Committee(s):	Date(s):	Item no.
Projects Sub-Committee	**21st November 2012**	
Subject: Project Proposal - PP2P - Wide Area Network, network maintenance & fixed telecoms refresh	**Public**	
Report of: **The Chamberlain**	**For Decision**	

Overview

1.	**Spending Committee**	Finance Committee
2.	**Senior Responsible Officer**	Chris Anderson
3.	**Project Board**	ICT Category Board
4.	**Context**	The City's Wide Area Network (WAN) was last tendered in 2009 with a contract awarded to BT in April 2010 for a period of three years. BT circuits provisioned under the contract expire 3 years after their date of installation.
		Separate contracts for telephone lines, call charges, support and maintenance exist with a number of suppliers. Where possible these contracts are being aligned to co-terminate in spring 2013.
		The Police and Barbican Ctr have multiple contracts covering network and telephony service provision & maintenance. In many cases the manufacturers and suppliers mirror those of the City. The ICT Category Board has identified that financial and efficiency savings can be achieved by undertaking a corporate wide procurement for the required services.
		The Chamberlain's IS review phase 3 is considering options for future sourcing of IS services. This includes a managed service option which would likely see the City's main computer equipment room relocated to a supplier's facility. The Disaster Recovery Centre relocation project is currently in progress with the City's DR server room facility being sourced from Logicalis who are based in Slough.
		The City Police are currently investigating options for the replacement of CCTV and Automatic Number Plate Recognition (ANPR) systems and these will likely require an update to the existing network supporting them. Work is also progressing in considering service options available through East Coast Information Services (ECIS).
		These and other corporate IS requirements will inform the statement of requirements and selection criteria.

5.	Brief description of project	To identify a set of common requirements for network and telephony services, to market test these and to award contract/s as required to maintain and/or improve IS services, to improve procurement and contract management efficiency and to achieve best value.
6.	Business case	The City, City Police and Barbican currently spend c £1.2m per annum on WAN infrastructure, telephony services (inc call costs) and associated hardware, software maintenance and support.
		Based upon the recent procurement exercise for the City's Disaster Recovery site, and a high-level comparison of existing CoL, CoLP and Barbican contracts, it is likely that a more modern, resilient WAN infrastructure can be procured for a lower cost and that savings can be made by rationalising and tendering our joint requirements.
		To comply with EU procurement legislation contracts valued at £173,934 p.a or greater should be subjected to review and further competition and/or let through an approved Framework agreement.
7.	Consequences if project not approved	We would not achieve the financial and efficiency savings indicated at the scoping stage.
		The City may be challenged on the basis of non-compliance with EU procurement regulations if we continue to use the BT contract, although this is considered unlikely in the short-term.
		Out of contract services may be more expensive resulting in an increased call on revenue budgets.
		The City would not have access to a more resilient network infrastructure which may limit access to hosted and Cloud based services.
8.	Success criteria	Contracts awarded.
		City WAN upgraded to latest technology.
		For remote sites - improved customer satisfaction with IS Services and greater network resilience.
		Financial savings identified and achieved.
		Consolidation of contracts where financially viable to allow easier management of services provided.
9.	Notable exclusions	Internal corporate WiFi. This is provisioned in-house at present and options for the upgrade/replacement of this service will be considered separately.
		City-wide WiFi. This contract is managed by CPAT and a current contract exists with The Cloud.
		Specific services where for technology, public service, efficiency, contractual or financial reasons alternate arrangements outside of this procurement are approved by the ICT Category Board. Eg: Within this exclusion will be consideration for the City Police's current work with ECIS and the City's links to BBC broadcasting services.

10. Key options to be considered	Requirements are to be split into appropriate "lots".
	These are likely to be;
	- WAN Services
	- Telephony & Equipment Maintenance
	- Telephony line rental and call costs
	Procurement options considered will include Government Procurement Service approved Frameworks, other Frameworks on which City of London is a named organisation or local tender.
	Contract length is yet to be determined. It is likely that Lot1 – WAN will require a 3-5 year contract to make installation costs arising from a change of supplier viable. For Lots 2 and 3 the contract length will likely be 1-2 years.
	Technology options – Improvements to service, efficiency, cost and alignment with IS Review Phase 3 and CoLP ECIS requirements.

Prioritisation

11. Link to Strategic Aims	SA2: To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.
12. Link to departmental business plan	Key Objective 4 – Improving our value for money
13. Links to other existing strategies, programmes and/or projects	IS review phase 3. This strategy is still in development but potential and likely outcomes will be a consideration when preparing the statement of requirements.
	PP2P – Achieving financial savings and procurement efficiencies.
	ECIS collaboration for City of London Police.
	Greater network resilience and access to DR services.
14. Within which category does this project fit?	Subject to options identified this scheme may fall under the following categories:
	3. Spend to Save
	6. Improvement in efficiency
15. What is the priority of the project?	B - Advisable

Financial Implications

16.	**Likely capital/ supplementary revenue cost range**	At present it is not known if a capital budget will be required. Our intention is to procure services at a lower cost than at present and to continue where possible towards a revenue only based model.
17.	**Potential source(s) of funding**	Existing local risk budgets. Annual Capital Allocations For New Schemes (subject to prioritisation criteria). Capital or other funds specific to City Police or Barbican Ctr
18.	**On-going revenue requirements and departmental local risk budget(s) affected**	Existing revenue commitments will continue until contracts are awarded (est March 2013) and/or individual services are migrated to new service providers. If existing WAN services are continued out of contract it is possible that revenue requirement could rise. It is envisaged that on-going revenue savings will be achieved as a result of rationalising and procuring our requirements on a joint basis. Early estimates are for savings in the region of 10% (£125k).

Project Planning

19.	**Estimated programme and implications**	November to March 2013 for procurement process and contract award.
20.	**Potential risk implications**	Overall risk is low, as this is a technically straightforward procurement project. Risks will need to be carefully managed to mitigate their impact. • Careful consideration of options and associated risks to ensure maximum value for money and compatibility with future IS service model. • Cost variation. • Overrun of project resulting in need to extend existing arrangements or implement short-term alternative. Short-term extensions or use of WAN service out of contract may have a higher revenue cost. • Resource co-ordination across multiple parts of the organisation and commitment given competing priorities.
21.	**Anticipated stakeholders and consultees**	City Police Barbican Centre Guildhall School of Music & Drama (GSMD) Comptroller
22.	**Equality Impact Assessment**	

Recommended Course of Action

23.	**Next Steps**	This project consists of the tendering of existing contracts the estimated cost of which is within existing revenue budget provision. Currently there is no identified capital requirement.
		It is intended to identify any potential capital expenditure requirement at new outline options appraisal stage.
		It is recommended that:
		• Subject to their being no capital expenditure requirement identified at options appraisal stage this project should be considered a business as usual tender exercise and would proceed in accordance with CoL procurement regulations, reporting directly to the appropriate Spending Committee/s as required.
		• Further reports to Project Sub-Committee will only be provided should a capital budget requirement be identified.
24.	**Resource requirements to reach next Gateway**	Next stage: Preparation of SoR, procurement options appraisal, early stage identification of capital resource requirement.
		Staff time estimated at 200 man hours to be met from existing resource.
25.	**Funding source to reach next Gateway**	Staff time met from existing local risk budget.
26.	**Standard or Streamlined Approval Track**	Subject to no capital expenditure requirement being identified at options evaluation stage it is recommended that further reporting follow corporate procurement regulations and is directly to Spending Committee.

Contact

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