

Report of:

Report to: Chief Officer, Digital and Information Service

Date: 4th September 2017

Subject: Approval to extend contract DN188509 (9LPB-AFRGZH): LCCITS140018: Data Network Hardware Maintenance, Support, Design, Supply and Implementation Services with British Telecommunications plc for a further period of 24 months.

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

1. Summary of main issues

The Council awarded a 3 year contract DN188509 (9LPB-AFRGZH: LCCITS140018: Data Network Hardware Maintenance, Support, Design, Supply and Implementation Services) to BT IT Services Ltd for the period 01 April 2015 to 31 March 2018, with a 1 x 24month option to extend. The contract was subsequently novated to British Telecommunications plc (BT) with effect from 1st April 2016 due to an operational restructure.

The Council now wishes to exercise the option to extend the contract for a further period of 24 months.

2. Recommendations

The Chief Digital Officer is recommended to approve the extension of contract DN188509 (9LPB-AFRGZH: LCCITS140018: Data Network Hardware Maintenance, Support, Design, Supply and Implementation Services) with BT for a further 24 months.

3. Purpose of this report

The purpose of this report is to provide details to support the request for approval to exercise the option to extend the current contract with BT for a further 24 months.

4. Background information

The current contract for Data Network Hardware Maintenance, Support, Design, Supply and Implementation Services is with BT. These Services were procured on the basis of an initial contract awarded for 3 years, with the option to extend for a further 24 months. The initial contract started on 01/04/2015 and is due to expire on 31/3/2018.

The annual value of the BT contract is approximately £126,000.

The Data Network Hardware Maintenance, Design, Supply and Implementation contract is an important maintenance and support contract for Leeds Digital & Information Service (DIS). The contract is a break/fix contract for hardware that supports the council's data and voice infrastructure, with the additional added options to take professional consultancy and services in relation to the council's data communications infrastructure if required.

5. Main issues

Three options have been considered:

Option 1: Let the current contract lapse.

Without a maintenance contract in place, DIS would have no means of ensuring that any failed data network hardware would be repaired in a timely manner.

This would significantly impact the council's ability to function and deliver key digital services across the city.

Option 2: Carry out a new procurement exercise

DIS is required to deliver a number of key projects for the city over the next 12 months. To undertake a full competitive procurement exercise under Public Contract Regulations at this time would require significant effort and would not represent good use of council money or resources and cuts across the Leeds Council objective of spending money wisely.

Option 3: Extend the BT contract for a further 24 months.

Under the terms of the contract, the Council has the option to extend the contract for a further 24 months.

BT have supported the Council during the term of the contract, meeting their contractual obligations on time.

The results of the tender exercise that led to the award of the current contract demonstrated that BT's costs were significantly lower than their competitors.

Switching to an alternative supplier at this time would potentially introduce continuity issues and additional project risks.

The extension of the existing contract with BT therefore represents best value and ensures continued contractual support for Data Network Hardware Maintenance, Support, Design, Supply and Implementation Services across the city.

6. Corporate Considerations

a. Consultation and Engagement

ICT Strategic Sourcing team have been consulted and support the extension of the existing contract with BT for a further 24 months as being the most economical option.

b. Equality and Diversity / Cohesion and Integration

There are no Equality and Diversity / Cohesion and Integration issues associated with this decision.

c. Council policies and City Priorities

The data network infrastructure is central to supporting the Councils ability to function and provide a day to day service to staff, citizens and partners. It also underpins many of the Councils national and local programs of work, as well as many business improvement programmes, for example:

- Enterprise Voice for workforce communications
- Employee and managers self service
- Workforce collaboration
- Shared services
- Location Independent working under Change in the Workplace

The provision of a support contract providing Data Network Hardware Maintenance, support, design, supply and implementation services is key to ensuring the ongoing continuity of voice and data network services across the city.

d. Resources and value for money

Significant savings were achieved when the initial contract was awarded to BT. To carry out a new full competitive procurement exercise under Public Contract Regulations would not represent good use of Council money or resources.

This report supports the requirement of Contracts Procedure Rule 21.1 by ensuring that any contract extension demonstrates that it will deliver Best Value.

e. Legal Implications, Access to Information and Call In

The contract award value of the contract was above the EU threshold and therefore subject to the Public Contract Regulations.

The award value for the contract extension is over £100,000, and is therefore a Significant Operational Decision, not subject to call in.

f. Risk Management

Extending the current contract with BT presents no risk and will ensure that continuity of Data Network Hardware Maintenance, Support, Design, Supply and Implementation Services are maintained. A full procurement exercise will then be carried out during 2019 with a view to awarding a new contract to commence from 1st April 2020. Any procurement risk will be managed by the ICT Strategic Sourcing team as set out in the Contract Management Plan.

7. Conclusions

To ensure the continuity of existing Data Network Hardware Maintenance, Support, Design, Supply and Implementation Services the option to extend the contract for a further 24 months should be exercised.

8. Recommendations

The Chief Digital Officer is recommended to approve the extension of contract DN188509 (9LPB-AFRGZH: LCCITS140018: Data Network Hardware Maintenance, Support, Design, Supply and Implementation Services) with BT for a further 24 months.

9. Background documents

None