

Report of Louise Wilkinson, Senior ICT Officer

Report to Dylan Roberts, Chief Digital and Information Officer

Date: 30th November 2016

Subject: Approval of contract variation to move the Wholesale Line Rental services which are currently out of contract onto Schedule 14b of the LCCITS130004 PSN Services contract (9HQH-JEBJ5T).

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Leeds City Council requested that Virgin Media Business transfer the services supplied under Schedule 14a over to Schedule 14b in early summer 2016. Unfortunately this work was not completed by Virgin Media Business in time.
2. Due to this the Councils Wholesale Line Rental (WLR) services provided under schedule 14a of the Councils PSN contract expired on 31st October 2016.
3. Discussions have now taken place between the Council and the provider Virgin Media Business and the services will be transferred to Schedule 14b by way of contract variation extending WLR to the 31/12/18 when Schedule 14b expires.
4. Virgin Media Business agreed to continue supporting the WLR service provided under schedule 14a while the contract variation is actioned.
5. The value of the extension will be approximately £105k per annum.

Recommendations

- 6. Approve a contract variation to move the WLR which are currently out of contract onto Schedule 14b of the PSN Services contract. The current WLR charges and SLA provided by Virgin Media will remain the same until the contract expires on 31/12/2018.**

1 Purpose of this report

- 1.1** The purpose of this report is to provide the rationale for moving the WLR services onto Schedule 14b of the PSN Services contract

2 Background information

- 2.1** The Schedule 14a contract commenced on the 1st November 2013 and Virgin Media were awarded the contact.
- 2.2** The Councils Service and Infrastructure Manager contacted the Virgin Media Business account manager earlier this year to request that the transition of the lines from schedule 14a to Schedule 14b was imminent on contract expiry however Virgin Media failed to complete this work by contract expiry date. Following further meetings and escalations the option to vary Schedule 14b of the PSN contract to include the WLR services was agreed.

3 Main issues

3.1 Reasons for Contract Variation

- 3.1.1** The Councils Wholesale Line Rental (WLR) provided under schedule 14a of the Councils PSN contract expired on 31st October 2016.
- 3.1.2** A formal request was made to Virgin Media Business in early summer 2015 to transfer the services off the Schedule 14a contract to Schedule 14b under contract variation.
- 3.1.3** This request was chased several times and Leeds City Council were assured this work would take place, however two weeks prior to the contract end date it became apparent that the work would not be completed in time.
- 3.1.4** Due to this the contract expired on the 31st October 2016.

3.1.5 Virgin Media Business agreed to continue supporting the WLR service provided under schedule 14a while the contract variation was completed.

3.2 Consequences if the proposed action is not approved

3.2.1 The lines would remain out of contract until a formal procurement is organised, leaving the lines without support and subject to price increase.

3.2.2 A number of lines support care systems for sheltered housing complexes and should we not be able to report faults on these lines the older people of Leeds could be put at risk.

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 Consultation with key stakeholders has been undertaken as part of the discussion to vary the contract. Written confirmation from the regional director for Virgin Media has been received to confirm that Virgin Media agree to make this change under change control. Advice has been sought from the Councils Senior project solicitor who supports this approach.

4.2 Equality and diversity/cohesion and integration

4.2.1 There are no issues relevant to Equality and Diversity / Cohesion and Integration with this decision.

4.3 Council policies and best council plan

4.3.1 This contract underpins the delivery of Council Policies and the Best Council Plan.

4.4 Resources and value for money

4.4.1 Schedule 14a has provided savings of approx. £35,773 per annum since November 2013 in comparison to rental charges paid to BT prior to this contract.

4.4.2 The value of the contract over the extension period will be approximately £105k PA.

4.5 Legal implications, access to information and call-in

4.5.1 This value of the contract variation makes this a Significant Operational Decision not subject to call in.

4.6 Risk management

4.6.1 Should the services not be transferred to Schedule 14b the WLR services will not be supported and subject to price increases.

4.6.2 Any risks which are highlighted during the term of the extension will be managed and mitigated through regular account management/supplier review meetings.

5 Conclusions

5.1.1 To ensure that continued support of the Councils WLR services is provided by Virgin Media Business the service be transferred from Schedule 14a to schedule 14b of the PSN contract by contract variation.

5.1.2 The contract with Virgin Media provides value for money as per the information provided in 4.1.4 and 4.1.5 and the SLA continues to meet the business needs.

6 Recommendations

6.1.1 **Approve a contract variation to move the WLR which are currently out of contract onto Schedule 14b. The current WLR charges and SLA provided by Virgin Media will remain the same until the contract expires on 31/12/2018.**

7 Background documents

7.1 None