

Report for: Haringey Council Cabinet 14 August 2018

Title: Authority to delegate award of contract for provision of a single wide area network service

Report authorised by : Director for Customers, Transformation and Resources

Lead Officer: Ed Garcez, Chief Digital and Information Officer

Ward(s) affected: All

Report for Key/ Key Decision
Non Key Decision:

1. Describe the issue under consideration

- 1.1 The London Boroughs of Haringey, Camden and Islington share delivery of ICT services through the Shared Digital service. Following a review of the ICT service, the councils have recently decided to divest delivery of some ICT services to local ICT teams and Shared Digital would retain delivery responsibility for five areas: data centres (including data centre network and internet connections), a managed print service, mobile data and voice services; service desk and desktop; and, Office 365.
- 1.2 The council relies in a wide area network to connect computers and other devices across council sites and to establish connections with other third parties (e.g. cloud service providers). This contract will allow the council to procure network related services which could be managed directly or through the shared service with Camden and Islington.
- 1.3 Haringey, Camden and Islington have already approved the procurement strategy for the wide area network service, which will be provided through a single supplier at the Shared Digital Joint Committee (SDJC) meeting of 30th October 2017. However, the procurement process was delayed whilst the Councils considered and approved the future delivery model for ICT services noted above
- 1.4 The procurement will allow the Council to achieve the transformation, delivering a more resilient, higher available service with the cost effectiveness of a shared procurement. This contract will be available to Haringey directly for sovereign services and also available to Shared Digital for services to be delivered on behalf of Haringey, Camden and Islington.
- 1.5 This report seeks approval to delegate to the Executive of the London Borough of Camden authority to award a contract on behalf of the three Councils for the provision of network services to a single supplier.

2. Cabinet Member Introduction

At its meeting on 17th July, Cabinet approved a new delivery model for the Shared Digital Service and subsequent termination of the Shared Digital Joint Committee. We noted in that report that, ahead of the new delivery model being in place, any decisions previously reserved for the Joint Committee would instead be reserved for Cabinet. This is such a decision.

Network services is a service which can be locally delivered. However, the rationale for undertaking a joint procurement with the Shared Digital councils remains as we: share data centres; can draw economies of scale from collaborating on this procurement; and, due to improvement in network technology can still retain operational control of our respective networks following procurement.

This report seeks approval to enable that joint procurement and ensure the process can be completed at pace, enabling us to start the transformation of network services across all three Councils, supporting future savings initiatives.

3. Recommendations

- 3.1 It is recommended that the Cabinet delegate to the Executive of the London Borough of Camden, authority to award a contract for the provision of network services to a single supplier on behalf of all three councils.

4. Reasons for decision

- 4.1 The delivery of this procurement exercise was delayed whilst decisions were made over the future shape and focus of ICT services across the three Councils.
- 4.2 At the Cabinet meeting on 17th July, the Council approved the new model for delivery of local and Shared Digital services and the SDJC has been disbanded. Under the previous terms of reference for the SDJC, the decision to award the contract for the Wide Area Network service would have been taken by the SDJC. This decision making authority has been reserved for Cabinet until the new services agreement and TUPE transfer process completes in October 2018.
- 4.3 This report seeks permission to delegate the award of contract to the Executive of the London Borough of Camden ensuring that the contract can be awarded as soon as practical.
- 4.4 This decision will not affect the future delivery of networks services at a local level as the services can be delivered and managed as a sovereign service for each Council, but continuing the procurement jointly will generate savings and enable future transformation work to be completed.
- 4.5 For Haringey any further delay in undertaking the procurement could place delivery of the programme at risk as the refresh and move to a new service will take a significant time, perhaps as long as 18 months.

5. Alternative options considered

- 5.1 There are two options available currently: delegate the decision or retain individual Council approvals:

i) Delegate award of contract to the Executive of the London Borough of Camden - recommended

- 5.2 In the same way that other services have been contracted with a single supplier, there is an opportunity for the three Councils to enter into a strategic relationship

with the successful bidder, which would have the advantage of aggregating the Councils' influence on the supplier to deliver a high quality service and drive competitive pricing through economies of scale. By delegating the contract award decision to the Executive of the London Borough of Camden, this would increase the pace at which the procurement activity can be completed, enabling transition to the service more quickly.

- 5.3 The Councils can choose at a later stage to either enter into a single contract with the successful bidder or call off individual contracts.
- ii) Retain individual approval of contract award – not recommended
- 5.4 It is recognised that each Council will want to be able to influence the decision on what technology is used to delivery network services and also who the successful supplier would be. All three councils approved the procurement strategy for the services; and, by having an evaluation panel made up of representatives across all three Councils this requirement can be met. The project, which is running against a deadline to refresh the existing services, has already been significantly delayed. Further delays whilst the three Councils complete contract award governance would place effective delivery of the programme at risk.

6. Background information

- 6.1 Since late 2016, the London Boroughs of Camden, Haringey and Islington have shared provision of ICT services, through Shared Digital. A recent review of the arrangement has led to the councils agreeing that some services would be better provided at a local level and others should continue to be delivered through the Shared Digital service.
- 6.2 The review recognised that collaborative working had generated significant savings whilst improving the quality of service delivered to each council and wherever possible the councils would consider collaborating further, where it was evident that by working together there would be opportunities to improve the quality of service provided or costs reduced through joint procurements.
- 6.3 Shared Digital retains delivery responsibility for five service areas: data centres, a managed print service, mobile data and voice services; service desk and desktop; and, Office 365.
- 6.4 In 30th October 2017, the Shared Digital Joint Committee (SDJC), the Councils' Members led strategic board for Shared Digital, considered and approved a report which proposed a transformation and convergence of the Councils' network services, specifically their wide area networks.
- 6.5 A strategic partner selected after a competition from an existing framework agreement would provide the network. This would ensure that the Councils were able to engage with an experienced partner who understood the Councils' requirements, one which had returned a competitively priced tender.
- 6.6 The decision was taken in light of the need to modernise the existing infrastructure and decommission legacy telephony circuits and lines by 2025. The business benefits of moving to a single shared network design, would be:
- increased resilience and security;
 - improved flexibility and scalability; and,
 - alignment with the Councils' ICT transformation programmes.

- 6.7 Whilst some elements of network services will be locally provided, the rationale for undertaking the procurement exercise collaboratively remains as the Councils share data centres; there are economies of scale, which will drive better pricing, and it supports both sovereign and Shared Digital longer term savings initiatives.
- 6.8 Additionally, with the use of more modern technology there are a number of options available on the market which would allow the Councils to contract jointly, have a single supplier and still retain operational sovereignty of service delivery.
- 6.9 This report seeks approval to delegate to the Executive of the London Borough of Camden the right to award a contract on behalf of all three Councils for a single supplier to provide the Councils' wide area networks.

7. Contribution to strategic outcomes

- 7.1 WAN services are a core ICT infrastructure service. The service enables council staff to access software applications and data held within the council's data centres.
- 7.2 The procurement activity will deliver a more resilient, higher available and more cost effective service to our residents and local businesses, ensuring that the council can interact with residents and local businesses effectively.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities) Equality

- 8.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to the need to:
- a) Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - b) Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - c) Foster good relations between people who share those characteristics and people who do not.
- 8.2 The report states that this decision will not affect the future delivery of networks services at a local level, as the services will be delivered and managed as a sovereign service for each Council.
- 8.3 The Council's Equal Opportunities Policy (2012) details how equality considerations are factored into the procurement process. The tendering process requires the contractors to demonstrate their compliance with the Equality Act (2010).

Legal

- 8.4 This report seeks authority to delegate the award of the WAN contract to Camden's Executive. The terms on which Camden's Executive will be entitled to exercise these functions, including any relevant restrictions on "delegation" of decision-making power within Camden, depend upon the terms of the

arrangements which transfer the relevant functions to Camden's Executive rather than upon the constitution of any Council. In default of specific provision, Camden's Executive can arrange for these functions to be discharged in accordance with Camden's Constitution. Therefore Camden's scheme of delegation and Camden Council's Contract Standing Orders will apply to the decisions taken by Camden pursuant to the recommendations in this report.

Finance

- 8.5 The recommendation to delegate to Camden the award of a contract for the provision of network services to a single supplier on behalf of all three councils is enabled by Haringey's July 17th Cabinet report, under paragraph 6.14b. This enables Haringey to benefit from shared procurement opportunities.
- 8.6 This procurement supports the potential for future integration of wide area networks by having the same technical specifications and contractual terms across the three councils. This will support the management of the Shared functions outlined in paragraph 6.5.2. Camden follows the relevant procurement regulations and its own internal procedures in reaching the award of this contract and so best value can be demonstrated.
- 8.7 The award of this contract will need to be contained within existing agreed delegated budgets.

9. Use of Appendices

- 9.1 There is no appendix to this report.

10. Local Government (Access to Information) Act 1985

- 10.1 The procurement strategy referred to in this report was approved at: Shared Digital Joint Committee, 30th October 2017: Agenda Item 11 - Network Service Transformation
- 10.2 Approval of the new ICT delivery model outlined in this report was approved at: Cabinet, 17th July 2018: Agenda Item 12 Shared Digital Service Implementation