

ITALY¹ - Framework Agreement on Desktop Outsourcing

Context

In November 2011 Consip SpA, the Italian central purchasing body owned by the Ministry of Economy and Finance, set the terms for a Framework Agreement on Desktop Outsourcing for 70 000 workstations. This was a public contract for the management of IT platforms, leasing of hardware (desktop and notebook PCs, printers, multifunction devices), software licenses and virtualisation services.

The Framework Agreement on Desktop Outsourcing is a multi-supplier framework agreement with several economic operators where minimum requirements are set but some terms of the contract have to be established in the second (call-off) stage. Public bodies using this framework agreement can add award criteria as well as other technical specifications to specify the level of services they wish to obtain, provided that minimum requirements are kept.

Consip run market analysis on products and services through online questionnaires and face-to-face recorded meetings with suppliers.

Objectives

The main feature of this framework agreement is the focus on energy efficiency and the rationalisation of IT infrastructure, a reduction of staffing costs and routine maintenance (upgrades and repairs of PC systems and servers). These requirements are met by purchasing an integrated service rather than by purchasing a product.

Suppliers must offer the following services:

- a system for the digital management of documents (avoiding the use of paper, printers and related consumables, cost of renting archives)
- management of electronic waste
- customer service to evaluate the quality of services.

Implementation process

A multi-supplier framework agreement is a useful tool since it:

- provides public buyers with a high level of autonomy and flexibility
- makes several brands available
- is able to meet heterogeneous preferences by providing different solutions.

The tender process was managed through Consip's e-procurement platform. Prices and minimum requirements set by Consip are valid for the duration of the framework agreement, which facilitates repeated purchases and subsequent upgrades from public authorities that use the framework agreement. Green requirements are part of the contract.

1. Case study submitted by Consip SpA, the Italian central purchasing body.

Example of PC desktop life-cycle costing

PC desktop savings (Lotto1 Convenzione Desktop 11)		
	1 PC 42% ETEC	1 PC Energy Star
Consumption (kWh/year)	169.4	271
Consumption (EUR/year)	23.72	37.94
Consumption (EUR/5 years)	119	190
Savings (EUR)	14.22	
Savings (EUR/5 years)	71	
CO ₂ avoided (Kg/year)	53	

Notes: We have compared 1 PC labelled as Energy Star 5.0 and 1 PC more efficient (42% of the maximum Etec Energy Star). We have considered the cost for energy supply of EUR 0.14/kWh, 0.52 CO₂ conversion factor and a life cycle of 5 years per PC.

Source: Consip SpA.

Replacement of 1 PC desktop with 1 portable computer (LCC)

Desktop	1 PC 64% ETEC
Consumption (kWh/year)	169.4
Consumption (EUR/year)	23.72
Consumption (EUR/5 years)	119
Portable computer	1 PC 72% ETEC
Consumption (kWh/year)	27.5
Consumption (EUR/year)	3.85
Consumption (EUR/5 years)	19
Savings (EUR/year)	19.87
Savings (EUR/5 years)	99.35

Source: Consip SpA.

Impact and monitoring

- Thanks to the purchase of energy efficient Energy Star certified desktops, this framework agreement can generate savings of EUR 2.5 million, or the equivalent of 9 000 tonnes of CO₂ emissions avoided.
- The rational use of print and copy services can contribute to savings of EUR 9 million.
- Thanks to processes dematerialisation, every order performed above the EU threshold through Consip's e-procurement platform has allowed for unitary savings of EUR 42 000.
- The use of "duplex printing" could generate net savings ranging between 19-50% in life-cycle costing (LCC).

The suppliers are willing to offer green products so as to minimise support and maintenance costs which are included in the framework agreement.

The framework agreement was used by the Italian Ministry for Infrastructure and Transport, which purchased IT services for 10 500 of its workstations and by the Italian Ministry of Economy and Finance, which purchased IT services accounting for 3 500 of its workstations.

Use of the framework agreements in IT for government

120 workstations	HP 1 120 WG	HP 2 60 WG + 1MF	HP 3 12 WG + 1 MF	HP 4 2 MF	WG (work-group) MF (multifunction)
Leasing (1 year)	4 200	2 918	1 238	1 636	<i>Leasing costs deriving from AQ desktop outsourcing</i>
Energy consumption (1 year)	2 400	1 245	285	90	<i>Elaborated by Consip using Energy Star data</i>
Paper consumption (1 year)	3 000	3 000	3 000	3 000	<i>Hp: 5 000 sheets x person x year Cost of a ream: EUR 2.50</i>
LCC (1 year)	9 600	7 163	4 523	4 726	<i>Leasing + energy + paper</i>
LCC (3 years)	28 800	21 489	13 569	14 178	<i>LCC for 120 workplaces</i>
LCC FA desktop outsourcing	15 041 400	10 779 087	6 161 727	6 516 774	<i>LCC for 70 000 workplaces</i>
LCC (1 year) with double sided printing mode	8 100	5 663	3 023	3 226	<i>Paper consumption has been cut by 50%</i>
LCC (3 years) with double sided printing mode	24 300	16 989	9 069	9 678	
Net savings from double sided printing mode	4 500	4 500	4 500	4 500	
Savings in %	19%	26%	50%	46%	

Source: Consip S.p.A.

Challenges and risks

One of the challenges is meeting the different needs of the public buyers while achieving rationalisation of the equipment and high levels of quality.

Another challenge is moving to a public procurement culture of buying more services and fewer goods.

Key lessons learnt

Buying IT services rather than goods was a key factor of success. The provision of IT services allows for greater flexibility, financial and environmental efficiency and meeting the real needs of the public buyer. The service includes technical support, maintenance and replacement of spare parts for the equipment and a certain service performance level. This provides suppliers with a strong incentive to supply top products in terms of energy performance, durability and quality, with less CO₂ emissions, less material use, no waste of electronic equipment (since the products are not owned by public authorities but only leased) and increasing the level of efficiency for end users.

For further information see: www.consip.it.