

PROCUREMENT OF MARKETPLACE ORDERING SYSTEM - EXEMPTION FROM PROCUREMENT RULES AND AGREEMENT TO THE PLACEMENT OF A ONE YEAR CONTRACT

Purpose

To outline the procurement process undertaken to identify a suitable marketplace ordering system beyond the expiry of the current contract term, to justify the selection of the preferred solution, and to recommend an exemption from procurement rules on the basis the preferred solution demonstrates value for money.

Background

In 2020 the Council entered into a 3-year agreement with TET Ltd for an e-marketplace online ordering system. The initial 3-year contract term ended on 1st June 2023, with a subsequent two-year extension utilised, taking the contract term up to 1st June 2025. With the contract expiry date now reached, the current contract provider has put forward the opportunity for an additional one-year 'extension' with no price increase from prior year.

The procurement process for securing a new contract had commenced prior to the current contract provider highlighting the option for a final one-year extension, with a Project Initiation Document and Statement of Requirements Document already submitted to Essex Procurement Partnership. However, it was considered important to review this 'extension' opportunity and assess its potential value for money as part of that 'live' procurement process.

Procurement process

The extension opportunity put forward by our current contract provider has been assessed against other options available via the relevant procurement framework (GCloud 14). The primary shortlisting process focused on identifying options with (1) a private cloud deployment model, (2) a data storage and processing location within the United Kingdom, and (3) a product not sold by a reseller.

This filtering process associated with the GCloud 14 framework arrangements provided a shortlist of fourteen options. Of these, a number were geared to specific sectors (namely Transport and Health) and therefore not relevant to TDC, with the remainder being identified as more costly when compared to the option put forward by our current provider.

Recommendation

The procurement process undertaken has identified the one-year contract extension opportunity with the current provider as demonstrating better value for money. The quoted price of £18,411.00 has not increased from prior year and as such is within current budgetary constraints (and is approx.. £6k less than the next most competitive price available via the GCloud 14 framework). The recommendation is therefore to seek an exemption from procurement rules to enable the acceptance of the one year term offered and in doing so secure the current marketplace ordering system for a further 12 months with the Council's current provider.

The Project Initiation and Statement of Requirements documents previously submitted to Essex Procurement Partnership can be effectively 'paused' until January 2026 at which stage officers will recommence the process to procure a solution beyond 1st June 2026.

Placing a one-year contract via a procurement exemption also enables the opportunity to explore options with LGR partners during 2026 to secure ongoing value for money on behalf of the Council.