

Agenda item:

Cabinet Procurement Committee

On 24th February 2011

Report Title. IT Network, Security and Datacentre Management Contract Extension

Report of **Julie Parker, Director of Corporate Resources**

Signed: *J. Parker* 16/2/11.

Contact Officer : David Hatley, Senior Supplier Manager, IT Services

Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose of the report (That is, the decision required)

- 1.1. For the Procurement Committee to agree to extend the current contract with Logicalis (UK) Limited for Network, IP Telephony, Security and Datacentre Management for a period of one year from April, to allow a for full OJEU tender to take place.

2. Introduction by Cabinet Member (if necessary)

- 2.1. I concur with the recommendation of this report to extend the current contract for IT Network, Security and Datacentre Management.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1. IT Services Strategy 2010-2013.
3.2. Greener Haringey

4. Recommendations

- 4.1. That in accordance with CSO 13.02 the Procurement Committee approve the extension to the current contract with Logicalis (UK) Limited for Network, IP Telephony, Security and Datacentre Management for a period of one year from April 2011 for the reasons outlined in this report.

5. Reason for recommendation(s)

- 5.1. The current contract was awarded to Logicalis (UK) Limited following a competitive tender exercise for a period of 5 years. The contract is due to expire in April 2011.
- 5.2. Logicalis (UK) Limited has an in depth knowledge of the Council and its infrastructure and are considered a Strategic Supplier providing advice and guidance on IT strategy and requirements.
- 5.3. A 1 year extension to the current contract has been proposed to include all existing services, network management, datacentre, security management, and purchasing and maintenance of the Internet Protocol Telephony (IPT) products and call centre management system (ACD).
- 5.5. The IT Strategy, approved by Cabinet in July 2010, will develop the Council's infrastructure which will require a change in service type to be provided and the 1 year extension to the current contract will allow sufficient time for IT Services to carry out a full OJEU tender.
- 5.6. Any change of provider at this current time would require a steep learning curve and would cause disruption to the provision of services to the Council and not demonstrate value for money. This contract will ensure continuation of service for a key area of IT activity and expertise whilst a full OJEU tender is carried out.

6. Other options considered

- 6.1. It was initially planned to award a new one year contract under an existing framework managed by Eastern Shires Purchasing Organisation (ESPO), but we were subsequently advised by ESPO that this would not be advisable in the current climate.

7. Summary

- 7.1. Logicalis (UK) Limited supply services to manage and maintain the IT Network, Security service, and to manage the 2 IT Datacentres, at River Park House and Technopark. They also supply support and management of the new IPT service .
- 7.2 The performance is monitored on a monthly basis by means of management

reports and review meetings and has been of a high standard; issues that have arisen have been resolved by application of service credits and improvement measures as per the procedures set out in the contract.

- 7.3. 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.
- 7.4. 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.
- 7.5. IT Services run two datacentres to provide IT services to the Council and the day to day management of these is carried out by Logicalis which includes the environmental controls - fire, flood and heat alarms - and equipment such as air conditioning, uninterrupted power supplies and fire suppressants.
- 7.6. Logicalis also provide advice and guidance on emerging technologies and Haringey's IT strategy as part of the contract which adds value in terms of access to areas of innovation and expertise gained from working for many customers and suppliers around the world.
- 7.7. IT Services wish to continue the relationship with Logicalis (UK) Limited during the initial period of implementing the IT Strategy, after which there will be a better understanding of our network, IPT, security and datacentre requirements which will enable us to carry out a full OJEU tender for a new service.
- 7.8. It is proposed that the current contract be extended for a period of one year.
- 7.9. The contract will include all services as currently supplied to existing service levels, will manage and maintain the IPT and ACD systems to a basic level of service, will include all changes made to the infrastructure within working hours and continue to provide strategic advice and guidance as required by the Council. The cost includes the purchase of ongoing licence and maintenance requirements of the equipment - servers, switches, monitoring

8. Chief Financial Officer Comments

- 8.1. The Chief Financial Officer concurs that there is revenue and capital budget provision to meet the forecast cost of the recommended one-year extension and that this sits within the IT business unit.
- 8.2 Please also see additional comments in Part B of the report.

9. Head of Legal Services Comments

- 9.1. The award of the contract extension as recommended in paragraph 4 is a Key Decision and the Directorate has confirmed that it has been included in the Forward Plan.
- 9.2 Please also see additional comments in Part B of the report.

10. Head of Procurement Comments

- 10.1. An OJEU Prior Indicative Notice (PIN) will be published in January 2011; the purpose of which is to alert the market of the Council's intention to run a competitive tendering exercise for a new contract for IT Network Support & Maintenance services (to include related products).
- 10.2 An OJEU Tender Notice will then be published in March 2011, inviting bids from interested parties.
- 10.3 In the meantime, it is proposed to agree a short extension with the existing provider (Logicalis) whilst the tender packs are prepared.
- 10.4 Logicalis have been made aware of the Council's intention in the near future to call for competition and they are agreeable to a short extension in this knowledge.
- 10.5 Please also see additional comments in part B of the report.

11. Equalities & Community Cohesion Comments

- 11.1. Not applicable.

12. Consultation

- 12.1. Not applicable.

13. Service Financial Comments

- 13.1. The contract cost over 1 year will be provided from within the IT Services budget.

14. Use of appendices /Tables and photographs

- 14.1. Not applicable

15. Local Government (Access to Information) Act 1985

- 15.1. Part B of this report contains exempt information and **is not for publication.** The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972)
- *Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Ground 3).*