

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 7th December 2016

REPORT TITLE Procurement of Wide Area Network Links

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance, ICT and Customer

Ward(s) affected: None Specific

Purpose of the Report

To seek Cabinet approval to award contracts following the procurement of wide area network links in support of the Public Sector Hub.

Recommendations

- a) That Cabinet approve the procurement of new, high capacity wide area network links from a single supplier, in support of the Public Sector Hub, and the modification of existing links to support other sites as detailed in the report.
- b) That Cabinet delegates the authority to award the required contracts to the Executive Director (Resources and Support Services) in consultation with the Portfolio Holder for Finance, ICT and Customer.

Reasons

- a) The Public Sector Hub will not be able to function without the procurement of new high capacity, resilient network links.
- b) Existing sites will not be able to function without the modification of existing links, following the migration of ICT Services away from the current Civic Offices.

1. Background

- 1.1. Currently, each of the Council's sites are interconnected by a complex series of secure network links. These links are known as a Wide Area Network (WAN). They allow staff at any location universal access to all Council ICT systems and are essential for the delivery of services to the public. Key sites with a heavy reliance on ICT typically have multiple links in place to ensure that no single failure would result in the site being without any ICT services.
- 1.2. At present, the most important site within the Council's wide area network is the Civic Offices, as all ICT Services originate from there. A small number of services are also provided from the Kidsgrove Customer Service Centre, which currently acts as the Council's disaster recovery and data replication site.
- 1.3. The Council will relocate to a new Public Sector Hub in Autumn 2017. The facility will also be shared by the Police and Staffordshire County Council, presenting many opportunities for each organisation to work together; delivering better value and better services.

2. Issues

- 2.1. Work is underway to provide ICT Services from the Kidsgrove Customer Service Centre and Knutton Lane Depot sites. This will ensure that ICT services continue to work seamlessly during the physical move to the new Hub. This means that all network services which are currently fed into the Civic Offices, will require relocation (6 in total).
- 2.2. New links will also be required between the new Hub, Depot and Jubilee 2 sites, whilst a small number of other links to non-operational sites will no longer be required.

3. Options Considered

- 3.1. Whilst the Council will need to enter into new contracts for wide area network links, there are options for how these can be procured, which have been considered by ICT:

- 3.2. *Option 1: Single Provider*

Advantages:

Using a single provider for all wide area network links ensures that the management of ICT's contracts and the service provided is straightforward. Previous research has also shown that an overall lower cost would be obtained with a single provider.

Disadvantage:

Any provider will have dependencies upon key sites within their own network that will have the ability to influence local services. If a single supplier is used, this increases the risk that a failure on their network at a strategic site could impact a greater number of the Council's services.

Whilst the probability of a failure is low, it is something that can and has previously happened.

- 3.3. *Option 2 Multiple Providers*

Advantage:

The different physical routes into each key Council site would be further supported by the use of different suppliers. In effect, this would mean that the failure of a single supplier's network would be less likely to impact the Council's ICT services.

Disadvantages:

This additional resilience incurs additional costs. Provisional research by ICT has indicated that over a 5 year contract, this additional cost is approximately £30,000.

Adds a small degree of administrative complication for ICT in terms of supporting several contracts

- 3.4. ICT have also considered the possibility of working with other partner agencies to procure wide area network links in a collaborative approach. Whilst it is highly unlikely that the Police would be able to work with us on such procurements (due to security requirements specific to their organisation) Staffordshire County Council have expressed initial interest. ICT will ensure that where opportunities to share exist, these will be evaluated and where possible enacted.

4. Recommendations

- 4.1. It is recommended that:
 - a) Cabinet approve the procurement of new, high capacity wide area network links from a single supplier in support of the Public Sector Hub, and the modification of existing links to support other sites as detailed in Option 1 above;

- b) Authority is delegated to the Executive Director (Resources and Support Services) to execute the most economically advantageous contract for the authority, in consultation with the portfolio holder for Finance, IT and Customer.

5. Reasons for Preferred Solution

- 5.1. The Council will need to procure new wide area network links to facilitate the move to the Public Sector Hub. It is not possible for the new site to operate without them.
- 5.2. The use of a single supplier, whilst introducing a small element of risk, will reduce the Council's overall, long term expenditure. In the current economic climate, ICT are continually looking at opportunities to reduce costs without adversely affecting services.
- 5.3. The timing of the contracts and orders will be crucial . Not only must ICT ensure that the required links are in place before the Public Sector Hub becomes operational, but must also be able to respond to supplier opportunities that may exist.

6. Financial and Resource Implications

- 6.1. It is not possible to provide specific costs until a procurement exercise has been completed. However, based on market research, ICT anticipate cost of approximately £150,000 over a 5 year contract period,
- 6.2. It is anticipated that a cost of approximately £20,000 will be incurred for the re-location of existing network links where required.
- 6.3. The full costs of these requirements have been included within the Public Sector Hub business case and provisions have been made within the project budget that was approved at full council on 23 September 2015.
- 6.4. Whilst the anticipated value will not exceed EU Procurement thresholds and suitable framework agreements already exist, ICT believe best value will be achieved through an open tendering process. This view is supported by the Council's Procurement Officer.

7. Major Risks

- 7.1. A full risk assessment is available on request.

However, the main risks are identified as follows:

- a) Reliance on a single provider across our wide area network resulting in service disruption;
- b) Unanticipated costs associated with "excess fees" and economic uncertainty; and
- c) Delays to the completion of the Public Sector Hub if links not in place by project timelines.

- 7.2. In the event of a failure across a suppliers network, staff within the Civic Hub would not be able to access any ICT based services. The overall risk is however partially mitigated by the design of the Councils wide area network and the future distribution of staff away from a single site. ICT will also ensure that a comprehensive service level agreement is in place with any successful supplier to reduce the target restoration time in any failure event.

8. Earlier Cabinet/Committee Resolutions

- 8.1. Council, 23rd September 2015. Minute relating to Item 7: Proposed Newcastle under Lyme Public Sector Hub.

- 8.2. Cabinet, 20th January 2016. Agenda Item 10; Public Sector Hub: Expansion of ICT Facilities at Kidsgrove Customer Service Centre.