

## **Cabinet – 15 March 2017**

### **Replacement Wide Area Network**

<b>Portfolio:</b>	Councillor Nawaz
<b>Service:</b>	Information, Communication & Technology
<b>Wards:</b>	All
<b>Key decision:</b>	Yes
<b>Forward plan:</b>	Yes

#### **1. Summary**

- 1.1 This report should be read in conjunction with the private report ‘Authority to award the contract for the provision of network services’, considered by Cabinet on this Agenda
- 1.2 A wide area network (WAN) is required for the Council’s remote sites to connect to the internet and to access services such as the Public Sector Network which facilitates access to Government Services and enables the secure sharing of data between public sector bodies
- 1.3 Bids have been sought for the provision of Network Services using a compliant procurement process through the Crown Commercial Services Framework Agreement (Network Services, RM1045, Lot 1).
- 1.4 This report presents the outcomes of the procurement process and seeks approval to award the contract for the provision of network services, following the conclusion of the procurement process.
- 1.5 This is a key decision because the value of the proposed contract exceeds £250,000.

#### **2. Recommendations**

Following consideration of the confidential information in the private session of the agenda, the Cabinet will be recommended to;

- 2.1 Approve the award of a contract for the provision of Network Services, to British Telecom Plc, for an initial term of five years, from 06 April 2017 to 05 April 2022, with the option to extend the initial term by a further two periods of twelve months if required.
- 2.2 Delegate authority to the Executive Director, Change and Governance, to enter into a contract for the provision of Network Services, as set out in 2.1 of this

report, and to subsequently authorise the sealing of any deeds, contracts or other related documents for such services.

### **3. Report Detail**

- 3.1 The Council's current Wide Area Network is supplied by Udata Infrastructure Plc. The network and contract have been in place for seven years.

The current network is based on a network "core" which was sized initially for 105 sites (corporate sites and schools); the number of corporate sites has reduced and schools now connect or will be connecting to a different network so that they operate independently of the Council's infrastructure.

As of April 2017 there will be 67 sites connected to the corporate network.

- 3.2 The reduced number of sites means that current network is expensive to maintain. There are new connectivity products that have come onto the market in the past 7 years which will better fit the Council's changing requirements.

- 3.3 Time is of the essence because;

- The current contract will end 31 December 2017; all extension periods have been utilised.
- The Council has to have a valid Public Sector Network Code of Connection Certificate (PSN CoCo) in order to use the Public Sector Network – the Public Sector Network allows for the secure sharing of systems and data between other accredited bodies such as the NHS, Department of Work and Pensions and Central Government; the current wide area network may require additional financial investment in order to ensure it meets the specification required by the Code of Connection.

- 3.4 The new network and proposed associated contract will bring additional benefits to the Council. The proposed contract will be flexible and will better accommodate the Council's property rationalisation programme; for example it will potentially allow for circuits to be moved from site to site, it will allow for small numbers of terminations to be made without penalty.

- 3.5 Technically the network will take advantage of newer and cheaper technology; it will not be dependent on expensive, fixed "node sites", it will ensure continued compliance with the Government Code of Connection. It will more easily accommodate other public sector bodies, schools and private companies to join, share and utilise the network and will continue to provide existing services such as "multi-tenancy buildings" whereby the NHS and Council staff (or others) can securely use the same physical network connection with complete segregation of data.

- 3.6 Procurement Process

In order to ensure compliance with the Council's Contract Rules and the Public Contracts Regulations 2015, and to access the widest possible market, a tender process was undertaken for the provision of Network Services, in the form of a General Further Competition under the Crown Commercial Services Framework Agreement – RM1045, Network Services.

Tenders were evaluated in accordance with the following published evaluation criteria:

Contract Service	50%
Contract Price	50%

The pricing criteria was sub-divided into three elements:

- Pricing based upon a detailed site requirements list: 40%
- Pricing based upon a termination schedule: 5%
- Pricing based upon upgrades and downgrades: 5%

Bidders were required to complete a technical questionnaire, which sought to test their understanding of the service requirements as well as their capacity and capability to deliver the service in the future. The questionnaire included mandatory and discretionary Pass/Fail questions in addition to weighted and scored questions.

Due to uncertainties regarding future network requirements, provision was made in the tender documents for early terminations and additional connections if required, for example should some locations be closed and increased services required in re-location buildings. This approach gives a degree of cost certainty and provides a good indication of the likely costs to the Council should such changes be required.

Tenders were opened on 13 January 2017, using a formal opening ceremony on the In-tend e-tendering portal.

Two bids were received through the council's e-tendering portal and not rejected as set out below:

Bidder No.	Bidder Name	In or out of Borough Bidder
1	British Telecom Plc	Out of Borough
2	Updata Infrastructure (UK) Limited	Out of Borough

Tender evaluation was conducted by Council Officers from ICT and was overseen by a Procurement Officer. All tender submissions were evaluated in accordance with the evaluation criteria and scoring system published as part of the Invitation to Tender ("ITT").

The evaluation process was split into three phases:

- Phase One - Evaluators scored the contract service questions in isolation

- Phase Two - Evaluators came together in a moderation meeting chaired by Procurement to review the individual scores and reach a consensus where necessary.
- Phase Three - Once the final service scores was agreed; evaluators were issued with the pricing schedules which were then scored in line with pre-published criteria. The price and quality scores were combined to give the overall score.

The evaluation outcomes concluded that British Telecom Plc submitted the most economically advantageous bid in accordance with the published criteria.

#### 4. Council priorities

4.1 The Council needs to adopt the Government's Digital Service Strategy whilst delivering its services – making services available to its citizens from anywhere and at anytime. Information, Communication and Technology underpins the delivery of the Council's priorities. The Wide Area Network allows remote sites to connect to ICT Services located either at the Civic Centre or anywhere on the internet.

4.2 The ICT Strategy details four themes of which three are heavily reliant upon the wide area network.

- **Digital by Desire:** Ensuring IT applications and services meet the needs of our residents and businesses. Providing the capability to transact with the council to book, pay or report through web browser technology (any time, any place, anywhere), removing the reliance on paper and facilitating information sharing with partners and customers.
- **Exploiting the Value in our Information:** The council is custodian for many types of information including highly sensitive and personal information. Information is a key asset and as such deserves to be managed effectively and safely. Enabling information to be reported from our systems without holding it multiple time and double handling - working towards a Capture Once, Use Many Times principle (storing information we rely on in a way to make it easily accessible) will contribute towards efficient and effective working.
- **Using Technology Effectively:** Bringing change ideas together with technology innovations, enabling staff to utilise helpful technologies in their work, effectively leading to improved service delivery, contributing towards efficiencies and budgetary savings.

#### 5. Risk management

5.1 This proposed contract award addresses a number of risks for the Council:

- EU procurement legislation compliancy;
- Public Sector Network compliancy;
- Removal of an ageing and expensive network.

#### 6. Financial implications

- 6.1 The lifetime value of the proposed contract award, including extension period is in the region of £1,115,384, a detailed breakdown of which set out in the Private Agenda Report
- 6.2 The cost of the services associated with this contract award will be funded from the existing budget. In addition, on 02 August 2016, the Asset Strategy Group agreed that £300,000 contingency funding would be made available for implementation costs and additional costs that will be incurred whilst running both networks for a period of overlap and also additional project resource costs.
- 6.3 Should a new contract not be awarded then costs for the next seven years for the existing contract will be £1,625,645; savings from the new contract will be in the region of £510,261.

## **7. Legal implications**

- 7.1 Legal Services will assist ICT where required with the process for the Council entering into a contract (and any contract extensions) in accordance with the terms and conditions of Crown Commercial Services framework RM1045 (Network Services).

## **8. Procurement/Social Value Implications**

- 8.1 The procurement process and proposed contract award have been addressed via a Framework Agreement that was established by Crown Commercial Services, on 27 July 2015; RM1045 (Network Services). The framework is fully compliant with the Public Contract Regulations 2015 and the Council's Contract Rules.
- 8.2 Twenty-five providers on the CCS Framework viewed the tender via the e-tendering portal. Two bids were received. Although a low number of bids were received, the nature of the two providers and in particular their desire respectively to retain/win the business has resulted in a competitive tender and the Council has therefore satisfied its duty to ensure Value for Money.
- 8.3 Procurement has sought feedback from providers who expressed an interest but did not bid to establish the reasons for this. Two providers have responded and state time constraints and inability to meet the specification requirements as their reasons for not submitting a bid.
- 8.4 Specific reference was made in the tender to the Council's Social Value Policy and bidders were asked how they would assist the Council in meeting its key priorities. British Telecom Plc offer a variety of community based engagement projects to assist citizens to use IT, innovation to help the Council become a "Digitally Smart Authority" and free learning resources for teachers and students. British Telecom Plc offer local employment opportunities and currently employ 2,000 Black Country residents.

## **9. Property implications**

- 9.1 None

## **10. Health and wellbeing implications**

10.1 The Council uses its IT systems to ultimately deliver a service to the citizens of Walsall; these services underpin the key objectives of the Marmot Review, being

- Give every child the best start in life;
- Enable all children, young people and adults to maximise their;
- capabilities and have control over their lives;
- Create fair employment and good work for all;
- Ensure a healthy standard of living for all;
- Create and develop healthy and sustainable communities; and
- Strengthen the role and impact of ill-health prevention.

10.2 Without the wide area network being in place it would be very difficult for services based at remote sites to deliver its services and to share information with other public sector bodies such as the NHS, DWP and Central Government.

## **11. Staffing implications**

11.1 Additional resources will be required within ICT for approximately nine months to implement the new network and to manage the project; costs for this are detailed in the private report.

11.2 ICT positively encourage and promote the development of the existing workforce and has advertised this temporary role internally as a Development Opportunity. The successful applicant will learn new technical and project management skills.

There will be a requirement to back-fill for the successful candidate, which in turn may be in the form of an additional development opportunity.

## **12. Equality implications**

12.1 Consultation and Equalities have advised that an Equality Impact Assessment is not required as there will be no direct impact on people by implementing this change; services will continue to be delivered as they are currently.

## **13. Consultation**

13.1 External consultation has not been carried out as the new contract will not detrimentally impact upon any external services; all services will continue to operate as currently do.

## **Background papers**

Private Procurement Report

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7 March 2017



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7 March 2017