

Report of: ICT Resource Manager

Report to: Chief Digital and Information Officer

Date: 07/02/2020

Subject: Approval to waive Contract Procedure Rules (CPR's) 8.1 and 8.2 award a 3 month extension to existing contract to BT IT Services Ltd (BT ITS) for the provision of Data Network Hardware, Maintenance and Support.

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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

1. Main issues

- The supply of Network hardware, maintenance and support is currently provided by BT ITS (Formally BTiNet). This contract expires on 31st March 2020 with no further options available to extend.
- An extension for a period of 3 months is also required, from 1st April 2020 until 30th June 2020 utilising Regulation 72 1) (f) para. 5 (a) and (b) of the Public Contracts Regulations 2015 (Modification of contracts during their term) as (a) it is below the PCR threshold (Reg 5) for goods and services awarded by awarded by sub-central contracting authorities; and (b) the variation value is below 10% of the initial contract value for service and supply contracts.
- If a contract extension is not awarded, the service would be left without a support & maintenance contract for the Council's Data Network Hardware assets. Any arising issues would be unsupported and therefore the Data Network could fail. This will pose significant, reputational and financial risk and possible interruption to operational services.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- 2.1 In order for the Council to undertake its work to meet the Best Council Plan it needs to be able to update and maintain its Data Network Hardware across the Estate. Procuring an effective, best value, high quality, professional contract for hardware, maintenance and support of this infrastructure, ensure best value for money is achieved and provides the council with the required support around hardware compliancy.
- 2.2 Digital Information Services are woven into the very fabric of the Council. The **number one priority** for the DIS function is to maintain the day-to-day service to users, citizens and partners. Furthermore, DIS will continue to play a key part in many business improvement projects.

At the very heart of the DIS infrastructure are the networking components and it is vital that the availability of these components is maintained at all times.

The networking infrastructure is key and underpins many of the national and local programs of work, examples such as:

1. *Unify workforce communications*
2. *Employee and managers self service*
3. *Workforce collaboration*
4. *Shared services*
5. *Location Independent working under Change in the Workplace.*

Having the correct Data Network Hardware Maintenance, support, design, supply and implementation services contract in place, to ensure the continued networking operation, is key to the success of these services as a whole.

3. Resource Implications

- The supply of and support for predominantly Cisco technology is specialised in nature and requires a supplier who can work with Leeds City Council to seek best possible market price for each item of hardware.
- A change of such a key service provision requires an extensive procurement exercise and the support of the ICT Resource team to resource and manage the implementation and any migration as necessary.

4. Recommendations

- 1.1 In respect of the provision of the Council's Data Network Hardware provision and support and maintenance, the Chief Digital and Information Officer is recommended to approve the waiver of Contract Procedure Rules (CPR's) 8.1 and 8.2 award a new contract to BT IT Services Ltd (BT ITS) for the sum of £27,565.86. The contract shall commence on 1st April 2020 and expire on 30 June 2020 (3 months).
- 1.2 This approval will be utilising Regulation 72 1) (f) para. 5 (a) and (b) of the Public Contracts Regulations 2015 (Modification of contracts during their term) as (a) it is below the PCR threshold (Reg 5) for goods and services awarded by awarded by sub-central contracting authorities; and (b) the variation value is below 10% of the initial contract value for service and supply contracts.

- 1.3 A separate Key Decision, subject to call-in, will be taken to approve the procurement of a new contract in accordance with the Public Contract Regulations 2015, as the total contract value is estimated to be around £3 million pounds over 4 years. The new contract will be for the delivery of Data Network Hardware, maintenance and support from 1st July 2020 to 30th June 2023 with an option to extend for a further 12 months until 30th June 2024.

1. Purpose of this report

- 1.4 The purpose of this report is to explain the rationale behind putting in place an extension to the existing contract for the provision, maintenance and support of Data Network Hardware.

2. Background information

- 2.1 The supply of Data Network Hardware, maintenance and Support is currently provided by BT ITS (Formally BTiNet) under an existing contract that expires on 31st March 2020.
- 2.2 The current agreement was awarded to BTiNet in 2015 and was a three year contract with two one year extensions available. These have all now been used.
- 2.3 The Data and Voice Network under support includes hardware maintenance and technical support of networking and security devices covered under this agreement. Any item that develops a hardware fault is swapped out and returned to operational service with the SLA terms of the agreement.
- 2.4 The total spend on Hardware, support and maintenance is approximately £4 million pounds over 5 years.

3. Main issues – Reason for Contracts Procedure Rules Waiver

- 3.1 The current contract agreement with BTiNet is due to expire on 31st March 2020. A short term extension is required for a duration of three (3) months to enable the tender process to take place and provide a compliant route to market for the purchase of Data Network Hardware along with Maintenance and support which is critical to the day to day operations within the Council.
- 3.2 Specialist suppliers focus on obtaining the highest vendor qualifications, enabling them to obtain the highest discount rates on behalf of their customers.
- 3.3 It is envisaged that the new 4 year Contract will be in place by the 1st July 2020.

4. Consequences if the proposed action is not approved

- 4.1 Failure of the predominantly Cisco technology would have a profoundly negative effect on the functioning of the Council as a whole. This requirement is specialised in nature and requires a supplier who can work with Leeds City Council to seek best possible market price for each item of hardware.

5. Advertising

Adequate time is required to advertise the requirement which will be conducted in accordance with the Public Contract Regulations 2015. Building the requirements (inventory) for a relatively small supplier marketplace has taken time and the estimated value of the Contract (circa £3 million pounds over 4 years) requires consideration to the

most suitable approach to market – in this case, advertising via the Official Journal of European Union (OJEU).

6. Corporate considerations

6.1 Consultation and engagement

6.1.1 The DIS Strategic Sourcing Team and Head of Operational Services have been consulted.

6.2 Equality and diversity / cohesion and integration

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

6.3 Council policies and the Best Council Plan

6.3.1 The Hardware, maintenance and Support procured under this framework will underpin the delivery of Council Policies and the Best Council Plan.

Climate Emergency

6.3.2 Hardware can and does contribute to Leeds City Councils efforts to tackle the causes and effects of climate emergency, e.g. effective management of flood defences. A procured contract enables easier and cheaper purchasing of such hardware.

6.3.3 Having the correct Data Network Hardware Maintenance, support and supply services contract in place, to ensure the continued networking operation, is key to the success of these services as a whole.

6.4 Resources, procurement and value for money

6.4.1 The supply of Data network hardware, maintenance and support is specialised in nature and requires a supplier who will work with Leeds City Council to seek the best possible market price for each item of hardware.

6.4.2 As part of the contract award a requirement to provide full market benchmarking will be included to ensure full transparency on cost.

6.4.3 The decision to award a new contract to BT IT Services Ltd for the Data Network Support & Maintenance for the period 1st April 2020 to 30th June 2020 represents best use of Council funds and resources.

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

6.5.1 This is a decision to waive Contract Procedure Rules and therefore a Significant Operational Decision and is not eligible for call-in.

6.5.2 The procurement of the contract will be conducted in accordance with the Public Contract Regulations 2015.

6.6 Risk management

6.6.1 The procurement process will be managed by the DIS Strategic Sourcing team.

6.6.2 The Data Privacy Impact Assessment (DPIA) has identified no risks.

- 1.1.1 The contract agreement will be managed by an appointed contract manager in line with the contract management plans and any risks which are highlighted through the term of the contract will be managed and mitigated through regular account management/supplier review meetings.

7. Conclusions

- 7.1 Due to the current Data Network Hardware, maintenance, support and replacement goods contract with BT IT Services Ltd expiring imminently, this extension period will provide the opportunity to undertake a full procurement process, conducted in accordance with the Public Contract Regulations 2015 during the extension period.

8. Recommendations

- 8.1 In respect of the provision of the Council's Data Network Hardware provision and support and maintenance, the Chief Digital and Information Officer is recommended to approve the waiver of Contract Procedure Rules (CPR's) 8.1 and 8.2 award a new contract to BT IT Services Ltd (BT ITS) for the sum of £27,565.86. The contract shall commence on 1st April 2020 and expire on 30 June 2020 (3 months).
- 8.2 This approval will be utilising Regulation 72 1) (f) para. 5 (a) and (b) of the Public Contracts Regulations 2015 (Modification of contracts during their term) as (a) it is below the PCR threshold (Reg 5) for goods and services awarded by awarded by sub-central contracting authorities; and (b) the variation value is below 10% of the initial contract value for service and supply contracts.
- 8.3 A separate Key Decision, subject to call-in, will be taken to approve the procurement of a new contract in accordance with the Public Contract Regulations 2015, as the total contract value is estimated to be around £3 million pounds over 4 years. The new contract will be for the delivery of Data Network Hardware, maintenance and support from 1st July 2020 to 30th June 2023 with an option to extend for a further 12 months until 30th June 2024.

9. Background documents¹

- 9.1 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.

What is your reason for waiving CPRs?

There is a genuine, unforeseeable emergency meaning there is no time to go through a procurement process e.g. to deal with the consequences of extreme weather.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
To purchase supplies or services on particularly advantageous terms due to liquidation/administration.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Requirement to put a contract in place with a current provider whilst a review of the services is completed.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Ran out of time to undertake a new procurement exercise	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Other (please provide summary here)	<input type="checkbox"/> Yes	<input type="checkbox"/> No