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| REPORT TITLE Authority to Delegate Award of Contract for provision of a single wide area network service | |
| REPORT OF Chief Digital and Information Officer | |
| FOR SUBMISSION TO Islington Council Executive | DATE 19 th July 2018 |
| SUMMARY OF REPORT <p>The Shared Digital Joint Committee approved at its meeting of 30th October 2017 a procurement strategy for the provision of a single wide area network across the three Councils provided by a single supplier.</p> <p>The delivery of ICT services across the three Councils is evolving, with some services being delivered at a local level and others collaboratively as part of Shared Digital. Network services is a service which will be locally delivered.</p> <p>However, the rationale for undertaking a joint procurement remains as the Councils: share data centres; can draw economies of scale from collaborating on this procurement; and, due to improvement in network technology would still retain operational control of their respective networks.</p> <p>This report seeks approval to delegate the award of contract to the Executive Director of Corporate Services, London Borough of Camden, as opposed to the Chief Digital and Information Officer, on behalf of all three Councils.</p> <p>This will ensure that the procurement process can be completed at pace, enabling the Councils to start the transformation of network services across the three Councils, supporting future savings initiatives.</p> <p>Local Government Act 1972 – Access to Information</p> <p>Background papers – None.</p> <p>Further information available - Shared Digital Joint Committee, 30th October 2017: Agenda Item 11 - Network Service Transformation</p> <p>Contact Officer:</p> <p>Stephen Menzies, ICT Programme Consultant Address: 5 Pancras Square, London, N1C 4AG Email: stephen.menzies@camden.gov.uk Tel No: 07960592531</p> | |

WHAT DECISIONS ARE BEING ASKED FOR?


It is recommended that the Executive:

- 1) Delegates the award of contract for the provision of network services by a single supplier to the Executive Director of Corporate Services, London Borough of Camden on behalf of all three Councils.

Ed Garcez, Chief Digital and Information Officer

Date:

Final report clearance:

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|-------------------|---|--------------|
| Signed by: |  | 11 July 2018 |
| | Executive Member for Finance, Performance and Community Safety | Date |

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| Report Author: | Stephen Menzies | |
| Tel: | 07960592531 | |
| Email: | stephen.menzies@camden.gov.uk | |
| Legal Implications Author: | Philip Shamash, Lawyer, Corporate Services | |
| Financial Implications Author: | Peter Taylor, Finance Business Partner, Shared Digital | |

1. WHAT IS THIS REPORT ABOUT?

- 1.1. On 30th October 2017, the Shared Digital Joint Committee considered and approved a report which proposed a transformation and convergence of the Councils' network services, specifically their wide area networks into a single network.
- 1.2. The single network would be provided by a strategic partner selected after a competition from an existing framework agreement. 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.
- 1.3. 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.
- 1.4. Since this decision was taken further work has been undertaken to look at the make-up of the shared ICT service with a decision in the near future likely to divest responsibility of some services into each Council for local delivery and with Shared Digital retaining responsibility for existing collaborative initiatives.
- 1.5. Provision of network services is a service which will be a locally delivered sovereign service.
- 1.6. However, 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.
- 1.7. 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.
- 1.8. This report seeks approval to delegate to the Executive Director of Corporate Services, London borough of Camden the right to award a contract on behalf of all three Councils for single supplier to provide the Councils wide area networks.

2. WHY IS THIS REPORT NECESSARY?

- 2.1. The delivery of this procurement exercise has been delayed whilst decisions are being made over the future shape and focus of ICT services across the three Councils.
- 2.2. Whilst there is provision within the existing Terms of Reference for the Shared Digital Joint Committee to delegate decisions to council officers, there remain some uncertainty over the longer term future of the SDJC. This report seeks specific permission to delegate the award of contract to the Executive Director of Corporate Services, London Borough of Camden ensuring that the contract can be awarded as soon as practical..

2.3. 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, but continuing the procurement jointly will generate savings and enable future transformation work to be completed.

3. OPTIONS

3.1. There are two options available currently: delegate the decision or retain individual Council approvals:

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

3.2. 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 Council’s influence on the supplier to deliver a high quality service. By delegating the contract award decision to Camden this would increase the pace at which the procurement activity can be completed, enabling transition to the service more quickly.

3.3. 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

3.4. 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. 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.

4. WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

4.1. The project has been delayed due to decisions around the future delivery of ICT services across the three Councils. This delay impacts on the time available to: a) complete the procurement; and, b) transition to new services ahead of the technology refresh deadlines for all three Councils.

4.2. Delegating the decision to award the contract would reduce the time taken to complete the procurement activity.

5. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

5.1. Noted below are the risks attributable to the Council approving the recommendations within this report:

| Risk | Mitigation |
|---|--|
| There is a risk that one of the Councils may wish to leave the shared service entirely. | 1. The contract will include provision to novate services and contract to each borough should any of the |

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| | participating Councils wish to withdraw. |
| There is a risk that the Councils may not agree on the which supplier to award the contract to | <ol style="list-style-type: none"> 1. Requirements and evaluation criteria have been jointly developed 2. Each Council will have a participant on the evaluation panel |

6. WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

6.1. The table below provides a timeline of activity following approval of the recommendation in this report:

| Activity | Date |
|--|-------------------|
| Award contract | Late October 2018 |
| Develop transition plan | November 2018 |
| Start transition to new service provider | December 2018 |

7. CONSULTATION

7.1. The procurement strategy approved in October included consultation with the Shared Digital Joint Committee, and members of the Shared Digital Management Board. There is no public consultation required. Consultation on changing the scope of services follows consultation with the Councils’ senior information risk owners and chief executives.

8. LEGAL IMPLICATIONS (Comments of the Borough Solicitor)

- 8.1. The Council is seeking to procure a contract for the provision of wide area network services provided by a single supplier. The strategy recommended in October 2017 was to call-off from a CCS framework agreement following a mini-competition. The value including extensions will be circa £5M for the 5-year contract term. In this report, the Councils are seeking delegate the contract award to the Executive Director of Corporate Services at the London Borough of Camden. The Leaders of the Councils are asked to approve the delegation.
- 8.2. The call-off should be in a format as provided for in the CCS framework used for this procurement. The Council should be satisfied that it has followed the compliant call-off / mini-competition process from the framework.
- 8.3. Councils must take into account in coming to any decision its equality duties under Section 149 of the Equalities Act 2010 and have due regard to them. In summary these legal obligations require the Council, when exercising its functions, to have ‘due regard’ to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, advance equality of opportunity between people who share a relevant protected characteristic and those who don’t and foster good relations between people who share a relevant protected characteristic and those who do not (which

involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are: Age, Disability, Gender Reassignment, Pregnancy and maternity, Race, Religion, Sex, Sexual orientation.

- 8.4. The Public Services (Social Value) Act 2012 requires that public authorities letting service contracts consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area and how during the procurement it might act with a view to securing that improvement. In fulfilling this duty, the authority must (amongst other things) consider whether to undertake any consultation.

9. FINANCE IMPLICATIONS (Finance comments of the Executive Director Corporate Services)

- 9.1. The original procurement strategy for this contract was to procure a single Wide Area Network for the three boroughs at an estimated total cost of £5.435M over the 5 year contract period. It estimated a slight reduction in annual operating cost from the current services, from £0.928M per annum to £0.889M.
- 9.2. Funding for the existing service is captured within the combined revenue budget for Shared Digital. The cost of retendered contracts will need to be managed within this shared financial resource.
- 9.3. Where re-procured contract costs exceed current budget provision mitigating action will need to be taken through re-provision of existing budget to cover the costs.
- 9.4. Where contract costs are lower than current budget provision a saving can be taken. Under the shared service agreement, any Shared Digital savings will be split evenly between the participating authorities.
- 9.5. It is anticipated that the recommended change of strategy, to procure three separate networks from a single supplier, will result in a marginal increase to the estimated annual operating cost. Longer term transformational savings are still expected to be enabled through modernising the network.

10. APPENDICES

- 10.1. None