



Cabinet
12 December 2016

**Report from the Strategic Director of
Resources**

For Action*

Wards affected:
ALL

**Contract For Provision Of Links To The London Boroughs Of Brent
And Lewisham**

Appendix B is “Not for Publication”

1.0 Summary

- 1.1 This report concerns provision of voice and data links to the London Boroughs of Brent and Lewisham. The authorities are seeking a single supplier to be responsible for provision of all ICT links between the authorities. The contract for these links will be for 5 years. The service will include installation and maintenance of new links and maintenance of existing links.
- 1.2 The report outlines the mini tender process under Crown Commercial Services Framework RM1045 being operated and requests delegated approval to award a contract in respect of supplying links to both Councils.

2.0 Recommendations

- 2.1 That Cabinet notes the procurement of a contract for the installation and maintenance of data links using a mini tender process under Crown Commercial Services Framework RM1045 on the basis of the criteria set out in paragraph 3.8 of the report.
- 2.2 That Cabinet delegates authority to award a contract for the installation and maintenance of data links to the Strategic Director of Resources in consultation with the Lead Member for Resources for the reasons detailed in paragraph 3.9 of the report.

3.0 Detail

- 3.1 Currently both LB Brent and LB Lewisham have several suppliers with different pricing schedules that provide voice and data links (“Links”) to both authorities. The objective of the procurement is to provide both LB Brent and LB Lewisham with one supplier for Links between the authorities and in so doing to obtain better pricing of such links to give both authorities cost saving in the budgets over a proposed term of five years.
- 3.2 Following a review of procurement options, Officers concluded that the Crown Commercial Services Framework RM1045, Network Services, Lot 1 Data Access Services and Lot 3 Traditional Telephony Services (the “Framework”) offered the best way of procuring Links. A report was submitted to the Commissioning and Procurement Board in August 2016 and this approach was approved. The Chief Legal Officer also confirmed that the use of the Framework for the proposed procurement was legally permissible.
- 3.3 The Framework rules allow a mini-competition across more than 1 lot, and in this situation only the suppliers who appear on both lots are invited. There are 19 suppliers on both Lots 1 and 3 of the Framework, including all of the Councils’ current suppliers.
- 3.4 Using the Framework will enable procurement in a shorter timescale than via a full tender, therefore saving on resources and enabling the generation of savings as soon as possible.
- 3.5 It is anticipated that procurement of a contract using the Framework will achieve savings on current data link costs of between 10% and 20%. In addition to this, there will be savings to both authorities due to the reduction in administration processes and contract management resulting from the channelling of the services through a single supplier.
- 3.6 LB Brent is the host for the ICT Shared Service and therefore LB Brent is leading on the mini-tender under the Framework.
- 3.7 Appendix A contains the Service Specification and Description
- 3.8 Below are details of the procurement including the evaluation criteria required by the Framework:

Ref.	Requirement	Response
(i)	The nature of the service.	Provision of Links to LB Brent and LB Lewisham
(ii)	The estimated value.	£3.0m over 5 years (£675k for services to LB Brent and £2,325k for services to LB Lewisham)
(iii)	The contract term.	Five Years (together with a mobilisation period of approximately 3 months)
(iv)	The tender procedure adopted.	Further competition exercise from CCS Framework RM1045 Network Services, Lot 1 Data Access Services and Lot 3 Traditional Telephony Services.

Ref.	Requirement	Response	
v)	The procurement timetable.	Stage in procurement	Indicative dates:
		Mini-competition invitation to tender	2 nd November 2016
		Deadline for tender submissions	18 th November 2016 (2 pm)
		Panel evaluation and supplier selection	November / December 2016
		Contract Award	December 2016
		Contract Mobilisation	January 2017
		Contract start date	January 2017
(vi)	The evaluation criteria and process.	<p>Tenders as part of the mini-competition under the Framework will be evaluated by officers from Digital Services and Procurement. The panel will evaluate the mini-competition tenders against the following criteria:</p> <p>Price: 75%</p> <p>Quality Criteria: 25%</p> <p>Consisting of:</p> <p>Delivery Date and Delivery Period: 10%</p> <p>Service (Service levels and service credits): 10%</p> <p>Transition: 5%</p> <p>The Framework rules allow use of a limited set of quality criteria, and the above are in accordance with those rules.</p>	
(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the proposed contract.	
(viii)	The Council's Best Value duties.	The council has a duty to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This procurement will assist the council in fulfilling this duty.	
(ix)	Consideration of Public Services (Social Value) Act	Not applicable	

Ref.	Requirement	Response
	2012	
(x)	Any staffing implications, including TUPE and pensions.	See Section .7.0
(xi)	The relevant financial, legal and other considerations.	See sections 4.0 and 5.0 below.

3.9 Given the estimated value of the proposed contract for Links, Cabinet approval to award the contract is required. However, timescales for this procurement are very tight. LB Lewisham's contract expires on 1st April 2017. If LB Lewisham do not cancel the contract with their current provider it will roll over for another year from 1st April. It is therefore essential that a new contract is in place at least 3 months prior to LB Lewisham's contract expiry date to enable LB Lewisham to cancel their existing contract and ensure the new contractor has sufficient time to mobilise in order to deliver services from the expiry of LB Lewisham's existing contract. Given mini-tenders are unlikely to have been fully evaluated by the Cabinet meeting in December, delegated approval is sought to permit the Strategic Director of Resources in consultation with the Lead Member for Resources to award the contract for Links

4.0 **Financial Implications**

4.1 The estimated value of this service contract is £3.0m or £600k per annum. Brent's share of this is £135k per annum and Lewisham's is £465k per annum. The reason for the difference in the size of the shares is that Lewisham has significantly more lines than Brent. Any savings Brent makes will be used to deliver existing savings targets.

4.2 It is anticipated that the cost of this contract will be funded from existing resources within both authorities' budgets. Details of this are held in the 'Restricted' section at Appendix B because they may affect the bidding process.

4.3 This Tender should bring considerable savings to both authorities by going out together for all existing links, a better pricing structure from one supplier will be realised. However, clearly, Lewisham would benefit greater than Brent due to the size of their existing contract.

5.0 **Legal Implications**

5.1 The estimated value of this contract over its lifetime is higher than the EU threshold for Services and Supplies and therefore the contract for Links must be procured in accordance with the Public Contracts Regulations 2015 (the "EU Regulations"). The Links contract is being procured using a framework established pursuant to the EU Regulations and in accordance with Contract Standing Order 86(e)(ii), the Chief Legal Officer has confirmed that the procurement under the Framework is legally permissible and in accordance with EU Regulations.

5.2 Whilst Contract Standing Orders permit Officers to commence a mini-competition under a framework, the award of any contract is subject to the Council's usual Standing Order requirements in respect of High Value contracts and Financial Regulations. As a result Cabinet approval is required for any award. For the reasons detailed in paragraph 3.9 however, approval is sought to delegate the award of the Links contract to the Strategic Director of Resources in consultation with the Lead Member for Resources.

6.0 Diversity Implications

6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

7.0 Staffing/Accommodation Implications

7.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract.

7.2 There are no property / accommodation implications arising from the procurement

8.0 Background Papers

8.1 None.

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LB Brent and LB Lewisham Links Specification and Service Description

Both authorities require bidders to tender for all ICT links so that a single supplier ends up responsible for provision of service.

The contract for these links will be for 5 years.

The appointed provider will be required to deliver and manage all of the listed links from **1st April 2017**, and Potential Providers should make their best offer for doing so. This may require novation or sub-contracting to existing suppliers.

The main purpose of the service expected, will be to novate, maintain, repair, replace or install new, and decommission Links provided to both Authorities.

Existing links in both authorities

Both Councils currently have links leased with many suppliers. The intention is that one supplier will manage all these links.

Potential providers should tender their best offer to deliver all links both Councils currently have through a single contract. These are listed in the Pricing Document D, but further links may be identified during the contract period. If links are still in contract with other suppliers the bidders will be expected to either cover any early novation fees or negotiate with the existing supplier and include them in their bid. The pricing should be itemised so that we are able to know what the cost of providing/terminating/novating each link is. Bidders should also take responsibility for the relationship with the authorities existing suppliers.

Many of the existing links are old and speeds are slow, bidders may wish to add pricing for upgrading those links which would benefit the authority's services using these links.

New links

During the life of the contract both Councils may wish to procure additional links (new sites). Bidders should include pricing tariff for new links and moves of end shifts of existing links as indicated in the pricing schedule. Any new installations will be required to be completed in a timely manner.

The Provider will be expected to work with the Authority to plan, design and implement any new links.

Both Authorities will be responsible for ensuring that all new links are procured under the new single supplier and do not propose to use other suppliers.

Any new links will be procured for the duration of the time left on the contract, however Councils may also need to terminate some links and do not expect to pay any penalties for early termination. This includes any new links that may have been added.

Termination of links

Both Authorities will only terminate on the basis of a discontinued need, and will not terminate in order to change to an alternative supplier.

The successful supplier will be expected to monitor links and work with the Authorities to be proactive and make recommendations to suspend or terminate any dormant or unused links.

Suspension of links

Both authorities should be allowed to suspend a link service, if they believe that it is no longer being used.

Upgrades of links

The Authorities may require links to be upgraded during the term of the contract. If a link is upgraded there must be no additional costs over and above the cost of the new upgraded service, and charges for terminating the previous service must not be made. The successful supplier will be expected to monitor links and be proactive and make recommendations to the Authorities for links they deem needing an upgrade.

Reconnection of links

The Authorities may require links that have been terminated during the term of the contract to be reconnected.

Revision

Service reviews will be required.

Billing

Quarterly billing will be expected

Management Information

Reports should be produced quarterly to accompany the quarterly billing. This will be required for each authority.

Additional reports to be provided monthly, quarterly and "Year to Date", and on an ad-hoc basis as reasonably required by each Authority

Current providers that bidders will be expected to work with, for transfer of all links:

BT

Opal (via Talk Talk)

Talk Talk

Daisy

Azzurri (including NTL, Virgin, BT, Tiscali)

Gamma (SIP Trunks) via Azzurri

Vitesse via Logicalis

02 (Mobex) via Fleet Communications

NTL

Virgin

The Service

The primary contact liaison for both authorities will be the Host, LB Brent, which is the **ICT Shared Service provider**.

The ICT Shared Service will have lead responsibility for taking calls relating to incidents or issues from users in the authorities, and the Links Supplier will have lead responsibility for proactively

monitoring and maintaining the VOIP, SIP trunk, Data and Voice Links. In the event of a link failure, the service provider will be expected to work with the ICT Shared Service to implement appropriate business continuity measures to ensure the impact to the Authorities services is minimised.

The supplier will be expected to pro-actively monitor to predict future capacity requirements, quickly identify faults, recommend steps to ensure optimal performance and communicate efficiently with the ICT Shared Service. A requirement will be to analyse links performance and capacity to identify trends and advise on corrective action.

The Authorities' expectation is that links patches, or links planned maintenance and configuration changes etc. that impact the service availability or performance, will be carried out within agreed time slots at no additional cost to the Authorities.

The Authority will expect Links to have 99.99% 24 x 7 x 365 availability.

The service will incorporate an ITIL or comparative compliant service support including incident, problem, configuration, change and release management processes. This should include an asset record of links and should be maintained and updated via Configuration Management process.

The Service Provider will be expected to publish a clear and easily available escalation process that can be followed by the ICT Shared Service.

The Authorities will ensure that the provider has site access when necessary, and will maintain controlled access to Comms room and record of visits undertaken.

The Supplier will need to ensure that the Authorities are protected from all security threats that would degrade or affect the Links services.