

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

**Reference Number:**

**2623**

**Author:**

**Anne Clarke**

**Department:**

**Resources**

**Contact:**

**Simba Chirara**

**(Job Title: Voice and Data Infrastructure Manager, Email: [simba.chirara@nottinghamcity.gov.uk](mailto:simba.chirara@nottinghamcity.gov.uk), Phone: 01158764688)**

**Subject:**

**Network Circuits Upgrade**

**Total Value:**

**£110,590 (Type: Capital and Revenue)**

**Decision Being Taken:**

- 1) To upgrade a number of network circuits as detailed on the attached schedule. The additional costs for these upgrades over the remaining 4.5 years of the existing contract are £110590 to be funded from the IT Service Improvement Plan.**
- 2) In accordance with Financial Regulations 3.29, to dispense with the provisions of Contract Procurement Rule 5.1.1 and to award the upgrade directly with our incumbent supplier, Virgin Media Business LTD.**

**Reasons for the Decision(s)** The Council needs to upgrade a number of circuits to ensure that there is sufficient capacity to support multi - agency and small Nottingham City Council sites . If we do not increase the capacity of these circuits this could result in system issues i.e. freezing or slow running or no accessibility to these sites. In addition increasing these circuits will support the move to Office 365 and enable the Council to fully exploit the newly upgraded Windows Service estate.

The Council has an existing contract with Virgin Media Business LTD ("VMB") for the installation of all its data circuits (Executive Board decision 17 March 2015). The contract commenced on 31 October 2015 with the term being 3+1+1, and therefore there is a maximum period of 4.5 years remaining. The decision is to add the upgrade of these circuits to this contract. Given that the proposed service is an upgrade of existing circuits installed by VMB for which the Council pays an annual rental, the upgrade can only be undertaken by VMB.

The additional costs for the upgrades over the remaining 4.5 years of the existing contract are to be funded from the IT Service Improvement Plan. The connectivity review in 3 years time may enable us to move this commitment to the base budget as part of this wider review.

**Briefing notes documents:** Network Circuits 4 year cost.xls

**Other Options Considered:** Do nothing - If network circuits are not upgraded the Council would not have sufficient bandwidth to support the services to multi- agency and small NCC sites and the increased capacity will enable greater use of cloud services.

**Background Papers:** None

**Published Works:** IT Service Improvement Plan - Key Decision report to Executive Board 24 February 2015  
Renewal of Contract to Provide Voice and Data Circuits - report to Executive Board 17 March 2015

**Affected Wards:** Citywide

**Colleague / Councillor Interests:** None

**Dispensation from Financial Regulations:** Yes

**Consultations:** Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:**

There are no crime and disorder implications

**Equality:**

EIA not required. Reasons: The decision relates to the purchase of infrastructure hardware not directly used by colleagues and citizens.

**Decision Type:**

Portfolio Holder

**Subject to Call In:**

Yes

**Call In Expiry date:**

20/10/2016

**Advice Sought:**

Legal, Finance, Procurement, IT

**Legal Advice:**

It is considered that the upgrading of some of the network circuits by way of varying the existing the contract for the value stated for technical reaasons will not infringe the Procurement Regulations. Accordingly it is not considered that the decision gives rise to significant legal concerns.

The legal section will be able to assist with the contractual documentation.

Advice provided by Brian Lewis Stewart (Solicitor) on 23/06/2016.

**Finance Advice:**

This decision requests dispensation from Financial Regulation in order to award the required contract to the incumbent supplier. The financial implication of the decision is £0.111m to be funded from the IT Service Improvement Plan / Windows Server 2003/2008 over four years. As per Exec Board report 24 Feb 2015 £2.0m had been allocated for this project of which £1.052 has been allocated for 2016-17. There is currently £0.455m remaining from the budget allocation for 2016-17, therefore sufficient funds are available to allow this expenditure.

Advice provided by Chanelle Poyser (CBP) 20/09/2016 Advice provided by Chanelle Poyser (Commercial Business Partner) on 22/09/2016.

**Procurement Advice:**

The Council proposes to vary the existing contract with VMB to upgrade the existing circuits and as such requires a dispensation from financial regulations to allow this variation of the original contract. Procurement supports this proposal as the variation complies with the Procurement Regulations and as such there are no significant concerns with this proposal. Advice provided by Rosalie Parkin (Category Manager) on 04/07/2016.

**IT Advice:**

**The IT Service supports this proposal.**  
**Additional capacity is required to support the Council's increasing use of 'cloud' and other Internet based services such as 'software as a service'. The Council's recent acquisition of new licensing for Microsoft licences will enable it to use Office-365, a cloud based office automation application suite, is an example of this. Cloud based managed services provide an up to date and maintained platform for the Council but demand increased Internet connectivity. This proposal addresses this need.**

**Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 10/06/2016.**

**Signatures**

<b>Graham Chapman (PH for Resources and Neighbourhood Regeneration)</b>
<b>SIGNED and Dated: 12/10/2016</b>
<b>Glen O'Connell (Corporate Director for Resilience)</b>
<b>SIGNED and Dated: 29/09/2016</b>
<b>Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations</b>
<b>SIGNED and Dated: 28/09/2016</b>
<b>Chief Finance Officer's Comments:</b>

## COST OF UPGRADING WAN CIRCUITS

	Install Cost	Proposed Price	Current price
1. Loxley to Harvey Rd	4410	12500	4522.85
2. Harvey Rd to Harvey Hadden	250	4276	2059.48
3. Loxley Hse to Bulwell Riverside	4410	12500	7876.44
4. BRS to Southglade	250	4276	975.8
5. Loxley to Eastcroft	0	4409.55	3380
6. Eastcroft to Tennis Centre	250	4276	975.8
Total 1st year costs of Circuit upgrade	9570		

The WAN contract with VMB commenced on the 31st of October 2015 with the Term of it being 3+1+1, the

**The total costs which will be spent on these upgrade are £22447.18 x 4.5 years = £101012.31 plus installa**

Annual Price Increase

7977.15

2216.52

4623.56

3300.2

1029.55

3300.2

22447.18

Therefore there is a maximum period of 4.5 years left on this contract.

**Retention costs of £9570 = Gross Costs over period of contract is £110,582.31**