



Haringey Council

Agenda item:

Schedule 1 of this report is **not for publication** for the reasons stated in paragraph 7.2. [No.]

Procurement Committee

On 26 February 2008

Report Title: Extension of Network , Security and Datacentre Services (Logicalis) Contract

Forward Plan reference number (if applicable): **15**

Report of: **David Airey, Acting Head of IT Services**

Wards(s) affected: N/A

Report for: **Key Decision**

1. Purpose (That is, the decision required)

- 1.1 To seek agreement to extend the contract with Logicalis for the provision of Network, Security and Datacentre Services for a further 3 years as allowed for within the existing contract.
- 1.2 To achieve additional benefits and savings.
- 1.3 To ensure continuation of service for a key area of IT expertise

2. Introduction by Cabinet Member

2.1 I concur with the recommendations set out in this report to authorise extension of the Network, Security and Datacentre Services (Logicalis) contract following satisfactory performance to date and the additional savings that can be achieved.

3. Recommendations

- 3.1 To authorise extension of the Network, Security and Datacentre Services contract to ensure continuity of a key service and to achieve additional savings as proposed by the Supplier.

Report Authorised by:
Julie Parker, Director of Corporate Resources

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

4. Chief Financial Officer Comments

4.1 The Chief Financial Officer has been consulted over the contents of this report and concurs that the contract extension provides good value for the council particularly as there appears to be a good working relationship with this supplier and the extension will allow the council to benefit from savings of approximately £100k p.a. which have been built into the budget setting process.

5. Head of Legal Services Comments

5.1 The original network, security and datacentre services contract was awarded under an NHS Purchasing and Supply Agency (NHS PASA) Framework Agreement which is compliant with European procurement legislation.

5.2 The Head of Legal Services has been advised that the terms and conditions of the contract allow for a three year extension of contract.

5.3 The Cabinet Procurement Committee has power under CSO 13.02 to approve the extension of contract.

5.4 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations contained in this report.

6. Head of Procurement Comments

6.1 The contract contains a provision to extend for up to 3 years, subject to Member approval.

6.2 Supplier performance has been satisfactory and the added value offered, which is equivalent to £100k savings per annum, offers Value for Money.

6.3 The Head of Procurement therefore supports the recommendation to extend the contract.

7. Local Government (Access to Information) Act 1985

7.1 No background documents were used in the preparation of this report.

7.2 Record of Decision taken under Urgency Procedures or Delegated Authority report dated 30 March 2006 attached which awarded the original contract. This report is not for publication for the reasons as set out in the original document.

7.3 This report contains exempt and non-exempt information. Exempt information is contained in Schedule 1 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).

8. Strategic Implications

8.1 The provision of IT network, security and datacentre services is a key function to ensuring that the IT systems, and the information contained on them, is accessible and is secure.

9. Financial Implications

9.1 The annual cost of the service is set out in schedule 1. The cost is allowed for within the revenue budget for IT Services.

10. Legal Implications

9.1 These are detailed in paragraph 5 above.

11. Equalities Implications

10.1 None

12. Consultation

12.1 Not required.

13. Background

13.1 A contract with Logicalis was agreed in April 2006, original cost £636,292 per annum, for a 2 year period with an option to extend for a further 3 years under the terms of the NHS PASA Framework. These framework agreements are open for use by local authorities in full compliance with EU procurement legislation. The NHS PASA framework agreement for voice, video and data products and services was used to undertake a 'mini-competition' and Logicalis were pre-qualified for Maintenance and Networking.

13.2 Should the contract not be extended there is a financial break clause whereby Haringey would pay Logicalis a fee to exit the contract, as set out in Schedule 1, to cover front loaded expenses, spread over the 5 year term of the contract, and for ongoing license requirements.

13.3 Logicalis supply services to manage and maintain the IT network and security service and to manage the 2 IT Datacentres, at River Park House and Technopark. The performance is monitored on a monthly basis by means of management reports and review meetings and has been of an acceptable 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.

13.4 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.

- 13.5 The Supplier has proposed that, should the contract be extended, additional services that are currently charged for on an ad-hoc basis will be included in the annual cost of the contract, and additional services, the design and management of IT cabling installations (not the physical installation), will be included within the contract at no cost, leading to an anticipated saving of approximately £100,000 per annum, totalling £300,000 over the 3 year period.

14. Proposal

That the existing contract with Logicalis for Network, Security and Datacentre Services be extended for a further 3 years as allowed for within the contract.

15. No further contract negotiation will be required as the existing contract allows for this extension under the Change Control Procedure.

16. Conclusion

It is recommended that the Procurement Committee accepts the proposal to extend the Network, Security and Datacentre Services contract with Logicalis for a further 3 years at the terms agreed.

17. Use of Appendices / Tables / Photographs

17.1 N/A