

**CAMBRIDGESHIRE PUBLIC SERVICE NETWORK EASTNET RE-PROCUREMENT**

**To:** General Purposes Committee

**Meeting Date:** 29 May 2018

**From:** Director Corporate and Customer Services

**Electoral division(s):** All

**Forward Plan ref:** 2018/051 *Key decision: Yes*

**Purpose:** This paper sets out the process that has been followed to procure a replacement framework contract for the Cambridgeshire Public Service Network (CPSN), now called EastNet. It notifies the Committee that we have reached the end of the procurement and recommends a plan for implementation post award.

The Confidential Appendix identifies the successful bidder and summarises each bidder submission. We are required by the Public Contract Regulations (PCR) 2015 to notify all bidders (successful and unsuccessful) during a standstill period. To ensure that we do not breach PCR 2015 we do not want others to know this information whilst we are in the standstill period.

**Recommendation:** The Committee is asked to:

- Note the plan for implementation post award;
- Approve the recommendation to award to the successful bidder for the price set out in the Confidential Appendix.

| <b><i>Officer contact:</i></b> |                                       | <b><i>Member contacts:</i></b> |  |
|--------------------------------|---------------------------------------|--------------------------------|--|
| Name:                          | Chris Stromberg                       | Names:                         | Councillors Count & Hickford   |
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## **1. BACKGROUND**

- 1.1 The Council is dependent on network connectivity to function effectively and this dependency is increasing year on year. To date this connectivity has been provided through a framework contract that was awarded to Virgin Media Business (VMB) on behalf of the CPSN Partnership in 2011.
- 1.2 In March 2016 General Purposes Committee (GPC) approved the necessary procurement activities to replace CPSN. This included agreeing that the County Council would continue to be the lead authority, on behalf of the partnership, for the procurement of a new Public Service Network framework contract.
- 1.3 In June 2017 GPC approved an eighteen month extension to the existing Direct Award to VMB (12months + 6months) to allow for a comprehensive EU wide open competitive procurement process, to align with the NHS transition from its previous data network called N3 to the new Health and Social Care Network (HSCN) and to provide sufficient time for the transition to the new arrangement.

## **2. EASTNET PARTNERS**

- 2.1 The purpose of the EastNet framework is to reduce the cost of network connectivity for public sector partners and to act as an enabler for delivering more joined up public services through the use of a shared network.
- 2.2 There are a range of partners involved in EastNet these are:
  - Cambridgeshire County Council & Cambridgeshire Schools
  - All Cambridgeshire District Councils
  - Peterborough City Council
  - Cambridgeshire and Peterborough Fire and Rescue
  - Bedfordshire and Luton Fire and Rescue
  - Northamptonshire County Council & Northamptonshire Districts Councils via LGSS
  - Northampton NHS Foundation Trust
  - Cambridge & Peterborough Foundation Trust
  - Northamptonshire Healthcare NHS Foundation trust
- 2.3 In addition the following organisations are monitoring the progress of the EastNet procurement before making a final decision on how they will secure access to the HSCN – provision of HSCN is a core requirement for the new EastNet supplier. These partners are:
  - North London CSU – NENE CCG
  - North London CSU – CORBY CCG
  - Cambridge and Peterborough CCG
  - Kettering General Hospital
  - Northampton General Hospital
  - Cambridgeshire Community Services NHS Trust
  - Papworth Hospital NHS Foundation Trust
  - Hinchingbrooke Healthcare NHS Trust
  - Peterborough Healthcare NHS Trust

- 2.4 Cambridgeshire Constabulary, linked to Hertfordshire & Bedfordshire Constabularies, have also expressed an interest in EastNet.
- 2.5 We are delighted by this level of interest in this new framework as it is indicative of the strength of the engagement we have managed to achieve during this procurement process.

### **3.0 PROCUREMENT STAGES AND MILESTONES**

- 3.1 At each stage the procurement was assessed on 60% quality and 40% on cost. This was done to create a level playing field for bids that did not favour the current incumbent, a reoccurring theme during the *Prior Information Notice* (PIN) discussions we held with the market.
- 3.2 Suppliers were given a full set of technical and commercial requirements and asked to propose the delivery method, irrespective of the current delivery method in use through the CPSN contract. This approach allowed suppliers to provide innovative solutions and to simplify costs.
- 3.3 There are several differences between CPSN cost model and that proposed for EastNet. CPSN incorporates key services 'built in' that are paid for via an agreed Mandatory Minimum Services payment for each partner. These have been dealt with differently in EastNet to allow partners to tailor the ordering and payment of these services to their own requirements. There will still be Mandatory Services for EastNet but they will be simplified and reduced.
- 3.4 The initial stage of the EU public procurement, the standard *Selection Questionnaire* (SQ), took place between 12th June 2017 and 2nd August 2017. Ten submissions were received at this stage from which four suppliers were selected to move to the next stage. These suppliers were:
- Virgin Media Business
  - BT PLC
  - Udata Capita
  - MLL Ltd
- 3.5 These four suppliers then completed the *Invitation to Submit Outline Solution* (ISOS). This took place between 7th August 2017 and 7th November 2017. It provided us and our partners with an opportunity to test the suppliers, focusing on solutions provided and the degree to which they met our requirements. At this stage no pricing is requested and all four suppliers remained in the process.
- 3.6 The completion of *Invitation to Submit Detailed Solution* (ISDS) took place between 27th October 2017 and 22nd March 2018. This stage asks for more specific information, the suppliers are expected to move from offering options to stating their solution. At this stage we see their initial indicative pricing. During this stage we carried out a comparison of the Yearly Access Circuit Rental for EastNet with the costs for CPSN. This showed a favourable reduction for the County Council. It was anticipated this would be reduced further with the final pricing. Again all four Suppliers remained engaged at the end of this stage of the process.

- 3.7 The final procurement stage is the *Invitation to Submit Final Bid* (ITSFB). The milestones for this stage are as follows:
- Individual assessment 11th May 2018
  - Ratification and moderation 18th May 2018
  - Notice to award 23rd May 2018
  - Standstill period ends 6th June 2018
- 3.8 As the Committee meeting falls within the legal obligation to conduct a standstill period with all bidders it is necessary for the Appendix to this paper to be Confidential. The *Notice of Award* issued to bidders during the standstill period makes it clear that it is subject to the approval of the General Purposes Committee.
- 3.9 The post award milestones and activities are as follows:
- Establishing the service relationship with the supplier 25th June 2018
  - Standing up the framework, forming the contract 16th July 2018
  - Transition planning and roles and responsibilities 16th July 2018
  - Call Down Contract sign up with all partners 6th August 2018
  - New partner engagement 8th August 2018
  - EastNet partnership engagement 10th August 2018
- 3.10 The transition migration period will be dependent on the Transition Plan provided by the winning supplier but dialogue and market research have indicated a 6 – 18 month period will be required, depending on the successful bidder submission.
- 3.11 Planning, based on the dialogue to date, is already taking place to ensure we can progress swiftly with the successful bidder.

## 4.0 FINANCIAL AND OPERATIONAL RISKS

- 4.1 There are two main financial and operational risks:
- 1) Legal challenge from one or more of the unsuccessful bidders. This has been mitigated by robust application of procurement rules and regulations and by having a consistent and competent procurement team throughout the process.
  - 2) During the transition phase from the CPSN contract to the EastNet contract risks may arise from the migration of circuits, dual running costs and unexpected capital expenditure. All of these risks were identified early on in the procurement process to allow for mitigation which included building these factors into the procurement requirements and securing a capital budget in advance through the business planning process to support transition.
- 4.2 The CPSN/EastNet partnership board has continued to be united in its approach, supporting the project plan and showing trust in the procurement team by delegating authority for day to day running of the process to the procurement team led by the County Council. The project plan timeline, progress and key risks & issues have been regularly shared with the partners and have been signed off at each of the quarterly Partnership Board meetings.

## **5. ALIGNMENT WITH CORPORATE PRIORITIES**

### **5.1 Developing the local economy for the benefit of all**

There are significant economic benefits to having a shared CPSN/EastNet network including economies of scale for participating organisations and opportunities for cost and operational efficiencies from improved joint working.

### **5.2 Helping people live healthy and independent lives**

By reducing complexity, standardising networks, enabling service sharing and extending the parameters of collaborative working we will be able to share information safely and reliably. This will help staff, particularly across health and social care, to be able to work more effectively for the benefit of residents across the region.

### **5.3 Supporting and protecting vulnerable people**

The report above sets out the implications for this priority in paragraph 5.2 above.

## **6. SIGNIFICANT IMPLICATIONS**

### **6.1 Resource Implications**

This contract has significant resource implications. The value of the current contract across all partners is around £2.2 million per annum with the County Council and Cambridgeshire Schools comprising £1.6 million – at £400k and £1.2m respectively. The value of the new contract is expected to be reduced.

### **6.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

The procurement process is set out in Section 3.

### **6.3 Statutory, Legal and Risk Implications**

Legal advice has been sought throughout and legal services have been fully involved at key points in the process such as the continuance of the current contract; the production of the Terms and Conditions Framework for EastNet; and the review, response and revision of the Call Down Contract.

### **6.4 Equality and Diversity Implications**

The report above sets out the implications for this priority in paragraph 5.2 above.

### **6.5 Engagement and Communications Implications**

The report above sets out the implications for this priority in paragraph 5.2 above. Communications about the successful supplier will follow the conclusion of the standstill period.

## 6.6 Localism and Local Member Involvement

No implications.

## 6.7 Public Health Implications

The report above sets out the implications for this priority in paragraph 5.2 above.

| Implications   | Officer Clearance                           |
|--|---|
|  |   |
| Have the resource implications been cleared by Finance?  | Yes<br>Name of Financial Officer: Tom Kelly |
|  |   |
| Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance? | Yes<br>Name of Financial Officer: Tom Kelly |
|  |   |
| Has the impact on statutory, legal and risk implications been cleared by LGSS Law?                       | Yes<br>Name of Legal Officer: Karen White   |
|  |   |
| Have the equality and diversity implications been cleared by your Service Contact?                       | Yes<br>Name of Officer: Sue Grace           |
|  |   |
| Have any engagement and communication implications been cleared by Communications?                       | Yes<br>Name of Officer: Christine Birchall  |
|  |   |
| Have any localism and Local Member involvement issues been cleared by your Service Contact?              | N/A   |
|  |   |
| Have any Public Health implications been cleared by Public Health  | N/A   |

| Source Documents        | Location  |
|-------------------------|---|
| GPC Paper 15 March 2016 | <a href="https://cmis.cambridgeshire.gov.uk/ccclive/Committees/tabid/62/ctl/ViewCMS_CommitteeDetails/mid/381/id/2/Default.aspx">https://cmis.cambridgeshire.gov.uk/ccclive/Committees/tabid/62/ctl/ViewCMS_CommitteeDetails/mid/381/id/2/Default.aspx</a> |
| GPC Paper 13 June 2017  |   |