



Report of: Responsible Officer – Leeds Full Fibre Programme

Report to: Chief Digital and Information Officer (Interim) - DIS

Date: 7th January 2021

Subject: Request to waive Contracts Procedure Rules No8.1 and 8.2 – Intermediate Value Procurements to approve direct award of contract to Virgin Media Business (VMB) for the delivery of Managed WAN services for 19 newly identified key sites which require a corporate connection with the incumbent (outgoing) supplier, Virgin Media Business in order to ensure against a loss of connectivity following contract cessation in December.

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 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

1. Main issues

- Leeds City Council entered into a contract with BT Plc on 27th February 2020 to deliver a full fibre network to 1381 sites across the Leeds MD and provide network services for a period of 10 years to the Council and Health Partners.
- The incumbent supplier Virgin Media Business YHPSN contract is currently in the final year of exit provisions and will cease on 30th December 2020.
- The ongoing restrictions being imposed on public life including 2 national lockdowns and tier 2 and 3 constraints brought about due to the current Coronavirus public health crisis has severely impacted the Council's ability to migrate its core Council sites by the end of December 2020. Due to the ongoing and repeat restrictions regarding site access and supplier working policy on BAU engineering activity, the ability to migrate all sites successfully by the end of the current YHPSN contract remains at risk. Should any site not be migrated by December 30th there runs a very real risk of impact to and disruption of vital services until such time as the BT connectivity can be delivered.

- The Programme Team had previously identified 50 sites that could be extended with VMB under its standard terms and conditions for a period of 6 months from January to June 2021 thereby providing the connectivity requirements until the new network can be deployed across all corporate sites. The cost of this extension was £99,726.71
- Due to provisioning issues with the supplier and the implications for completion of works due to Covid-19 there are an additional 19 sites which now need to be added to the Virgin Media Network as they did not receive the appropriate BT fibre connection at the scheduled time. To mitigate against loss of service there is a need to ensure that they remain on the incumbent network until such time as they can be migrated to the new Leeds Full Fibre Network.
- The cost of the additional sites for the 6 month period from January 2021 to June 2021 is £35,145.32

2. Best Council Plan implications (see the [latest version of the Best Council Plan](#))

- The Full Fibre Programme aligns with the Sustainable Infrastructure strand of the Best Council Plan - Strengthening digital and data 'Smart City' infrastructure and increasing digital inclusion.
- It also delivers against the 21st Century Infrastructure and Leeds as a Digital City 12 Big Ideas from the Inclusive Growth Strategy.

3. Resource implications

- All identified resources are covered under the Leeds Full Fibre resourcing plan under DIS ESP Essential Services Programme.
- There are no additional resourcing implications associated with this requirement.

Recommendations

- a) It is recommended that the Chief Digital and Information Officer approves the waiver of contract procedure rules 8.1 and 8.2 for intermediate value procurements to approve direct award of a contract to Virgin Media Business (VMB) for the delivery of Managed WAN services for 19 newly identified key sites which require a corporate connection for a period of 6 months.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to waive contract procedure rules 8.1 and 8.2 for intermediate value procurements to approve direct award of a contract to Virgin Media Business for the delivery of Managed WAN services for 19 newly identified key sites which require a corporate connection for a period of 6 months.

2. Background information

- 2.1 Leeds City Council entered into a contract with BT Plc on 27th February to deliver a full fibre network to 1381 sites across the Leeds MD and provide network services for a period of 10 years to the Council and Health Partners.

- 2.2 The incumbent supplier Virgin Media Business YHPSN contract is currently in the final year of exit provisions and will cease on 30th December 2020.
- 2.3 The current Coronavirus public health crisis has impacted the Council's ability to migrate all sites onto the new Full Fibre Network prior to the end of the current YHPSN contract. Should any site not be migrated by December 30th there runs a risk of loss of connectivity and service until such time as the BT connectivity can be delivered.
- 2.4 Due to provisioning issues with the supplier and the implications for completion of works due to Covid-19 there are an additional 19 sites which now need to be added to the Virgin Media Network as they did not receive the appropriate BT fibre connection at the scheduled time. To mitigate against loss of service there is a need to ensure that they remain on the incumbent network until such time as they can be migrated to the new Leeds Full Fibre Network.
- 2.5 Following protracted discussions VMB has provided an offer to maintain 'lights on' at any identified site.

3. Main issues

- 3.1 Leeds City Council entered into a contract with BT Plc on 27th February to deliver a full fibre network to 1381 sites across the Leeds MD and provide network services for a period of 10 years to the Council and Health Partners.
- 3.2 The incumbent supplier Virgin Media Business YHPSN contract is currently in the final year of exit provisions and will cease on 30th December 2020.
- 3.3 The ongoing restrictions being imposed on public life including 2 national lockdowns and tier 2 and 3 constraints brought about due to the current Coronavirus public health crisis has severely impacted the Council's ability to migrate its core Council sites by the end of December 2020. Due to the ongoing and repeat restrictions regarding site access and supplier working policy on BAU engineering activity, the ability to migrate all sites successfully by the end of the current YHPSN contract remains at risk. Should any site not be migrated by December 30th there runs a very real risk of impact to and disruption of vital services until such time as the BT connectivity can be delivered.
- 3.4 The infrastructure supplier Openreach has very recently changed its working practice and guidelines which now means that they will not deliver the connectivity required within Council buildings if working time exceeds 20 minutes or where the engineers choose not to enter buildings following an individual risk assessment that they undertake. This is having a direct impact on the ability to deliver sites as per the end December milestone.
- 3.5 Virgin media Business have previously agreed to extend an identified number of sites under their standard terms and conditions from January 1st 2021 for a minimum period of 6 months at a cost of £99,726.71
- 3.6 This contract with Virgin Media Business will allow the Council sufficient time to migrate all remaining core sites onto the new Full Fibre Network without risk of loss of service to the identified sites in question.
- 3.7 There are no other options available to the Council to support connectivity at these sites. Following the end of December 2020, the sites in question, if not extended with Virgin Media Business would suffer a connectivity loss.
- 3.8 Due to the work being implemented as part of the Leeds Full Fibre Programme contract with its new supplier BT, there are no other options open to the Council to

deliver alternate connectivity for the short term via another supplier until such time as connectivity can be provided by BT.

- 3.9 Due to provisioning issues with the supplier and the implications for completion of works due to Covid-19 there are an additional 19 sites which now need to be added to the Virgin Media Network as they did not receive the appropriate BT fibre connection at the scheduled time. To mitigate against loss of service there is a need to ensure that they remain on the incumbent network until such time as they can be migrated to the new Leeds Full Fibre Network.
- 3.10 The cost of the additional sites for the 6 month period from January 2021 to June 2021 is £35,145.32

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Senior Responsible Officer has briefed and consulted Councillor James Lewis, the Deputy Leader and Executive Member for Resources and Housing and the Director for Resources and Housing
- 4.1.2 The 100% Connectivity Board and DIS SLT have been kept updated throughout the duration of the programme process.

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 the Best Council Plan

- 4.3.1 The Full Fibre Programme aligns with the Sustainable Infrastructure strand of the Best Council Plan - Strengthening digital and data 'Smart City' infrastructure and increasing digital inclusion.

Climate Emergency

- 4.3.2 The provision of the identified sites under the current VMB managed network will allow the Programme to deliver its ambitions that align with the Best Council Plan and help support a successful delivery of gigabit capable full connectivity across the Leeds MD. That in turn will mean that widespread proliferation of full fibre networks will enable the following:
 - 4.3.2.1 Allow greater use of environmental sensors in LCC property, social housing stock, traffic management and air quality monitoring and support the recent Climate Emergency Declaration made by the Council in reducing emissions to net zero by 2030.
 - 4.3.2.2 Reduce the number of car journeys and improve air quality – making it easier for businesses to explore greater use of remote and home working.

4.4 Resources, procurement and value for money

- 4.4.1 Negotiations have taken place with VMB who have agreed to provision managed services for the identified sites for a minimum period of 6 months which aligns with the Programmes ability to realistically manage all sites onto the new network.
- 4.4.2 Given the current timeframe associated with the migration, this represents the least cost option and least risk option for the ongoing delivery of services at key Council sites.
- 4.4.3 The proposal to extend under standard T's and C's would also mean minimal resource impact on any activity associated with supporting these identified sites as service assurance would be guaranteed from the end of the year.

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

- 4.5.1 This decision is a direct consequence of implementing previous Key Decision (D48405, dated 13th February 2019) and is not subject to call in.
- 4.5.2 This decision to waiver Contract Procedure Rules 8.1 and 8.2 is a Significant Operational Decision.
- 4.5.3 The terms and conditions have been reviewed by Procurement Legal and all risks identified have been considered and accepted.

4.6 Risk management

- 4.6.1 There is a risk, due to the implications of Covid-19 that the Council may not be able to migrate all core sites by the end of December 2020. The implications of connectivity loss at the identified Council sites for any period of time would be significant both from an operational and reputational perspective.
- 4.6.2 In order for service to continue for the identified number of sites with Virgin Media Business, the terms and conditions and service level agreement will revert to Virgin Media Business's standard T's and C's and SLA. These have been reviewed by senior officers within the Council and a risk based decision has been made based on the current circumstances. Whilst the sites will not be subject to the same rigour as those SLA's and T's and C's agreed under the YHPSN contract, DIS are able to assure the Council of continued service at all sites following contract expiration.

5. Conclusions

- 5.1 The ability to deliver Managed WAN services for the identified sites with the outgoing supplier VMB represents the least risk approach and guarantees connectivity and service delivery for the 6 month period required where otherwise these sites would suffer connectivity and service loss.
- 5.2 There are no other options available to the Council at this time that would mitigate a loss of service.
- 5.3 The ability to deploy another solution is not possible given the timeframes and would require huge resourcing effort and costs to implement.

6. Recommendations

- 6.1 It is recommended that the Chief Digital and Information Officer approves the waiver of contract procedure rules 8.1 and 8.2 for intermediate value procurements to approve direct award of a contract to Virgin Media Business (VMB) for the delivery of

Managed WAN services for 19 newly identified key sites which require a corporate connection for a period of 6 months.

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.