

# Birmingham City Council

## Finance and Resources Overview and Scrutiny Committee

Date 27<sup>th</sup> July 2023



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**Subject:** KEY DECISION PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)

**Report of:** STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

**Report author:** Steve Sandercock - Assistant Director – Procurement

### 1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period August 2023 – October 2023 which are key decisions. Planned procurement activities reported previously are not repeated in this report.

### 2 Recommendations

- 2.1 To note the reports and any findings from Cabinet.

### 3 Any Finance Implications

- 3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.
- 3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

### 4 Any Legal Implications

- 4.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 4.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

## **5 Any Equalities Implications**

- 5.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy

## **6 Appendices**

- 6.1 Appendix 3 – Exempt Information

# Birmingham City Council

## Report to Cabinet

Date: 25<sup>th</sup> July 2023



**Subject:** KEY DECISION PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)  
**Report of:** ASSISTANT DIRECTOR – PROCUREMENT  
**Relevant Cabinet Member:** Councillor Brigid Jones, Cabinet Member for Finance and Resources  
**Relevant O &S Chair(s):** Councillor Jack Deakin, Chair of Finance and Resources OSC  
**Report author:** Steve Sandercock, Assistant Director, Procurement  
Email Address: [steve.sandercock@birmingham.gov.uk](mailto:steve.sandercock@birmingham.gov.uk)

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011448/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : 3. Information relating to the financial or business affairs of any particular person (including the council)		

### 1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period August 2023 – October 2023 which are key decisions. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.

## **2 Recommendations**

- 2.1 To approve the planned procurement activities as set out in Appendix 1 and approve Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

## **3 Background**

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12<sup>th</sup> July 2022 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m for key decisions over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.3 In line with the Procurement and Contract Governance Rules that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £10m (excluding VAT) for key decisions. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.5 It should be noted that the procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.6 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.7 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

## **4 Options considered and Recommended Proposal**

### **4.1 The options considered are:**

- To identify specific individual procurements as listed in appendix 1 for further consideration, along with clear reason(s) for such additional consideration, to Cabinet around the procurement strategy and contract award.
- To approve the planned procurement activities for all the projects listed in appendix 1 and approve Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

## **5 Consultation / Engagement**

- 5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

## **6 Risk Management**

- 6.1 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.
- 6.2 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

### **7.2 Legal Implications**

- 7.2.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 7.2.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

### **7.3 Financial Implications**

- 7.3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.

- 7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

#### **7.4 Procurement Implications (if required)**

- 7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.
- 7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and detailed in the appendices.

#### **7.5 Human Resources Implications (if required)**

- 7.5.1 None.

#### **7.6 Public Sector Equality Duty**

- 7.6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy

### **8 Background Documents**

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity August 2023 – October 2023
  - 2. Appendix 2 – Background Briefing Paper
  - 3. Appendix 3 – Exempt Information
  - 4. Appendix 4 – Notification of Minor Amendments

## **APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)**

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	IT Service Management Solution	TBC	Provision of a cloud hosted IT Service Management (ITSM) platform with Software Asset Management (SAM) and workflow capability in order to support the delivery of: - IT Operations Management - Incident Problem & Change Management - Release management - Wider IT Business processes such as starters, leavers and movers (SLAM)	3 years with an option to extend for a further 2 plus 1 year	Digital and Customer Services	Digital, Culture, Heritage and Tourism	Lee Bickerton	Phil Giann / Jake Smith	21/08/2023
2	Strategy / Award	SAP Hosted Live Archive	TBC	Provision of a hosted platform/ service to live archive SAP Finance and HR (along with associated satellite components) to allow the decommissioning of the final elements of the council's legacy data centre server estate, while still allowing minor historic updates to the existing data.	3 years with an option to extend for a further 2 plus 1 year	Digital and Customer Services	Digital, Culture, Heritage and Tourism	Lee Bickerton	Chris Holt / Jake Smith	21/08/2023
3	Amendment - Approval to Tender Strategy	Framework Agreement for Valuation Advice for the Right to Buy Scheme	TBC	To provide advice on the value of housing properties to support the Right to Buy scheme to enable tenants of the Council to be able to buy their home and produce the Housing Stock Valuation to inform the Councils accounts on an annual basis.	4 years	Place, Prosperity & Sustainability	Housing and Homelessness	Azhar Rafiq	Allyson Marke-Wilson / Charlie Short	21/08/2023
4	Strategy / Award	Block Repository - IT Solution	TBC	Following the 2017 Grenfell tower fire, Central Government identified the need for better accessibility of fire safety information for larger residential buildings. Following consultation, they are implementing a new set of requirements for major landlords to keep certain set of information on all buildings they manage. This information, or parts thereof, need to be accessible to various groups including the fire department, residents, and BCC teams. To facilitate this requirement, a functional IT solution must be in full operation by the end of October 2023.	3 years with the option to extend for a further two 12 months extensions	City Housing	Digital, Culture, Heritage & Tourism	Andrew Healey	Jamie Harrison / Jake Smith	21/08/2023

## **APPENDIX 2**

### **BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES** **CABINET – 25<sup>th</sup> July 2023**

<b>Title of Contract</b>	<b>IT Service Management Solution</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Cheryl Doran, Assistant Director & CIO Digital and Technology Services <b>Client Officers:</b> Phil Giann, Head of Technology Practice - Customer Experience <b>Procurement Officer :</b> Jake Smith, IT Category Manager
<b>Relevant Portfolio</b>	<b>Councillor Saima Suleman - Digital, Culture, Heritage and Tourism</b>
Briefly describe the service required	Provision of a cloud hosted IT Service Management (ITSM) platform with Software Asset Management (SAM) and workflow capability in order to support the delivery of: <ul style="list-style-type: none"> <li>- IT Operations Management</li> <li>- Incident Problem &amp; Change Management</li> <li>- Release management</li> <li>- Wider IT Business processes such as starters, leavers and movers (SLAM)</li> </ul>
What is the proposed procurement route?	The route to market a further competition via a compliant regional or national framework agreement.
What are the existing arrangements? Is there an existing contract? If so, when does that expire?	The council currently utilise Service Now as the platform for ITSM functionality and are entering into the final year of the existing contract, which is due to expire in June 2024.
Will any savings be generated?	Yes – savings are forecast
Has the In-House Preferred Test been carried out?	Yes – this service cannot be delivered in-house as this is a third-party technology / software solution that the Council cannot deliver.
How will this service assist the council's commitments to Route to Zero?	None identified.
How do these activities assist the Council with Everybody's Battle; Everybody's Business (EBEB)?	There are no direct Everybody's Battle; Everybody's Business implications.
Is the council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the infrastructure that this service provides supports wider operational delivery of statutory service and their underpinning IT infrastructure.
What budget is the funding from for this service?	The funding for this service comes from two sources. <ol style="list-style-type: none"> <li>1) The ongoing revenue for the services forms part of the DTS 3<sup>rd</sup> Party budget with the new contract / system forecast to fall within the current cost profile</li> <li>2) Implementation costs will be subject to a further cabinet paper and capital bid prior to contract award</li> </ol>
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> October 2023 for a period of 3 years with the option to extend for a further 2 + 1 year extensions.



<b>Title of Contract</b>	<b>SAP Hosted Live Archive</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Cheryl Doran, Assistant Director & CIO Digital and Technology Services <b>Client Officers:</b> Chris Holt, Technical Operations Manager <b>Procurement Officer :</b> Jake Smith, IT Category Manager
<b>Relevant Portfolio</b>	<b>Councillor Saima Suleman - Digital, Culture, Heritage and Tourism</b>
Briefly describe the service required	Provision of a hosted platform/ service to live archive SAP Finance and HR (along with associated satellite components) to allow the decommissioning of the final elements of the council's legacy data centre server estate, while still allowing minor historic updates to the existing data.
What is the proposed procurement route?	The route to market a further competition via a compliant regional or national framework agreement.
What are the existing arrangements? Is there an existing contract? If so, when does that expire?	There is currently a hardware support contract for the on premise servers that expires in October 2023.  The servers also form part of the Council's two main data centres. The contract for the overall data centres runs to July 2025 with the option for two +1 extension, however the opportunity exists to reduce the current costs of these two contracts through this work.
Will any savings be generated?	Yes – savings already forecast for the cessation of the support contract and reduction in data centre hosting and power charges.
Has the In-House Preferred Test been carried out?	Yes – this service cannot be delivered in-house as the Council does not have the technical capability nor infrastructure to develop the required platform.
How will this service assist the council's commitments to Route to Zero?	In line with the work conducted to date under the Application Platform Modernisation platform moving from over 72 racks of old, power inefficient server equipment in 3 data centres to 8 racks of modern, power efficient hardware in 2 data centres, substantial CO2 reductions have already been made. This work will further reduce CO2 emissions through the decommissioning of the councils last power inefficient legacy data centre servers.
How do these activities assist the Council with Everybody's Battle; Everybody's Business (EBEB)?	Not applicable as this relates to underlying technical infrastructure.
Is the council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the infrastructure that this service provides supports wider operational delivery of statutory services.
What budget is the funding from for this service?	The funding for this service comes from two sources. 1) The implementation costs of the new service are funded from the Oracle Programme 2) The ongoing revenue for the services will be from the DTS 3 <sup>rd</sup> Party budget and funded through savings from the existing hardware support and data centre contracts.
Proposed start date and duration of the new contract	The proposed start date is August 2023 for a period of 3 years with the option to extend for a further 2 + 1-year extensions.

## **APPENDIX 4 - Notification of Minor Amendments**

This PPAR item has no changes from previously agreed by Cabinet in April 2023. The highlighted changes made to the original are referenced to the exempt report.

<b>Title of Contract</b>	<b>Framework Agreement for Valuation Advice for the Right to Buy Scheme and Housing Stock Valuation for Accounting Purposes</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Kathryn James, Assistant Director, Investment and Valuation <b>Client Officer:</b> Allyson Marke-Wilson, Valuations and Acquisitions Manager <b>Procurement Officer:</b> To be allocated
<b>Relevant Portfolio</b>	<b>Councillor Jayne Francis - Cabinet Member for Housing and Homelessness</b>
Briefly describe the service required	To provide advice on the value of housing properties to support the Right to Buy scheme to enable tenants of the Council to be able to buy their home and produce the Housing Stock Valuation to inform the Councils accounts on an annual basis.
What is the proposed procurement route?	A procurement process will be undertaken and advertised in Find a Tender, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a> .
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is a current contract in place with Sure Property Group Limited that expires on 26 <sup>th</sup> April 2024 for the Right to Buy Valuations and a separate contract again with Sure Property Group Limited that expires in December 2025.
Will any savings be generated?	There may be potential savings achieved by amalgamating the 2 contracts from the 1 <sup>st</sup> April 2024 as a result of this commission.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there are not the skills, capability or resources within the Council for this service.
How will this service assist with the Council's commitments to Route to Zero?	Any specification will require the Council's commitments to Route to Zero to be considered, in particular to a reduction in zero emissions for transport.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	Both the Property Strategy and the Investment Strategy are designed to be fully inclusive towards the community that the City serve and with the aim of improving people's lives and the fabric of their local area.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is a statutory duty on the Council to produce its accounts on an annual basis that the Housing Stock Valuation will support. The service supports the statutory duty of the Housing Act 1985 and subsequent amendments that allows the Council to sell its housing to its tenants.
What budget is the funding from for this service?	The service is funded from the Property Services, Revenue Budget that is then recharged back to the Housing Revenue Account.
Proposed start date and duration of the new contract	The proposed start is 1 <sup>st</sup> April 2024 for a duration of 4 years.

This appendix provides the rationale for minor amendments to PPAR previously agreed by Cabinet on 27<sup>th</sup> June 2023 which highlights the changes made to the original and revised PPAR items below for reference.

<b>Title of Contract</b>	<b>Block Repository - IT Solution</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Paul Langford, Interim Strategic Director City Housing <b>Client Officer:</b> Jamie Harrison, Senior Service Manager <b>Procurement Officer:</b> Jake Smith, Interim IT Category Manager
<b>Relevant Portfolio</b>	<b>Councillor Jayne Francis - Cabinet Member for Housing &amp; Homelessness</b> <b>Councillor Saima Suleman - Cabinet Member for Digital, Culture, Heritage &amp; Tourism</b>
Briefly describe the service required	Following the 2017 Grenfell tower fire, Central Government identified the need for better accessibility of fire safety information for larger residential buildings. Following consultation, they are implementing a new set of requirements for major landlords to keep certain set of information on all buildings they manage. This information, or parts thereof, need to be accessible to various groups including the fire department, residents, and BCC teams. To facilitate this requirement, a functional IT solution must be in full operation by the end of October 2023.
What is the proposed procurement route?	The proposed route to market will be undertaken by a further competition via a compliant, collaborative framework agreement. Following a further competition exercise, <b>the award will be placed with the preferred bidder via the Eastern Shires Purchasing Organisation; ESPO Document Management Solutions (390_22) Lot 3 – Total Document Management Solutions framework agreement.</b>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement to deliver on actions required by major landlords, following the Grenfell Tower Inquiry.
Will any savings be generated?	No cashable savings will be generated by this project.
Has the In-House Preferred Test been carried out?	BCC technical teams have investigated solutions by incumbent suppliers with a view to adapting existing services. The conclusion was that without significant development investment, it would not be possible to do so. DTS Technical Design Authority is fully aware of this project and Mark Brazier has been appointed to represent the TDA.
How will this service assist with the Council's commitments to Route to Zero?	The contract renewals will be actioned in accordance with BCCs commitments to Route to Zero. A key specification requirement is the ability to scan, transfer and store physical documents as digital assets.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The required activities support tackling inequalities as per BCCs Equality Strategy and Action Plan documented here. The activities as a result of the system's implementation will ensure that residents of Birmingham's tower blocks have access to the information they need.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the service is required to satisfy recommended actions from the Grenfell Tower Inquiry Phase 1. A link is provided here: <a href="#">Progress against the Grenfell Tower Inquiry Phase 1 Recommendations, September 2021 (accessible version) - GOV.UK (www.gov.uk)</a> A majority of these relate to access to information about the construction of and materials used within existing buildings. This information is to be accessed by various parties including BCC, the Fire Service and the public. Access will be required by law, and the control, versioning and maintenance of these digital assets requires a sophisticated IT solution.
What budget is the funding from for this service?	The product is to be funded by the Directorate for Housing Strategy & Enabling.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> October 2023 for a period of 3 years with the option to extend for a further two 12 months extensions.

<b>Title of Contract</b>	<b>Block Repository - IT Solution</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Paul Langford, Interim Strategic Director City Housing <b>Client Officer:</b> Jamie Harrison, Senior Service Manager <b>Procurement Officer:</b> Jake Smith, Interim IT Category Manager
<b>Relevant Portfolio</b>	<b>Councillor Jayne Francis - Cabinet Member for Housing &amp; Homelessness</b> <b>Councillor Saima Suleman - Cabinet Member for Digital, Culture, Heritage &amp; Tourism</b>
Briefly describe the service required	Following the 2017 Grenfell tower fire, Central Government identified the need for better accessibility of fire safety information for larger residential buildings. Following consultation, they are implementing a new set of requirements for major landlords to keep certain set of information on all buildings they manage. This information, or parts thereof, need to be accessible to various groups including the fire department, residents, and BCC teams. To facilitate this requirement, a functional IT solution must be in full operation by the end of October 2023.
What is the proposed procurement route?	The proposed route to market will be undertaken by a further competition via a compliant regional or national framework agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement to deliver on actions required by major landlords, following the Grenfell Tower Inquiry.
Will any savings be generated?	No cashable savings will be generated by this project.
Has the In-House Preferred Test been carried out?	BCC technical teams have investigated solutions by incumbent suppliers with a view to adapting existing services. The conclusion was that without significant development investment, it would not be possible to do so. DTS Technical Design Authority( DTA) is fully aware of this project and Mark Brazier has been appointed to represent the TDA.
How will this service assist with the Council's commitments to Route to Zero?	The contract renewals will be actioned in accordance with BCCs commitments to Route to Zero. A key specification requirement is the ability to scan, transfer and store physical documents as digital assets.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The required activities support tackling inequalities as per BCCs Equality Strategy and Action Plan documented here. The activities as a result of the system's implementation will ensure that residents of Birmingham's tower blocks have access to the information they need.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the service is required to satisfy recommended actions from the Grenfell Tower Inquiry Phase 1. A link is provided here: <a href="#">Progress against the Grenfell Tower Inquiry Phase 1 Recommendations, September 2021 (accessible version) - GOV.UK (www.gov.uk)</a> A majority of these relate to access to information about the construction of and materials used within existing buildings. This information is to be accessed by various parties including BCC, the Fire Service and the public. Access will be required by law, and the control, versioning and maintenance of these digital assets requires a sophisticated IT solution.
What budget is the funding from for this service?	The product is to be funded by the Directorate for Housing Strategy & Enabling.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> October 2023 for a period of 3 years with the option to extend for a further two 12 months extensions.