

Network Services Procurement

To: Strategy & Resources Committee

Meeting Date: 28 March 2023

From: Assistant Director of Customer & Digital Services

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2023/033

Outcome: The committee is being asked to approve the re-procurement of network services (Eastnet) currently delivered through the contract with MLL Telecom managed by the Eastnet Partnership.

The outcome, if agreed, is a contract that provides value for money and meets the connectivity needs of the Council over the next few years.

Recommendation: The Strategy and Resources Committee is asked to agree:

- a) the re-procurement of network services (Eastnet) currently delivered through the contract with MLL Telecom managed by the Eastnet Partnership;
- b) to delegate the decision to award the contract to the Executive Director of Finance & Resources/Section 151 Officer in consultation with the Chair & Vice Chair of the Strategy & Resources Committee; and
- c) to delegate the execution of the contract/agreement to the Executive Director of Finance & Resources/Section 151 Officer in consultation with the Chair & Vice Chair of the Strategy & Resources Committee.

Officer contact:

Name: Samantha Smith
Post: Assistant Director Customer and Digital Services
Email: Sam.Smith@cambridgeshire.gov.uk
Tel: 07795 092974

Member contacts:

Names: Councillors Lucy Nethsingha and Elisa Meschini
Post: Chair/Vice-Chair
Email: lucy.nethsingha@cambridgeshire.gov.uk & elisa.meschini@cambridgeshire.gov.uk
Tel: 01223 706398

1. Background

- 1.1 The Eastnet Partnership was setup to procure a managed Wide Area Network (WAN) and additional core services. These services are fundamental to the delivery of IT connectivity and services to Cambridgeshire buildings (offices & libraries) and to staff and members of the public both in those buildings and through the public Wi-Fi service (Cambwifi) which is used across multiple organisations
- 1.2 The partnership is made up of many public sector organisations around Cambridgeshire, Northampton and Buckinghamshire. The partnership has been successfully procuring network services (including WANs) for over 20 years, and this approach of collective procurement and aggregation of requirements has realised many benefits over the years including the following:
- Being able to go to the market with a large number of sites which allows the partnership, and therefore the Council to get the best value from the telecom providers.
 - The ability to procure core services together such as a class leading firewall and share the capital and revenue cost between the partners.
 - The partnership WAN allows staff to work across each of the organisations and also enables the ability to have one public Wi-Fi service across multiple organisations.
 - Partners have the ability to work together on projects technically and financially, also able to learn from partners that have completed similar projects in the past.
- 1.3 The current contract was procured under the lead authority of Cambridgeshire County Council. Each partner then signed a call off contract direct with the winning supplier MLL, this covers all the circuits used by the partner. They also signed up to the Eastnet partner agreement which covers how the partnership works as well as splitting the cost of the centralised services, these costs are then split out and recharged annually to each partner from the lead authority.

2. Main Issues

- 2.1 Whilst there is no end date to the Eastnet partner agreement itself, the current contract with MLL Telecom that provides the services to the partnership ends on the 30th September 2025 and there is no mechanism in place to extend it. Therefore, all circuits and services that are currently provided through the contract will need to migrate to another contract. It is anticipated that for most partners this will be a replacement contract procured and managed through the Eastnet Partnership.
- 2.2 If that replacement contract is awarded to a supplier that is not the incumbent there will be at least a 12-month period of having migrating services to the new supplier. This process can be very complicated and incur significant capital cost.
- 2.3 The current contract includes circuits to most schools in Cambridgeshire and those sites amount to almost half of the contract. How these are funded has changed profoundly over recent years and many schools are now making arrangements for connectivity outside of the Eastnet Partnership. This will inevitably reduce the economies of scale for any future procurement, be that through the partnership or separately.

- 2.4 The council must procure a replacement for the current contract. In preparing for that and regardless of which route is taken to do so it is important that the current and future requirements are reviewed to ensure that what is procured is fit for purpose for the Council's strategic direction. This work is underway and has commenced with a detailed review of the current services mapped against changes and future direction of technology. The strategic direction will also be included in the review. This will inform the requirements for the future procurement and ensure that what is purchased is fit for purpose for the Council's strategic direction.
- 2.5 The preparatory work for the procurement will include identifying indicative capital costs that would be required to migrate to a new supplier (should that be the outcome). This will be taken through the Capital Review group once the procurement route (see below) has been decided and the technical requirements clarified.
- 2.6 A summary of the financial and usage impacts are below:
- The current annual costs for all the WAN and additional core services for CCC is £500k
 - As part of the procurement, it is expected that the contract will be a 5 + 2 year term but this will be confirmed as part of the process.
 - The previous capital investment by the Council was £725k. One of the aims of this procurement will be to maximise this investment and to minimise additional expenditure.
- 2.7 As the procurement process has not yet started revenue savings/increases can only be estimated at this stage. The estimated cost at this stage is 2.5million over 5 years. The full financial implications and any negative impact on the revenue costs following procurement will be reviewed as part of the business planning process.
- 2.8 The factors that will influence the final value are as follows:
- Reuse of existing infrastructure for cost (& sustainability)
 - Aggregated size of the procurement – the more partners, the more buying power
 - Technical requirements, noting that these are still to be finalised

3. Procurement

- 3.1 The recommended procurement approach is to for Cambridgeshire to remain in the Eastnet Partnership and join with existing partners to aggregate requirements and share the costs of procurement and implementation of new services. This would include all council sites that currently receive circuits via EastNet as well as Core services such as Internet, Firewall, Wi-Fi.
- 3.2 The benefits of this approach are as follows;
- Aggregation of requirements across multiple partners provides economies of scale and better buying power than the Council would have if it was to procure separately. This minimises the ongoing revenue costs of the services required by the Council.

- The capital costs of any new core services required by a new provider would be split between partners based on a formula agreed by all partners. This reduces the financial exposure to capital costs of migration
- Any additional resources required in the procurement (such as external contractors) will be shared between partners. Costs would be split between partners based on a formula agreed by all partners.
- Within the Eastnet partnership and its support function there is a shared knowledge and experience of the supplier market, previous procurements and the migration from Virgin Media Business to MLL Telecom can be utilised to the benefit of the Council.
- Technical and project management resource will be shared across the partnership to provide information and assist with the exit/migration process. Having centralised resource in place to organise the overall process will assist the process and reduce the direct costs to the Council.

- 3.3 The intention is to use Crown Commercial Services Network Services 3 framework when this goes live 30th May 2023 as this will capture the latest suppliers in the market as part of a national procurement framework. This will also reduce the costs in the procurement as a number of the stages will be already completed, such as vetting the suppliers' financial records, standardised contract structure, Service Level Agreements (SLA's) as well as Terms and Conditions (T&Cs). The procurement will start in June and is expected to take less than 9 months.
- 3.4 The intention is for Cambridgeshire to be the lead authority on the re-procurement and discussions are already in progress with Cambridgeshire procurement team to facilitate this. Being the lead authority for the re-procurement does carry some risk should the procurement process be delayed if it was subject to formal challenge as this would have an impact for all the organisations in the Eastnet Partnership. The existing Eastnet partnership agreement will be amended to reference the re-procurement and to address this risk.
- 3.5 The project team will undertake soft market testing.
- 3.6 The Society of Innovation, Technology & Modernisation (SOCITM) regional east forum has been used to increase the awareness of EastNet 2, this could allow other authorities in the area to join as well as promoting the procurement to local Small, Medium Enterprises (SME's).
- 3.7 Under the current contract and as part of the Connecting Cambridgeshire programme public Wi-Fi has been deployed to many village halls, libraries and market towns providing an increase in social value. The expectation is that any supplier will help to grow this and work with the partnership on any future projects.
- 3.8 Due to the expected value of the contract, it will require Sealing.

4. Alignment with corporate priorities

4.1 Environment and Sustainability

The following bullet points set out details of implications identified by officers:

- The impact of providing network circuits to buildings is significant with substantial investment in raw materials, equipment, time and disruption. The procurement process will seek to reuse existing circuits where possible to mitigate this impact.
- Continue the increased use of digital solutions reduces the requirement for more analogue interactions, thereby reducing the production of paper and related services.
- IT & Digital will work closely with procurement to ensure the new contract aligns with the authority's climate and environmental outcomes, and related carbon reduction/reporting requirements.
- The expectation is that the procurement will use the Social Value Portal to assess specific social value commitments to the Council, this is especially important given the length and value of the contract.

4.2 Health and Care

There are no significant implications for this priority although having effective, reliable connectivity for staff to use across the Council & Public wi-fi is fundamental to our ability to deliver services to our communities.

4.3 Places and Communities

The public Wi-Fi solution (Camb Wi-Fi) is used in village halls, libraries and market towns. The expectation is that any supplier will help grow this and work with the Council and the wider partnership on any future projects.

4.4 Children and Young People

There are no significant implications for this priority although having effective, reliable connectivity for staff to use across the Council & Public wi-fi is fundamental to our ability to deliver services to our communities.

4.5 Transport

These proposals will support work from any location and therefore support reduction in travel.

5. Significant Implications

5.1 Resource Implications

The report above sets out the implications for this priority in section 2.7 above.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The procurement route will be compliant with Public Contract Regulations and the Procurement Team will support the procurement.

5.3 Statutory, Legal and Risk Implications

Significant risk to overall service delivery including statutory functions if the Council does not have fit for purpose, network services to support all offices and services.

5.4 Equality and Diversity Implications

There are no significant implications within this category.

5.5 Engagement and Communications Implications

There are no significant implications within this category.

5.6 Localism and Local Member Involvement

There are no significant implications within this category.

5.7 Public Health Implications

There are no significant implications within this category.

5.8 Environment and Climate Change Implications on Priority Areas.

There are no significant implications within this category.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Stephen Howarth

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes
Name of Legal Officer: Linda Walker

Have the equality and diversity implications been cleared by your EqIA Super User? No
Name of Officer: Not applicable

Have any engagement and communication implications been cleared by Communications? No
Name of Officer: Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact? No
Name of Officer: Not applicable

Have any Public Health implications been cleared by Public Health? No
Name of Officer: Not applicable

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

6. Source documents

6.1 None