

LONDON BOROUGH OF BRENT

EXECUTIVE - 29 MARCH 2004

FROM THE DIRECTOR OF CORPORATE SERVICES

REPORT TITLE: Award of Contract for Upgrade of the Council's Data Network

Above Below
Confidential Line
(Except for Appendices A & B)

FP REF: Cor-03/04-59

1. Summary

- 1.1 This Report describes the outcome of a procurement exercise for the supply, installation, maintenance and rental of equipment and associated circuits. It also recommends the supplier to which the contract should be awarded and seeks Executive approval in accordance with the Scheme of Delegation in Part 4 paragraph 2.5 of the constitution.

2. Recommendations

- 2.1 That members agree to award a contract to Pinacl Solutions for the supply and installation of equipment to upgrade the Data Network together with a 3-year contract for the maintenance of equipment and rental of circuits.
- 2.2 That members authorise the Director of Corporate Services to finalise the contract and any outstanding matters subject to obtaining advice, where appropriate, from the Director of Finance or the Borough Solicitor.

3. Staffing Implications

- 3.1 There are no specific staffing implications arising from the recommendations of this report.

4. Diversity Implications

- 4.1 There are no diversity implications arising directly from this report. However, an upgrade to the Data Network is required to support the council's e-government programme which is, in part, about expanding the variety of ways the public may access the council's services. Indirectly, therefore, this decision may support the wider range of preferences likely to be prevalent in a diverse community such as Brent.

5 Financial Implications

- 5.1 The detailed financial implications of this report are printed out in Appendices A and B of this report
- 5.2 In terms of the budget, members have made £850K of capital available for spending on this project during 2004/5. Furthermore, revenue growth of £91K p.a. from 2005/6 onwards has been agreed as part of the budget process to add to the existing £109K p.a. available in service area budgets for data network purposes, i.e. a total of £200K p.a.
- 5.3 The proposed option would cost £807K in capital spend including associated consultancy and legal fees, although this does not allow for any contingency. Revenue costs will be £30K in 2004/5 and £157K in each of 2005/6 and 2006/7, again without contingency. Such costs can be contained within budget and indeed give rise to anticipated savings of £43K per annum, as against budget provision, from 2005/6 onwards.

6. Legal Implications

- 6.1 The contract to be awarded will be for a combination of the supply of equipment, the provision of circuits and for associated services over a 3-year period.
- 6.2 The value of the supplies element is approximately £935K and of services to be provided approximately £140K over 3 years. As the supply element is by far the larger part, the EU public procurement rules require the entire award to be treated as a supply contract. The value of the contract is in excess of the EU supplies threshold of approximately £154K and this meant that the requirement of the regulations had to be complied with.
- 6.3 The contract was therefore advertised in the Official Journal of the European Community, Pre-Qualification Questionnaires were sent to interested parties, short-listing was undertaken in accordance with the requirements of the Regulations and invitations to tender and evaluation also carried out in compliance with the requirements of the Regulations.
- 6.4 This is also a high value contract and, as such, requires Executive approval for the award of the contract (Contract Standing Order 89 and paragraph 2.5(3) of Part 4 of the Constitution). That approval is being sought in the recommendations to this report.

7. Detail

- 7.1 In accordance with the requirements of standing orders, the authority of the Executive was obtained on 22 September 2003 to invite tenders for the supply, installation, maintenance and rental of data network equipment and circuits.
- 7.2 The report seeking authority indicated to members that the council's Data Network, originally designed in 1995 using 3Com equipment, required an upgrade because of
 - i) 3Com's withdrawal of support from 2005
 - ii) developments in technology, particularly IP telephony, which will permit joint use of circuits with voice telephony

- iii) increased levels of use
- iv) the requirements of the council's e-government programme.

- 7.3 As a consequence of authority to proceed a notice inviting expressions of interest was published on 26 September 2003 in accordance with the EU Procurement Rules under the Restricted Procedure for supplies.
- 7.4 27 firms expressed an interest in tendering. The technical capacity and financial and economic standing, criteria permitted by the EU regulations were used to draw up a shortlist, and 9 firms were invited to tender. 5 of these subsequently withdrew, leaving 4 bidders.
- 7.5 The criteria used to evaluate the proposals, as agreed by members, were:
- i) Cost
 - ii) Technical & Service Quality and Reliability
 - iii) Supplier standing, reliability & track record (incl. Project Management capabilities)
 - iv) Degree of match to requirements
- 7.6 The council was assisted in this exercise by specialist consultants, Devoteam Frontrunner, whose final report is included as Appendix B (pink papers). Appendix A is a report by your officers on the assessment of the bids received. Having applied the selection criteria, it is recommended that the Pinacl bid would provide the Council with the best value for money solution for the upgrade of the Council's data network.
- 7.7 Members may wish to note that Pinacl is the current supplier of telephony equipment and maintenance services to the Council. This was not a factor in evaluation but the information is presented to members in the interests of openness and transparency.

8. Background Information

- i) Data Network Procurement Files DNP 1, 2 and 3.
- ii) Data Network Supplies & Services Information Pack October 2003
- iii) Data Network Supplies & Services Invitation to Tender November 2003
- iv) Bidders' tender proposals

Members of the Executive wishing to inspect the above papers should contact: -
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