

## WEST DUNBARTONSHIRE COUNCIL

### Report by the Executive Director of Corporate Services

Tendering Committee: Wednesday 13th February 2008

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#### **Subject: Tender for the Supply and Maintenance of an Externally Managed Anti-spam Service**

#### **1. Purpose**

1.1 This report seeks Committee approval to award a contract for an externally managed Anti-spam service.

#### **2. Background**

2.1 A request for approval was submitted to the Committee on 25 April 2007 for the initiation of an open tendering route for an externally managed Anti-spam service.

2.2 The Committee agreed to approve this route.

#### **3. Main Issues**

3.1 An advert inviting tenders was placed in the Herald on Thursday 1 November 2007. Tender packs were issued by Corporate Procurement Unit to thirty two (32) companies which responded to the advert. On the closing date, eight valid tenders were received from the following companies:

- Scotland Online Ltd, CBC House, 24 Canning Street, Edinburgh, EH3 8EG
- TCF Communications Ltd, Phoenix House, 5 South Avenue, Clydebank Business Park, Clydebank, G81 2LG
- Scotsys Ltd, 10 James Street, Righead Industrial Estate, Bellshill, ML4 3LU
- IBM, PO Box 41, North Harbour, Portsmouth, PO6 3AU
- Data Connect, Cart Lodge, Goodley Stock Road, Westerham, Kent, TN16 1SL
- Morse, Profile West, 950 Great West Road, Brentford, Middlesex, TW8 9EE
- DNS, 83 Princes Street, Edinburgh, EH2 2ER
- Dell Corporation Ltd, Milbanke House, Western Road, Bracknell, Berkshire, RG12 1RD

3.2 The eight valid tenders have been comprehensively evaluated on the following criteria:

Financial 70%,

Quality 20%

Service 7%

Administration 3%

The evaluation team comprised staff from the Corporate Procurement Unit together with staff from ICT & Business Development.

- 3.3** The completed evaluation matrix is attached for information at Appendix 1 from which it can be seen that Supplier 5 Data Connect is the preferred bidder.

#### **4. Personnel Issues**

- 4.1** Nil.

#### **5. Financial Implications**

- 5.1** The completed tender cost matrix is attached for information at Appendix 2 from which it can be seen that Supplier 5 Data Connect is the most competitive tenderer offering best value to West Dunbartonshire Council.

- 5.2** The tender cost is within the available budget.

#### **6. Risk Analysis**

- 6.1** The tenderer Data Connect will sub contract the service to Email Systems. Data Connect is a partner of Email Systems. This is typical of this market.

The Council will agree to allow Data Connect to subcontract the service to Email Systems as they have confirmed they will comply fully with the Council's terms and conditions of contract.

Data Connect will provide the Council throughout the term of the contract proof of payment to Email Systems assuring the Council of continuity of service.

- 6.2** Examination of the preferred tenderer and service provider's financial accounts and independent credit reports highlighted some areas of concern in relation to the financial stability of both companies.

The risk factors have been fully considered by the evaluation team and discussed with the companies concerned. The difference in price between the preferred tenderer and service provider and the next highest scoring bidder is significant (£24,600 per annum) and represents the most economically advantageous offer for the Council.

It is considered that the financial advantage outweighs the potential risks that would arise should either of the companies go into liquidation. Should this situation arise, the operational procedure of the Council would be to immediately re-route the incoming mail direct to the Council's mail servers. This would have no major impact to the operation of the Councils IT infrastructure.

In order to minimise risk, payment for the service will be quarterly in advance for the first year with a negotiated payment schedules thereafter, subject to Council satisfaction, rather than the standard year in advance.

## **7. Conclusions**

- 7.1** The tendering process has successfully identified a supplier which can provide the overall best service at a competitive price for Council over the period of the contract.

## **8. Recommendations**

- 8.1** The Committee is invited to consider and approve the award of this contract to Supplier 5 Data Connect for a period of three years with the option to extend for one further period of 12 months. Any extension of this contract would be the subject of a future report to the Tendering Committee.

**Joyce White**

**Executive Director of Corporate Services**

**Date: 13<sup>th</sup> February 2008**

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**Person to Contact:** Dorothy Farquhar – Section Head – Operations (ICT & BD), tel: 01389 737195

**Appendices:** Appendix 1: Tender for an externally managed Anti-Spam Service - Evaluation Scoring

Appendix 2: Tender for an externally managed Anti-Spam Service - Financial Evaluation

**Background:** Request to the Committee on 25 April 2007 entitled "Tender for the Supply and Maintenance of an Externally Managed Anti-spam Service"

**Wards Affected:** All

**Appendix 1**  
**Evaluation Scoring**

<b>Criteria</b>	<b>Supplier 1</b>	<b>Supplier 2</b>	<b>Supplier 3</b>	<b>Supplier 4</b>	<b>Supplier 5</b>	<b>Supplier 6</b>	<b>Supplier 7</b>	<b>Supplier 8</b>
Financial <b>70%</b>	42.08	5.84	15.58	47.76	67.62	10.20	17.50	12.34
Quality <b>20%</b>	19.41	20.00	19.41	19.41	18.82	17.06	17.06	16.47
Service <b>7%</b>	6.81	6.22	6.42	7.00	6.22	6.61	5.44	6.03
Administration <b>3%</b>	1.67	2.33	2.33	3.00	1.33	1.33	3.00	1.67
<b>Total</b>	<b>69.96</b>	<b>34.40</b>	<b>43.74</b>	<b>77.18</b>	<b>94.00</b>	<b>35.21</b>	<b>43.00</b>	<b>36.50</b>

**Appendix 2**  
**Cost Evaluation**

<b>Item No.</b>	<b>Total Qty</b>	<b>Description</b>	<b>Supplier 1</b>	<b>Supplier 2</b>	<b>Supplier 3</b>	<b>Supplier 4</b>	<b>Supplier 5</b>
1	2500	Managed Anti SPAM/Anti Virus service	£10.80	N/A	N/A	£12.60	£7.20
1		<b>TOTAL COST</b>	<b>£27,000</b>			<b>£31,500</b>	<b>£18,000</b>
2	2500	Managed Image Control service	£12.30	N/A	N/A	£9.24	£8.16
2		<b>TOTAL COST</b>	<b>£30,750</b>			<b>£23,500</b>	<b>£20,400</b>
3	2500	Managed Content Control service	£13.50	N/A	N/A	£9.24	£8.16
3		<b>TOTAL COST</b>	<b>£33,750</b>			<b>23,500</b>	<b>£20,400</b>
4	2500	Managed “Bundled” Service (Tenderer to itemise modules included in the bundle)	£15.00	£21.11	£7.92	£18.00	£8.16
4		<b>TOTAL COST</b>	<b>£37,500</b>	<b>£52,786</b>	<b>£19,800</b>	<b>£45,000</b>	<b>£20,400</b>
		<b>TOTAL OVERALL SCORE</b>	<b>42.08</b>	<b>5.84</b>	<b>15.58</b>	<b>47.76</b>	<b>67.62</b>

\*Cost per annum based on a 3 year contract for 2500 mailboxes.