

## **NOTICE OF MEETING**

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# **Cabinet Member Signing**

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TUESDAY, 14TH APRIL, 2015 at 12.30 pm HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, LONDON N22 8LE.

MEMBERS: Councillor Jason Arthur, Cabinet Member for Resources & Culture

### **AGENDA**

#### **1. URGENT BUSINESS**

The Leader/Cabinet Member will advise of any items they have decided to take as urgent business.

#### **2. EXTENSION OF CONTRACT FOR THE SUPPORT & MAINTENANCE OF THE COUNCIL'S IT NETWORK, IT SECURITY & DATA CENTRES**

The report will seek Cabinet Member Approval for the extension of the Council's contract with Logicalis for the management of the IT Network, Security and Data Centres for a period of 2 years as provided for under the contract. The cost per annum for the extension is £657,532 totalling £1,315,064 for the two year period.

#### **3. NEW ITEMS OF URGENT BUSINESS**

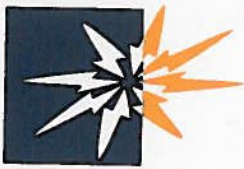
To consider any new items of Urgent Business admitted under Item 1 above.

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**Haringey Council**

Report for:	Lead Member Signing	Item Number:	N/A
Title:	Extension of Contract for the Support & Maintenance of the Council's IT Network, IT Security & Data Centres		
Report Authorised by:	Tracie Evans, Chief Operating Officer 		
Lead Officer:	David Hatley, Head of Supplier Management, IT Services		
Ward(s) affected: N/A	Report for Key/Non Key Decisions: Key		

1. Describe the issue under consideration

In April 2012 Cabinet Procurement Committee awarded a contract to Logicalis Limited for the management of the IT Network, Security and Data Centres following an EU Tender process. The award was for three years from July 2012 with an option to extend for an additional two years.

This report seeks approval from Lead Member to extend the contract for the additional two years as allowed for under contract.

2. Cabinet Member introduction

The contract for Support and Maintenance of the IT Network, IT Security and Data Centres allows for an extension for a further two years and this report seeks approval of that extension. The performance of the Supplier has been satisfactory and provides additional input into the strategic roadmap of the Council's IT services.

A reduction on the amount charged has been received and will contribute to savings targets. I therefore support the recommendation to extend this contract.



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### 3. Recommendations

That the Lead Member approves the extension of the contract with Logicalis for the management of the IT Network, Security and Data Centres for a period of 2 years as provided for under the contract.

The cost per annum for the extension is £657,532 totalling £1,315,064 for the two year period. This represents a saving on the current cost of £20,626 for the two years with additional telephony services included.

### 4. Alternative options considered

Tender. There is an option to go out to tender either under a further OJEU competition or under a framework arrangement. However, the incumbent has performed satisfactorily and value for money was achieved when originally tendered. It is not expected that the additional cost and resource for tendering would achieve improved value for money or performance at this time.

Internalise the Service. The Council could recruit staff to provide the service itself. This would require up to 5 staff, as per the existing Supplier staff on-site, with specialist knowledge and experience to be sourced from the market. Such personnel command a premium due to their specialism and the Council would need to retain these premium skills in a competitive recruitment market.

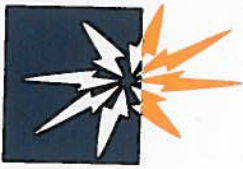
Continuing to externalise this element ensures access to a wider group of staff providing absence and leave cover and a 24 hour by 7 day monitoring service which it would not be cost effective for the Council to provide at this time. The preferred Supplier is able to utilise niche skills across a wider base of customers for subjects that the Council could not consider employing on a full time basis.

This option was discounted to avoid placing Council services at risk at a time of change within the organisation.

### 5. Background information

In April 2012 the Council let a contract for the management of its IT Network, IT Security and Data Centres following an EU tender exercise. The contract allows for an extension of a further two years from July 2015.

The IT Network enables communication between the various IT systems employed, and between the Council and external parties. Any failure of the network will impact on the day to day business of the Council. In addition, the Network and the systems within it need to be protected from external threats such as intruders, denial of service attacks and viruses.



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IT Services run two data centres to provide IT services to the Council and the day to day management of these is carried out under the contract which includes the environmental controls - fire, flood and heat alarms - and equipment such as air conditioning, uninterrupted power supplies and fire suppressants.

The Supplier, Logicalis Limited, has performed satisfactorily under the contract with monthly reports on performance supplied and regular service review meetings held. As a supplier, Logicalis provides advice to the Council in technical strategy and road mapping which are of value to the Council.

For the period of the extension, if approved, Logicalis have agreed to reduce the annual charge by £20,626 for the two year period to reflect changes in areas of usage of the services by the Council which is in addition to there being no index related increase. The Council has also agreed with the Supplier for additional telephony support services for Telecoms to be included at no additional charge.

#### 6. Comments of the Chief Finance Officer and financial implications

The Chief Finance Officer confirms that base budget provision exists within the corporate IT budget to fund this contract over the proposed 2 year extension period.

There is no specific saving associated with this contract extension however, the expected £10k reduction to annual operating expenditure will contribute to the delivery of the overall business infrastructure saving.

#### 7. Comments of the Assistant Director of Corporate Governance and legal implications

7.1 This report is recommending the approval of a 2-year extension of the Council's existing IT Network support contract. The contract is subject to the EU public procurement regime.

7.2 Under the Council's Contract Standing Orders (CSO), Cabinet has power under CSO 10.02.2 to approve the extension of a contract valued £500K or more, providing that to do so is consistent with the Public Contracts Regulations and the Council's Financial Regulations. As the proposed extension was provided for in the terms of the original contract and included in the tender and initial contract award decision, the proposed extension is consistent with EU procurement rules.

7.3 As the value of the proposed extension is over £500K, the decision to approve it is a key decision which must be published in the Forward Plan. This has been done.

7.4 There are no legal reasons preventing the approval of the recommendations in paragraph 3.1 of this report.



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#### 8. Equalities and Community Cohesion Comments

There are no changes to service delivery proposed as part of the proposed contract extension that would impact on the equalities protected characteristics. The supplier's compliance with equalities legislation and good practice was tested as part of the original tendering process prior to award of the contract.

#### 9. Head of Procurement Comments

The contract with Logicalis has been designed with the potential to extend by up to two years. Based on the performance to date and the good relationship that exists with Logicalis, the Council has secured a reduction in annual spend from £670,000 to £657,532 for the remaining two years of the contract.

The management of the IT Network, Security and Data Centres will not need to be re-procured for another two years by extending the contract with Logicalis.

The extension of the contract will also benefit the Council since Logicalis has agreed to provide additional telephony support services at no additional charge.

The extension of the contract and the relationship over the next two years is to be a feature of continuous improvements to assist the Council meet the Medium Term Financial Strategy.

#### 10. Policy Implication

None

#### 11. Reasons for Decision

The recommendation is made as this represents value for money for the Council in reducing charges and extending services without the need to go to market, as the extension is provided for within the terms of the contract.

#### 12. Use of Appendices

None

#### 13. Local Government (Access to Information) Act 1985