

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 14 MARCH 2017

Title of report	AUTHORITY TO AWARD DATA CENTRE AND WIDE AREA NETWORK CONTRACT - PRICING UPDATE
Key Decision	a) Financial Yes b) Community No
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Interim Director of Resources 01530 454833 andrew.hunkin@nwleicestershire.gov.uk
Purpose of Report	The report requests that Cabinet delegates authority to award the Data Centre and Wide Area Network services contract to the Interim Director of Resources in consultation with the Corporate Portfolio Holder, based on the revised pricing, post the competitive procurement exercise
Reason for Decision	The level of expenditure on this contract exceeds the authority threshold in the Scheme of Delegation. To implement modern ICT network and infrastructure, replacing legacy infrastructure and consolidating suppliers. Also the provision of disaster recovery, business continuity and backup services which reduce the overall ICT infrastructure costs to the Council. This is contained within the ICT Road Map 2016 – 2018
Council Priorities	Value for Money- Council is spending money wisely.
Implications: Financial/Staff Link to relevant CAT Risk Management Equalities Impact Screening	Financial implications contained within ICT Road map funding which has already been approved by Cabinet on the 26 July 2016 (ICT Infrastructure scheme), no staffing implications Not applicable Not applicable Not applicable

Human Rights	Not applicable
Transformational Government	Not applicable
Comments of Head of Paid Service	Report is satisfactory
Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Deputy Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	None
Recommendations	<p>THAT CABINET:</p> <p>1) DELEGATES AUTHORITY TO AWARD THE CONTRACT FOR THE DATA CENTRE AND WIDE AREA NETWORK SERVICES FOR THE PERIOD 1 APRIL 2017 TO 30 SEPTEMBER 2020, TO THE INTERIM DIRECTOR OF RESOURCES IN CONSULTATION WITH THE CORPORATE PORTFOLIO HOLDER; AND</p> <p>2) AGREES A CONTRACT EXTENSION OF TWO MONTHS WITH THE EXISTING SERVICE PROVIDER AND GRANTS A WAIVER TO THE COUNCIL'S CONTRACT PROCEDURE RULES PURSUANT TO RULE 3.2 OF THOSE RULES DUE TO THE CIRCUMSTANCES SET OUT IN PARAGRAPH 3.2 BELOW TO ALLOW THE EXTENSION TO BE AWARDED</p>

1. BACKGROUND

- 1.1 As detailed in the earlier background paper to Cabinet on the 17 January 2017. The Council's ICT infrastructure, telecommunications and server room is currently located within the Council building which has been a single point of failure. The infrastructure is 6 years old and needs replacing. The current Wide Area Network is provided on expensive lease lines, with smaller sites on public ADSL connectivity, with multiple suppliers. As part of the ICT Road Map and ICT strategy, Cabinet has approved the funding to modernise the Council's ICT infrastructure with provision for disaster recovery and business continuity by migrating the server room to a private secure data centre, with modern highly available, and resilient ICT infrastructure with fast secure network connections with a single supplier, reducing overall cost .

- 1.2 Cabinet delegated authority to the Interim Director of Resources in consultation with the Corporate Portfolio Holder on the 17 January 2017 to award a contract up to a value £350,000 over 3 years, based on financial projections.

2. PROCUREMENT PROCESS AND OUTCOMES

- 2.1 Following a competitive procurement process under the CCS framework RM1045 LOT1 Data Access Services, a preferred supplier has been identified that provides the best technical solution and the best value for money .
- 2.2 However, the best price for what the Council requires has come to £518,000 over 3 years (plus an implementation period), an increase of £168,000 over the projected figure of £350,000, which equates to an additional cost of £56,000 a year, for the contract. The increased cost, though competitive, is due to the disaster recovery element being more than originally predicted, which is a reflection of the well publicised increase in cyber security risks both nationally and globally.

3. OPERATIONAL IMPLICATIONS

- 3.1 The migration to a modern, robust Data Centre and Wide Area Network, is intrinsic to the ICT Road Map and underpins the Council's long term vision of effectiveness, efficiency, security and sustainability. Disaster recovery, business continuity, resilience, high availability of ICT systems and resistance against cyber attacks are all the elements addressed by this contract.
- 3.2 The extended procurement process, including the need to report the above increases in anticipated costs to Cabinet to ensure proper authorisation for this contract, will result in a postponement of the target implementation date by two months. As a result, an extension of the Council's current provision will be required to ensure the essential continuity of service prior to the new systems becoming available. This extension is in effect a new two month contract to the Council's existing supplier at a cost of £30,000 which will come from the ICT budget. Since there is no other entity able to provide this two month cover for technical reasons, Cabinet is asked to grant a waiver of the Contract Procedure Rules to allow this two month extension.

4. FINANCIAL IMPLICATIONS

- 4.1 The additional cost of £56,000 per year for the Data Centre and Wide Area Network is to be funded from directorate efficiency savings and from re-prioritising the ICT Roadmap activities.

5. CONTRACT AWARD

- 5.1 In order to award the contract for the Data Centre and Wide Area Network services for the period 1 April 2017 to 30 September 2020, Cabinet is requested to delegate authority to the Interim Director of Resources in consultation with the Corporate Portfolio Holder. Cabinet is also asked to note that the additional costs are to be met from existing funds as detailed in paragraph 4.1.