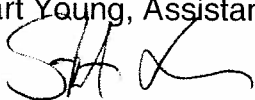




Report for:	Procurement Committee 12th April 2012	Item number	
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Title:	Contract for the Support & Maintenance of the Council's IT Network, IT Security & Data Centres
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Report authorised by :	Stuart Young, Assistant Chief Executive 
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Lead Officer:	David Hatley Head of IT Supplier Management 020 8489 3235
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Ward(s) affected: All	Report for Key/Non Key Decision: Key
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1. Describe the issue under consideration

1.1 To award the replacement Contract for the management of the IT Network, Security and Data Centres following an EU tender process as described fully in this report and in Part B, Exempt Information.

2. Cabinet Member Introduction

2.2 The management of the IT Network, IT Security and Data Centres is a key service provided to The Council which ensures that our systems and networks operate efficiently and effectively. Following a full EU tender process savings have been achieved for the Council and I recommend that this contract is awarded as described in Part B, Exempt Information.

3. Recommendations

3.1 To award the replacement contract for the management of the IT Network, IT Security and Data Centres to Bidder 1 (named in the exempt part of the report) following a transparent tendering process carried out by Council Officers in line with C.S.O 9.07.

3.2 The contract is for a period of 3 years with an option to extend for a further 2 years with an anticipated start date of July 2012.



4. Other options considered

- 4.1 Tender via a Framework Agreement.** The existing frameworks for Telecoms Services let by Buying Solutions, now part of the Government Procurement Service, were due to expire in January 2012 (now extended to June 2012) with replacements not due until May 2012. The other option of using the Eastern Shires Purchasing Organisation (ESPO) framework was discounted following concerns expressed by Legal Services on the terms of the framework for the Council. The uncertainty around this meant that a full EU tender was the preferred approach.
- 4.2. 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. This option was discounted to avoid placing Council services at risk.
- 4.3** 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.

5. Background information

- 5.1** In April 2006 the Council let a contract for the management of its IT Network, IT Security and Data Centres following an EU tender exercise.
- 5.2** 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.
- 5.3** 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.
- 5.4** 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.
- 5.5** As the existing contract was due to expire, it was agreed with Central Procurement colleagues that a full EU tender process would be undertaken to achieve value for money for the Council.



Haringey Council

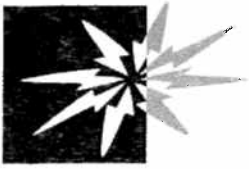
- 5.6 A Prior Indicative Notice was published in OJEU on the 2nd February 2011 indicating to bidders that the Council would be going out to the market within the next twelve months.
- 5.7 A contract notice 2011/S 185-303117 was published through OJEU on the 27th September 2011 with the opportunity posted on CompeteFor to invite expressions of interest from providers to complete a Pre Qualification Questionnaire (PQQ). Seventeen companies responded.
- 5.8 The Delta electronic tendering system was used for the Invitation to Tender (ITT) stage for 3 providers who were selected through the evaluation process at the PQQ stage. Please see Part B (exempt information) for details.
- 5.9 The evaluation of the tenders was based on the MEAT principle (Most Economically Advantageous Tender) with 60% allocated against the bidders' method statements (Quality) and the 40% allocated for Price.

6. Comments of the Chief Financial Officer and Financial Implications

- 6.1 The forecast costs of this recommended three year contract have been adequately supported by the Service and there is revenue and capital budget provision to meet these within the IT business unit.
- 6.2 We concur with the Head of Procurement's comments that the recommended bidder appears to offer the Council value for money, in that essential additional services are also to be provided within the new contract at no additional cost (thereby saving otherwise necessary further budget allocations to these areas).

7. Head of Legal Services and Legal Implications

- 7.1 The contract which this report relates to has been tendered in accordance with the Public Contract Regulations 2006 (the "Regulations"), using the Restricted Procedure, a tendering procedure whereby expressions of interest are invited by advertisement in the Official Journal of the European Union, with a selection of the contractors who have expressed an interest being invited to submit tenders.
- 7.2 The recommendation to award the contract is based on the most economically advantageous tender submitted, in accordance with Regulation 30 of the Regulations, and CSO 9.07.1(b).
- 7.3 As the value of the contract is over £250,000 it may only be awarded by the Procurement Committee in accordance with CSO 9.07.1(d).
- 7.4 This is a key decision and the Directorate has confirmed that it has been included in the Forward Plan.



7.5 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in the report.

8. Equalities and Community Cohesion Comments

8.1 No impact on either equalities or community cohesion.

9. Head of Procurement Comments

9.1 Potential bidders were alerted to the upcoming contract opportunity, by publishing a PIN advert in February 2011, followed by the Tender Notice in September 2011. This early market engagement attracted 17 potential bidders.

9.2 Pre-qualification assessments reduced these numbers to 3 and from which the recommended bidder was selected.

9.3 The recommended bidder provides significant savings to the Council and represents overall best value for money.

10. Policy Implications

10.1 None

11. Use of Appendices

11.1 Part B (Exempt Information)

12. Local Government (Access to Information) Act 1985

12.1 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).*