

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2752

Author:

Lesly Sibanda

Department:

Strategy and Resources

Contact:

Simba Chirara

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

Subject:

Internet extension and Purchase of Bearer

Total Value:

£476675 (Type: Capital and Revenue)

Decision Being Taken:

- 1) Authority to go out to tender for the award of a new contract to purchase two new internet bearers and increase internet connectivity up to 3GB during the 3 year period of the contract and to enter into a contract with the successful tenderer for the purchase of the internet bearers and increased internet connectivity.
- 2) In accordance with financial regulations 3.29 to dispense with the provisions of contract procurement rules relating to tenders and agree to extend the existing internet contract (which is due to end on 10th March 2017) for a maximum period of 6 months pending the conclusion of the tender exercise and award of the new contract.

Reasons for the Decision(s)

Internet services are used by every department, within the Council, for email, homeworking, transferring data to other organisations, the Cloud services and Office 365. The Council could not deliver its Services without an Internet Connection.

In order to maintain Internet connectivity the Council has two separate Internet Connections, one to the main data centre at Loxley House and the second to the disaster recovery site at Woodthorpe Grange. Other sites on the core network are able to connect to either of these sites, thus providing a resilient Internet connection to the Council sites.

The Council's current Internet contract is due to expire on 10 March 2017 and we have approval to seek quotations, under DDMF 2620, to go out to tender for internet connection of up to 1GB, the contract for this will be three years.

As technology changes, it is now envisaged that in the future we may require to increase our internet connectivity beyond 1GB. The present bearers only allow traffic of up to 1GB and we will therefore need to purchase new bearers to allow increased traffic. Although we do not envisage purchasing additional connectivity in the immediate future, we are seeking permission to tender for additional internet connectivity of up to 3GB.

We would like to conduct a tender to increase the internet bearers and internet connections to allow for connectivity of up to 3GB of traffic. Further, we would like to extend the existing Internet contract for 6 months so the new contract can be implemented. The cost of extending the existing contract will be £33675 and the cost of the new bearers, approximately £143000. The 3GB internet connections will not exceed £300000 over the three year period of the contract.

The costs of the bearer will be met from ITEF funding and the 1GB's on-going revenue costs, as approved on DDMF2620, will be met from the IT revenue budget. Departments requiring connectivity above 1GB would need to be funded from the revenue budget and they would need to seek separate approval for this cost.

Other Options Considered:

Do Nothing

If we do not enter in to a new Internet contract the Council will not be able to deliver services that are reliant on the Internet links being available, such as email, Office 365, RON, some electronic payments, homeworking, 3rd party remote support, VPN connectivity for small sites, etc. Internet connectivity is also required to support the future expansion of Cloud.

This option is rejected as it is not considered feasible for the Council to operate without Internet connectivity.

Background Papers:

Published Works:

DDMF2620 Two 1GB Internet Connections

Affected Wards:	Citywide
Colleague / Councillor Interests:	
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: Purchase of infrastructure hardware and software not directly used by colleagues and citizens.
Major Implications for IT:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	03/03/2017
Advice Sought:	Legal, Finance, Procurement, IT
Legal Advice:	This proposal raises no significant legal concerns. Dispensation under financial regulation 3.29 is required from the Council's CPR to extend the existing contract for a short period whilst a tender exercise is undertaken in respect of the new contract to purchase two internet bearers and increased internet connectivity. Advice provided by Sarah O'Bradaigh (senior solicitor) on 14/02/2017.

Finance Advice:

The cost of this decision is £463,675; £130,000 capital for the upfront costs of two bearers, to be funded from the IT Efficiency Fund (ITEF) and £300,000 revenue cost for connectivity above 1GB. This latter sum is based on £50,000 per annum for the cost of an additional 1GB on each bearer over a three year contract. Approval is already in place for 1GB each for three years. The revenue costs will be met from the IT service provisions that exist in the medium term financial plan.

In the circumstances dispensation from contract procurement rules is reasonable.

It should be noted that it is anticipated that over the three year period a maximum of 3GB will be required although each bearer has a 10GB capacity. This decision reflects the requirements for the connectivity of corporate systems and departmental systems requiring extra capacity would need to be funded by the department's own budget.

Advice provided by Ian Greatorex (Finance Project Manager) on 13/02/2017.

Procurement Advice:

The ICT team have already engaged with procurement to ensure compliance with the Council's financial regulations and contract procedure rules for this requirement. A tender will be conducted in order to secure best value for the Council and the citizens it represents. The existing contract must be extended to allow a compliant procurement to take place and so on this basis there are no significant procurement concerns with the approach. Advice provided by Rosalie Parkin (Category Manager) on 10/02/2017.

IT Advice:

The IT Service supports this proposal. Internet based services are increasing in commonality, particularly using 'cloud' storage and software as a service (SaaS). The proposal within this delegated decision will provide the means to flexibly increase the bandwidth used by the Council in order to support this growth technology. The proposal provides a means for the Council to acquire what it requires now and to have the means to grow this capacity in the future.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 09/02/2017.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 22/02/2017
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 22/02/2017
Geoff Walker (Strategic Director Finance/CFO) - Dispensation from Financial Regulations
SIGNED and Dated: 21/02/2017
Chief Finance Officer's Comments: for the operational reasons contained in the report