

# Case Study: EquaTerra Helps UK City Council to Improve Value for Money in Information Technology Services Contract

## At a Glance

### Company Profile

The City of Edinburgh Council (UK) is responsible for providing services such as education, social work, housing, culture and leisure to over 440,000 citizens. The council's remit also includes promoting the city worldwide.

### Services Featured

- Proposal Analysis and Evaluation
- Comparison to Current Market Rates and Services
- Risk Analysis

### Functional Information Technology Areas in Scope

- Metropolitan Area Network
- Bulk Printing
- Desktop services

## Executive Summary

The City of Edinburgh Council was in the process of negotiating a contract extension with its information technology (IT) service provider regarding front-line service applications (public-facing applications such as desktop, networks and printing services) and wanted to undertake a final piece of due diligence before agreeing to the contract extension.

The proposed IT improvement project could not be offered to the market in a competitive process, as a single preferred provider was used to deliver all IT services to Edinburgh Council. The council therefore wanted their provider's proposal to be assessed in terms of cost, approach and risk to ensure that it represented good value for money.

EquaTerra was engaged to analyse key services and make recommendations, as well as assisting with managing the partnership more strategically.

## The Business Challenge

The needs of the council were very specific; EquaTerra was engaged to help deliver a commercially competitive deal, despite only one supplier being in a position to tender for the contract.

EquaTerra also had to support the City of Edinburgh Council in being able to prove that a sufficiently robust approach had been used in the negotiation process. This was in order to allow the IT department to demonstrate to stakeholders that a good deal had been achieved in the contract despite there being a sole source solution.

## How We Helped

EquaTerra's extensive market knowledge made it well placed to assess the quality and value of the improved IT delivery proposal. The deal was tested using the criteria of cost, approach and risk.

Costs for the proposed IT infrastructure and labour required were broken down and analysed. However, this was more detailed than a straightforward rate card analysis comparing the preferred supplier's costs against market rates. Investigation was taken down to the level of evaluating the skill levels of staff and seeing whether they were being used as efficiently as possible.

The approach of the preferred provider was then assessed and a risk analysis conducted to ensure that a robust, secure strategy was being proposed.

## Results

Following EquaTerra's review of the proposed deal, The City of Edinburgh Council was able to negotiate its IT contract with the single supplier with confidence and ensure that it delivered value to their organisation. EquaTerra also highlighted potential areas of risk - and solutions for mitigating this risk. For example, EquaTerra proposed that payment schedules be restructured to be aligned more closely to outcomes to reduce the risk of the contract not delivering value.

## About EquaTerra

EquaTerra sourcing advisors help clients achieve sustainable value in their IT and business processes. Our advisors average more than 20 years of industry experience and have supported over 2000 transformation and outsourcing projects across more than 60 countries. Supporting clients throughout the Americas, Europe, and Asia Pacific, we have deep functional knowledge in Finance and Accounting, HR, IT, Procurement and other critical business processes. EquaTerra helps clients achieve significant cost savings and process improvement with internal transformation, shared services and outsourcing solutions.

[www.equaterra.com](http://www.equaterra.com)

## Contact Us

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