work.
- 6.6 The eVolve programme and the Procurement Board have approved the purchase of the new Library Management platform as it fits into both the eVolve vision and the Digital Strategy agenda which looks at how we can deliver savings and efficiencies through improvements.
- 6.7 Each local authority within the London Libraries Consortium has been requested to identify and set aside capital funding for one off transition costs based on their local circumstances. Sutton's capital costs of the transition to the new system are estimated at £100k, including the cost of project management support, transferring 3rd parties over to the new system costs, training and publicity, etc.

Legal

- 6.8 The procurement of a Framework Agreement has been initiated in accordance with the PCR 20015, which provides that Framework Agreements should not normally exceed four years duration.
- 6.9 The procurement is for a Framework Agreement of that duration with Sutton having the option to extend year by year to a maximum of a further four years, if it is considered that in the circumstances the subject matter justifies such extension.
- 6.10 A Call Off Contract will be entered into by a consortium member and the framework supplier. No other consortium member will have any obligation or liability in relation to that contract.

7. Appendices and Background Documents

Appendix letter	Title
A.	Business Case for the Procurement Board, 14 July 2017
B.	Risk Register
C.	Equality Impact Assessment

Background documents
None

Audit Trail		
Version	Final	Date: 04 January 2018
Consultation with other officers		
Finance	Yes	Sue Hogg
Legal	Yes	John Cheetham
Other Officers:	Yes	Steve Hoy Procurement Manager
Equality Impact Assessment required?	Yes	Completed - Appendix C