

**Report for:** Cabinet Member for Corporate Resources

**Item number:** 4

**Title:** Award of contract for the provision of support and maintenance services for local area networks and wide area networks

**Report authorised by :** Ed Garcez,  
Chief Digital Information Officer

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**Ward(s) affected:** N/A

**Report for Key/ Non Key Decision:** KEY DECISION

## 1. Describe the issue under consideration

- 1.1. This report seeks approval to award a 12 month contract with a value of £657,532 to Logicalis UK Limited for the provision of the council's Local Area Networks (LAN) and Wide Area Networks (WAN) including support and maintenance.
- 1.2. The current contract expires on 30th June 2017 with no option to extend. The LAN and WAN services are business critical as they provide communication between the council and its residents, businesses and other partners.
- 1.3. Failure of these services would lead to a loss of data communication including but not limited to email and IP telephony services.
- 1.4. The services have been procured via the Crown Commercial Service RM1045 – network services framework agreement and is in accordance with Contract Standing Order (CSO) 7.01 (b) (selecting one or more contractors from a framework).
- 1.5. The value of the proposed contract exceeds the key decision threshold.

## 2. Introduction

- 2.1. The ICT services provided through the LAN and WAN are key communication routes for residents and the council. These services are fully out sourced to a single supplier. The contract expires at the end of June 2017 with no option to extend. Should these services fail and the council did not have a contract in place the council would suffer a significant loss in reputation as well as a loss of business continuity.

- 2.2. The approach to entering a new contract is in accordance with the Council's CSO's.
- 2.3. The reason for only a 12 month contract is to enable the Shared Digital service to consider and implement a longer term strategy for these services.

### **3. Recommendations**

- 3.1. It is recommended that the Cabinet Member for Corporate Resources approves the award of a contract for a 12 month period, commencing on 1<sup>st</sup> July 2017 to Logicalis UK Limited for the provision of the council's LAN and WAN services at a cost of £657,532.

### **4. Reasons for decision**

- 4.1. The services described in this report are business critical and must be maintained. The use of Crown Commercial Services' RM1045 – Network services framework agreement provides a legally compliant mechanism for the council to source the services.
- 4.2. The chosen supplier (Logicalis UK Limited) has been the current incumbent provider for 11 years. Therefore, the supplier knows the infrastructure of the council's LAN and WANs. The quality of service provided by the incumbent supplier is very good with no loss of service.
- 4.3. The contract will be awarded at the same cost as the previous year's service contract value. This represents value for money compared to the current framework rates. Any variation to the services would require the supplier to use their new rate card for services, incurring additional cost.
- 4.4. This is a temporary arrangement until the recently formed Shared Digital service can consider and implement a longer term strategy.
- 4.5. The report is being considered for approval through the general exception notice process due to the urgency to enter into a new contract by the end of June 2017.

### **5. Alternative options considered**

- 5.1. The services to be procured are business critical. In reviewing the options available the main focus has been on ensuring business continuity, and completing a legally compliant procurement process that would enable the council to award a contract that also represented value for money. Four options have been considered:

#### **a) Do not renew the contract – Not recommended**

The services are business critical and part of the council's civil contingency requirements. The council needs to have a contract in place for these services which includes support and maintenance.

**b) Provide the services from existing council resources – Not recommended**

This option is the medium term (12 to 18) months preferred option. However, the existing in-house resources lack the technical experience and capacity to deliver the service in the short term.

**c) Procure the services through a new supplier – Not recommended**

The technical infrastructure of the LAN and WAN are complex and will take a new supplier significant time to understand the infrastructure and continue delivery of the service.

This would also require the completion of a more complex procurement exercise, which would take between three and four months to complete, excluding approval and transition which will add at least an additional three months.

The Shared Digital service has not had sufficient time to consider the best options in respect of delivering these services long term; therefore there is a risk we would need to further transition the services in 12-18 months. This would create additional disruption to services and incur additional transition costs.

**d) Procure the services from the existing supplier via a framework agreement- Recommended**

The Crown Commercial Service has a range of framework agreements from which services can be called off. As a named participant on framework agreement RM1045 – Network Services, the Council can call-off services from the framework agreement as a direct award.

The incumbent supplier has been providing these services for eleven years. The supplier has intimate knowledge of the council's infrastructure, has delivered an excellent service throughout the duration of the contract.

- 5.2. Having considered the options available to the council, Option D meets the council's requirements to: maintain continuity of service; procure a new contract that is legally compliant with public procurement regulations and provide value for money.
- 5.3. The contract, in accordance with the framework agreement's regulations will be by direct award to Logicalis UK Ltd who are one of the named providers on the framework. This would provide the most expedient procurement option; whilst maintaining continuity of service.

**6. Background information**

- 6.1. The council's LAN and WAN are the networks of computers, communication circuits and data links controlled by the council allowing data, including telecommunications to flow between the council and residents, businesses, clients and government.

- 6.2. The LAN and WAN services are business critical. This is a wholly out-sourced, managed service. The contract will expire at the end of June 2017. Failure to renew the contract would expose the council to a significant risk of loss of service leading to no internet connectivity, no email data and no IP telephony. These services fall within the council's civil contingency requirements.
- 6.3. It was recognised that this contract was due for renewal. An options appraisal was undertaken with a view to bringing the delivery of the service in-house, delivered by Shared Digital (SD). However, following the review of the technical capability held in-house and also capacity to deliver the service, it was decided to re-procure these services for a limited period, to support development of capability and capacity within SD.
- 6.4. The decision to renew the contract would also support the migration of the Council's data centres as it would provide a single stable platform, delivered by an experienced supplier, enabling easier migration and consolidation of the council's data centres.

## **7. Contribution to strategic outcomes**

- 7.1. The interaction between residents, businesses, partners and the Council are underpinned by the services discussed in this report. Without being able to transfer data and communicate electronically there would be little opportunity to provide services digitally to residents.
- 7.2. In addition, key initiatives across the Council such as collecting data on vulnerable clients, better understanding their needs and providing better-targeted services to vulnerable residents would all suffer if the Council did not have an appropriate contract in place.

## **8. Statutory officers comments**

### **8.1. Finance**

- 8.1.1. The budgets for network managed service payments budgets is ~£657,000, which form part of IT's managed service -networks and security cash limited budget. There is sufficient budget to cover the costs proposed in this contract.

### **8.2. Procurement**

- 8.2.1. Strategic Procurement has supported Shared Digital in respect of procuring these services via the Crown Commercial Services' RM1045 – Network services framework agreement in accordance with CSO 7.01 (b).
- 8.2.2. The Council is able to access this framework and utilise the direct call off arrangements as allowed under the framework terms and conditions. In this instance the services have been procured via direct call off from a Logicalis catalogue item within the framework.

8.2.3. Procurement supports the recommendations of this report for the reasons stated in section 4 above.

#### 8.2.4. **Legal**

8.2.5. The Assistant Director of Corporate Governance notes the contents of the report.

8.2.6. In accordance with CSO 7.01(b) the recommended supplier has been procured by direct call off from the Crown Commercial Service framework agreement RM1045 (the “Framework Agreement”).

8.2.7. Strategic Procurement have confirmed that the Council is able to access the Framework Agreement and utilise the direct call off arrangements under the Framework Agreement. Therefore the Assistant Director of Corporate Governance sees no legal reasons preventing the Cabinet Member for Corporate Resources from approving the recommendations in the report.

### 8.3. **Equality**

8.3.1. The Council has a public sector equality duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share relevant protected characteristics and people who do not
- Foster good relations between people who share relevant characteristics and people who do not.

8.3.2. This duty covers the following protected characteristics: age (including children and young people), disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

8.3.3. The procurement is a direct award against the standard contract terms and conditions from the framework agreement which do include the requirements of suppliers to have equality policies and processes in place to prevent discrimination, harassment and victimisation.’

### 9. **Use of Appendices**

9.1 There are no appendices to this report.

### 10. **Local Government (Access to Information) Act 1985**

10.1. Not applicable.

