

Title of Report	PROCUREMENT OF IT DATA CENTRE , WIDE AREA NETWORK, BACKUP AND DISASTER RECOVERY SERVICES	
Presented by	Councillor Roger Bayliss Portfolio Holder for Housing, Property and Customer Services	
Background Papers	AUTHORITY TO AWARD DATA CENTRE AND WIDE AREA NETWORK CONTRACT – JANUARY 2017	Public Report: Yes
		Key Decision: Yes
Financial Implications	The current cost of the contract is £223,644.72 per annum and the cost of the new contract is £196,337.28 per annum. This is a saving of £27,307.44 per annum.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The report requests that Cabinet authorises the award of the IT data centre, wide area network, backup and disaster recovery services contract to <u>Six Degrees Technology Group Ltd, (6DG)</u> .	
Reason for Decision	<p>The current contract for data centre, wide area network, backup and disaster recovery services, comes to an end on the 31st August. The award of a new contract is necessary to maintain our IT infrastructure, network, backup, systems and applications.</p> <p>The level of expenditure on this contract exceeds the authority threshold in the scheme of delegation.</p>	
Recommendations	CABINET APPROVES THE DIRECT AWARD OF THIS CONTRACT TO SIX DEGREES TECHNOLOGY GROUP LTD.	

1.0 BACKGROUND

- 1.1 In January 2017 Cabinet received a report on the planned procurement of the IT data centre, wide area network, backup and disaster recovery services. This was part of the IT strategy and the need to modernise the Council's ICT infrastructure, level of resilience and a workforce with the right IT tools and skills.
- 1.2 Procurement, by way of a mini tender on a Framework, was undertaken and Cabinet delegated authority to award a 3-year contract to the Interim Director of Resources.
- 1.3 The contract was ultimately awarded to Adept Telecommunications who subcontracted the work to Six Degrees Group.

1.4 This contract comes to an end on the 31st of August 2020. The award of a new contract is necessary in order to continue and maintain our core IT infrastructure.

2.0 PROCUREMENT

2.1 A procurement process, compliant with the Public Contracts Regulations, for the new contract has been conducted by the Council's IT Manager in conjunction with the Procurement Officer. The proposed route to market is a direct award to Six Degrees Group via the CCS framework RM3808 LOT2.

2.2 As subcontractors to the incumbent supplier Adept, the Council has worked with Six Degrees Group for the past 3 years. Six Degrees Group has consistently provided excellent service levels. 6DG's successful inclusion on the CCS Framework means that the Council can directly award the contract to them. Their role subcontracting from the incumbent supplier means that there will be no capital outlay to move our infrastructure.

2.3 A direct award to 6 Degrees Group has been chosen for technical continuity as there is no technical, monetary, or financial reason, to move our infrastructure to a different supplier. Moving to a different supplier, would incur high capital costs, as well as time and resource to rebuild a new infrastructure. The service we receive from 6 Degrees Group is excellent and the data centre is in Birmingham, within travelling distance for IT staff to travel to.

2.4 As technology moves on very quickly, and in the future, we will look at different hosting options, a 3-year contract with the option to extend for a further 2-year is felt to be the most appropriate length for the contract.

3.0 FINANCIAL IMPLICATIONS

3.1 The cost of the current contract is £223,644.72 per annum. This includes the hosting costs of the Housing ICT system and additional capacity costs.

3.2 The cost of the new contract is £196,332 per annum, £981,060, over 5 years (3 years plus 2 years optional extension). These costs are already built into the IT budget and include the cost of hosting the housing Aareon ICT systems.

3.3 By redesigning the solution and removing unnecessary costs, the cost of the overall contract has reduced to £981,686, providing an efficiency saving of £136,534 over the 5 years, which will contribute to savings targets of the Journey to self-sufficiency programme.

4.0 TIMELINE

Number	Step	Date(s) and time (if applicable)
6	Governance Approvals completed	9/6/2020
9	Contract finalisation completed	30/06/2020
10	Contract start date	01/09/2020

Policies and other considerations, as appropriate	
Council Priorities:	Our communities are safe, healthy and connected
Policy Considerations:	N/A

Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	N/A
Economic and Social Impact:	N/A
Environment and Climate Change:	N/A
Consultation/Community Engagement:	N/A
Risks:	N/A
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