

Report of: Head of Operational Services

Report to: Chief Digital and Information Officer

Date: 13th August 2018

Subject: To invoke Contract Procedure Rule 21.2 to extend the Councils Managed WAN (PSN) contract (LCCITS120033) with Virgin Media Business for a period of 12 months from 30th December 2018 to 30th December 2019.

Are specific electoral wards affected? If yes, 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 checked="" type="checkbox"/> Yes <input 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. The council has a contract in place with Virgin Media Business for the supply of wide area network (WAN) connectivity, the contract is due to expire on the 30th December 2018. Within the contract there is provision to extend the contract for a further 12 months.
2. Leeds City Council have signed a contract with Redcentric Solutions Plc for the future supply of WAN connectivity.
3. The planning and build of WAN network with Redcentric Solutions Plc is expected to take 18-24 months, therefore there is a requirement to extend the current contract with Virgin Media Business.
4. The provision of WAN connectivity services across the council's buildings and schools is critical for the delivery of key public services. All services rely on the ability to connect to digital services to be able to transact and undertake their duties.

Recommendations

5. The Chief Digital and Information Officer is recommended to approve the extension of the contract for wide area network connectivity for a further period of 1 x 12 months with an estimated value of approximately £1,200,000.

1. Purpose of this report

- 1.1 The purpose of this report is to explain the rationale for requesting an extension to the existing Managed WAN (PSN) contract with Virgin Media Business for a period of 1 x 12 months from 30th December 2018 to 30th December 2019.

2. Background information

- 2.1 The Yorkshire & Humber PSN contract was awarded to Virgin Media Business in 2012 following an OJEU procurement exercise. Leeds City Council's contract commenced on the 31st December 2012.
- 2.2 The contract was awarded for 72 months and includes the option to extend for a further period of 12 months.
- 2.3 A regional procurement exercise has been undertaken to put in place a new framework, The Telecommunications Network Services Framework Agreement was awarded on behalf of YHPSN partners to Redcentric Solutions Plc on the 9th May 2018, the framework commenced on the 5th June 2018 with an end date of the 4th June 2023.
- 2.4 Leeds City Council are working with Redcentric Solutions Plc to plan and build a fibre network across the city, it is expected that this build will take 18-24 months to complete. Due to this there is a requirement to extend the current contract with Virgin Media Business to ensure continuity of services.

3. Main issues

- 3.1 The provision of wide area connectivity is a critical requirement for Leeds City Council, as such an extension with the incumbent supplier is required to ensure continuity of services until a new network is built.
- 3.2 The new fibre build with Redcentric will take a minimum of 18 months to build. The business case and financial model is currently being developed and it is aimed to take this to the Exec Board in November 2018.
- 3.3 The provision of wide area connections to all the council's buildings plus schools is critical to allow those business areas to be able to transact and deliver services. Without extending the contract there would be no ability to deliver connectivity to the council's estate.
- 3.4 The exit provisions within the Virgin Media Business PSN contract require the same service level provisions and costings to be provided during the exit period.
- 3.5 The incumbent supplier has been delivering a good level of service on the delivery of the service level agreement.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation has taken place with the Chief Digital and Information Officer.

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 best council plan. Specifically this contracts supports 21st Century infrastructure, working with people and engaging with the communities.

4.4 Resources and value for money

4.4.1 The existing commercial agreements within the contract will be maintained throughout the extension period.

4.4.2 The supplier has been delivering a good level of service against the service level agreement described within the contract.

4.5 Legal implications, access to information, and call-in

4.5.1 This decision to extend the contract is a key decision due to contract value exceeding £250k per annum and is subject to call in.

4.5.2 The propose decision was published on the Council's List of Forthcoming Key Decisions on 26th July 2018.

4.6 Risk management

4.6.1 The contract will continue to be managed in line with the contract management plans.

5. Conclusions

5.1 The Chief Officer of Digital and Information Services is recommended to note the contents of this report and approve the invocation of contract procedure rule 21.2 as detailed in this report.

5.2 The extension of the contract will ensure continuity of critical wide area network connectivity to the council's buildings and schools.

6. Recommendations

6.1 The Chief Digital and Information Officer is recommended to approve the extension of the contract for wide area network connectivity for a further period of 1 x 12 months with an estimated value of approximately £1,200,000.

7. Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.