

LONDON BOROUGH OF BRENT

EXECUTIVE 22 SEPTEMBER 2003

FROM THE DIRECTOR OF CORPORATE SERVICES

REPORT TITLE: Authority to Invite Tenders for a Contract to Supply and Install Data Network Equipment and Circuits

Above Below

Confidential Line

(Except for Appendix A)

1. Summary

- 1.1 This report concerns the requirement to upgrade the authority's data network and seeks approval of members, in accordance with contract standing orders 89 and 90, to invite tenders for the supply, installation, maintenance and rental of equipment and associated circuits.

2. Recommendations

- 2.1 That the Executive give approval to the pre-tender considerations and criteria to be used to evaluate as set out in paragraph 6.2 of the report.
- 2.2 That the Executive give approval to officers to invite tenders and evaluate them in accordance with the approved evaluation criteria referred to in 2.1 above.

3. Financial Implications

- 3.1 The Council's contract standing orders require that contracts for supplies and services exceeding £500k be referred to the Executive for approval to invite tenders and in respect of other matters identified in standing order 90.
- 3.2 Details of the estimated value of this contract appear, below the line, at Appendix A.
- 3.3 Provision for one off investment costs has been made in the Council's capital programme. Ongoing revenue costs will be partly met from existing service area budgets but a growth bid for £91k, from 2005/6 onwards will be made as part of the current budget round. In the event that the growth bid is unsuccessful
- either (a) The procurement will be curtailed and the necessary upgrade not undertaken, with estimated abortive costs of £40k.
- or (b) Funds will have to be found from other budgets as yet unidentified.
- 3.4 Under Section 48 of the Local Government and Housing Act 1989, credit arrangement can arise where contractual arrangements are entered into which

allow for more than a full years gap between the Council receiving benefit and paying for that benefit. The expected expenditure and payment profile for the data network upgrade contract have been analysed and Brent Financial Services are of the opinion that this profile will not create a credit arrangement under Section 48.

4. Staffing Implications

- 4.1 There are no staffing implications associated specifically with the procurement of these goods and services.

5 Legal Implications

- 5.1 This contract involves both supplies and services as defined in the EU Public Procurement Regulations and is over the threshold for application of the Regulations. As the value of the supply element of this contract is greater than the services element, the contract is a public supply contract for the purposes of the Regulations.
- 5.2 This is also a high value contract, i.e. over £500k, as defined by contract standing orders and, as such, requires Executive involvement throughout the process, including approval to invite tenders and award of contract.
- 5.3 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

6. Detail

- 6.1 (a) The Council's data network was originally designed in 1995, based on equipment supplied by 3Com. It has served the Council well since that time, despite developments in technology and the growth of network traffic, requiring only software and memory upgrades for the routers and bandwidth increases for the leased lines.
- (b) However, two developments have occurred which now require investment in an updated data network.
- (i) In 2000, 3Com unexpectedly withdrew from the wide area networking market (though it has since re-entered with new equipment platforms) and announced withdrawal of support for the existing equipment in 2005. Whilst maintenance has continued, the capacity to upgrade to meet new requirements has become increasingly limited.
- (ii) Developments in technology, increased levels of use within the authority and particularly the requirements of e-government necessitate a redesign and upgrade of the data network to increase capacity and resilience.

- (c) The above was reported to the Corporate Deciding Committee in April 2001 and subsequently resources were allocated to a data network upgrade in the Council's capital programme. Such an upgrade is also an integral part of the Council's agreed e-government strategy.
- (d) The procurement involves the purchase of communications equipment (routers and switches) and rental of communication lines, which enable information or data to be sent between the Authority's buildings (the Brent Wide Area Network) and to and from the Authority to the outside world, mainly via the Internet. Maintenance charges will apply to the equipment. New telecommunications links have to be installed where current provision is inadequate and these will be paid for by one off installation charges and will incur annual rental charges. In order to keep rental costs down, it is proposed to contract for a minimum period of 3 – 5 years, depending on the financial advantage to be gained from the longer period.
- (e) Members are therefore requested to approve the procurement of a contract for the supply, installation, maintenance and rental of data networking equipment and interconnecting circuits.

6.2 In accordance with contract standing orders 89 and 90, pre-tender considerations have been set out below for the approval of the Executive.

Ref	Requirement	Response																
(i)	The nature of the goods and services.	The supply, installation, maintenance and rental of data network equipment and interconnecting circuits.																
(ii)	The estimated value.	Please see Appendix A (below the line)																
(iii)	The contract term	3 or 5 years																
(iv)	Tender procedure	EU restricted procedure																
(v)	The procurement timetable	<p>Indicative dates are:</p> <table> <tr> <td>EU notice placed</td> <td>23 September 2003</td> </tr> <tr> <td>Expressions of interest returned</td> <td>31 October 2003</td> </tr> <tr> <td>Invitations to tender</td> <td>17 November 2003</td> </tr> <tr> <td>Bidders conference</td> <td>25 November 2003</td> </tr> <tr> <td>Tenders received</td> <td>16 January 2004</td> </tr> <tr> <td>Evaluation complete</td> <td>9 February 2004</td> </tr> <tr> <td>Executive approval</td> <td>8 March 2004</td> </tr> <tr> <td>Contract start date</td> <td>May 2004</td> </tr> </table>	EU notice placed	23 September 2003	Expressions of interest returned	31 October 2003	Invitations to tender	17 November 2003	Bidders conference	25 November 2003	Tenders received	16 January 2004	Evaluation complete	9 February 2004	Executive approval	8 March 2004	Contract start date	May 2004
EU notice placed	23 September 2003																	
Expressions of interest returned	31 October 2003																	
Invitations to tender	17 November 2003																	
Bidders conference	25 November 2003																	
Tenders received	16 January 2004																	
Evaluation complete	9 February 2004																	
Executive approval	8 March 2004																	
Contract start date	May 2004																	
(vi)	The evaluation criteria and process	Shortlists will be drawn up in accordance with the EU procurement regulations namely financial and economic standing and technical capacity (including probity and health and safety considerations) thereby meeting the Council's requirements regarding financial standing and technical expertise.																

Ref	Requirement	Response
		Tenders will be evaluated according to: <ul style="list-style-type: none"> • Cost • Technical and service quality and reliability • Degree of match to requirements • Supplier stability, reliability and track record (incl. Project management capabilities).
(vii)	Any business risks associated with entering the contract.	None specific.
(viii)	The Council's best value duties.	Undertaking a fully competitive tender in accordance with EU procedures is completely in line with the Council's duty to secure best value.
(ix)	Staffing implications.	None specific.
(x)	Relevant financial, legal and other considerations.	See Sections 3 and 5 above and Appendix A (below the line).

6.3 The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with contract standing order 89.

7. Background Information

Data Network Procurement File

Anyone wishing to inspect the above papers should contact: -
Stefan Samek
Deputy Director of Corporate Services
Room 114, Brent Town Hall
Wembley, Middx HA9 9HD
Tel. No. 020 8937 1403

BERNARD DIAMANT
DIRECTOR OF CORPORATE SERVICES