

Dear Ms Evans

FOI request

Thank you for your request for Information which was received by Essex County Council on 9 May

Below are responses to your questions

Dear Essex County Council,

1. Could you provide me with a complete list of the projects that IBM is involved with for ECC?

There are currently two projects in progress

The Data Centre project which is managed by the Chief Information Officer Ms Gillian Furlong

The Procurement Savings project overseen by the Head of Procurement Mr Anthony Doyle

2. Is there a member/s of ECC who is responsible for overseeing the projects that are run by IBM, if so can you name these members?

See above. In addition Councillor David Finch is the Member with overall responsibility for the contract.

3. Does IBM have an over-arching contract with ECC or is new work built into the agreement or are there separate agreements for work as it arises?

ECC Has a "Master agreement with IBM which is a flexible agreement which:

- Sets out a contract term of 8 years, which can be extended to 12 years at ECC's discretion.
- Allows for ECC to terminate the partnership for convenience after 2 or 4 years, at no cost, whilst allowing work on existing projects to continue.
- **Stipulates that ECC is not obliged to approve Business Cases for projects.**
- Makes clear that IBM is not the automatic, exclusive provider of services for the EssexWorks Customer First Transformation Programme and that ECC can procure from the market.

- Allows ECC to conduct market testing and benchmarking in the course of the Business Case approval process.
- Sets out the governance process by which individual business cases would be approved and become 'Approved Business Cases'.
- Allows ECC to maintain control over its Transformation Objectives and Metrics, and these can align with ECC's Corporate Plan and Direction of Travel.
- The MA makes it clear that ECC is not committed to a project until each Business Case has been approved.

The MA does not require ECC to approve any individual business case or require ECC to use IBM on transformation projects. This will enable ECC to take decisions on individual projects on the basis of cost-benefits analysis and 'best fit', rather than because of contractual requirements or indeed mere contractual 'convenience.'

The MA allows for ECC to terminate 'Approved Business Cases' (ABC) without prejudice to the overarching MA. Approved Business Cases will contain standard breach-related termination provisions, which would be agreed and approved on an individual basis as part of the governance process of approving individual projects. Each business case state termination charges up front to give ECC instant visibility and aim decision making. The preferred approach is to structure the work packages to allow for an initial feasibility stage followed by a series of 'Go/ No Go' decision points to limit any such termination liabilities.

ECC will need to satisfy itself that each Business Case is robust and sets out clearly defined objectives, scope, deliverables and outcomes. **The MA does not require ECC to approve any individual Business Case, which will be treated on its own merits.'**

I have highlighted in Bold the most relevant sections

4. For the original agreement for services from IBM what was the scrutiny process and could you point me to the original documents and minutes of meetings?

Attached is a copy of the relevant cabinet decision



CAB03109.pdf (25 KB)

This document also refers to relevant background papers.

All Public Decisions are published on our Web site at
<http://www.essex.gov.uk/Your-Council/Committees-Decision-Making/Pages/Committees-Decision-Making.aspx>

5. How does the council run/manage the relationship with IBM or is it run on an adhoc basis? Do you have a scrutiny committee for ECC dealings with IBM?

See the Master agreement above, the relationship is run on a project by project basis.

6. When services from IBM are required could you point me to cabinet supporting documents and approval documents?

See the Master agreement above the relationship is run on a project by project basis

7. Could you explain why the list of top contracts with ECC
<http://www.essex.gov.uk/Your-Council/Council-Spending/council-contracts/Documents/1103_CFT_Contract_Summary_v1.0.xls>
does not seem to include information about the work IBM does for ECC?

The list of Contracts are new contracts from 1 January 2011 and since that time there have been no new contracts with IBM. Therefore none appear.

8. The spending over £500
<<http://www.spotlightonspend.org.uk/68/Essex+County+Council/Downloads>>
shows some payments to IBM UNITED KINGDOM LTD and IBM UNITED KINGDOM FINANCIAL SERVICES LTD, does this cover all payments to IBM or is there another supplier that is a subsidiary of IBM but maybe has a name without IBM in it, that is included in this list.

This covers all payments to IBM

9. Could you explain the pattern of payments to IBM, is there an initial payment for services and then subsequent payments for additional work?

Payment structures to IBM vary depending on the individual service or project terms

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Please contact me if you would like further advice or assistance about your request or your right to access information held by Essex County Council.

If you are not satisfied with my response to your request, please let me know. If I am unable to resolve the issue immediately, I will explain our complaints procedure.

If, after following our complaints procedure, you are still not satisfied, you are entitled to ask the Information Commissioner to review our decision. You can contact him at Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, telephone 01625 545700.

Yours sincerely

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