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College of
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Case study for NFC53 – CLEP Standard Hardware eAuction

Headlines

Forty-three Customer organisations aggregate demand and save c£250,000 on IT Hardware The competition has the potential to attract significant savings with a maximum spend potential of c£115m and forecasted savings of c£5.2m based on average savings achieved across all product lines.

In October 2016, Insight, XMA, Stone and Misco won an aggregated eAuction to provide ICT hardware and associated services using CCS Technology Products Framework Agreement as the procurement vehicle.

A total of 43 Customers participated in the competition comprising 34 individual forces, 7 Fire and Rescue Service organisations, 1 Ambulance NHS Foundation Trust and the Home Office.

Policing Lead Chief Constable Andy Marsh congratulates all customers involved in this successful collaboration, demonstrating that the key principles of the Collaborative Law Enforcement Programme has resulted in cost savings and an easy route to market for standard hardware.

The requirement

The Home Office Collaborative Law Enforcement Procurement (CLEP) Programme – Commoditised ICT had a strategic objective for this category to achieve savings through the standardisation of ICT Commodities. By reducing the number of variations in “off the shelf” products and aggregating demand, before going out to competition; then by using the Crown Commercial Service Frameworks, their goal was to achieve economies of scale and competitive pricing to deliver savings.

The CLEP Project Board collated Customers’ requirements, based on the standard specifications agreed and endorsed by the Police Technology Council. The CLEP Project Board asked CCS to run a competition based on agnostic specifications, however the Customer commitments supported branded devices aligned to their current IT infrastructure, taking into account total cost of ownership and mitigating the cost of change. It was agreed that the competition would combine both aspects.

The CLEP Project Board driver was to include as many participants as possible and not to reject requirements for minor variations that were not significantly different to the standard specifications.

The process

Using the Crown Commercial Service Technology Products Lot 1 Framework Agreement, a further competition was run, whereby the most economically advantageous offer in the market was obtained by taking into consideration both price and non-price factors. The further competition was concluded with a reverse eAuction.

Only Suppliers that were able to fully meet the stringent qualitative requirements were taken forward to the price evaluation i.e. the auction.

The individual call-off agreements under this arrangement with the successful Suppliers are valid for 12 months with an option to extend for a further 12 month period. Given the potential length of the agreements, and the current economic climate, it was vital that technological advancement and price protection, including accounting for currency fluctuations were fully catered for in the tender documentation.

Regular meetings were also held with the CLEP Project Board throughout the process to discuss and agree multiple issues including; evaluation criteria; lotting strategy; communications plan. In addition, the CCS provided advice on best practice procedures, highlighting potential risks and providing a number of recommendations to ensure the procurement was robust.

The results

The eAuction competition, which took place in September 2016, brought together the common laptop; desktop; monitors; tablets; and hybrids of 38 individual participating organisations, amounting to some 7,677 devices (rising to 13,043 with accessories included) as a minimum commitment over a 12 month period.

Against a pre-auction value of £5.6M it achieved between 3.74% and 7% savings over 5 individual Baskets of goods. Given the economic climate following Brexit, no ceiling prices were applied to this competition as last price paid was considered to be neither fair nor accurate against current market conditions. This is the equivalent of a saving of c£250K against committed minimum volume for the participating Customers over a 12 month period.

These results clearly demonstrate that with aggregated volumes and the adoption of a standard specification for a commodity product or service, cost savings can quickly be realised even when prevailing market conditions indicate otherwise.

For further information

National aggregated further competitions are a tried and tested approach which has delivered significant savings to the public sector.

This is a fully managed service provided and funded by CCS. We will draft all documentation, build the specification and run the procurement.

Customers just need to complete a form to express their interest, provide the final volume of goods and/or services required prior to us going to market and sign a contract with the successful Supplier.

We would like to hear from Customers who are interested in securing savings by aggregating their requirements with other Customers for commodity goods and services.

To find out more about future opportunities, please view the regularly updated technology aggregation pipeline: <https://www.gov.uk/government/publications/buying-technology-how-ccs-can-help>

To register or find out more please email technologyaggregation@crownccommercial.gov.uk