

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 10/09/19

Subject:	Replacement of communications infrastructure equipment		
Corporate Director(s)/ Director(s):	Candida Brudenell, Corporate Director for Strategy & Resources		
Portfolio Holder(s):	Councillor. David Trimble, Portfolio Holder for Leisure, Culture and IT		
Report author and contact details:	Paul J. Burrows, IT Change, Projects & Strategy Manager paul.burrows@nottinghamcity.gov.uk , 0115 87 63153		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total value of the decision: The value of the decision is estimated to be up to £1,600,000 over 5 years			
Wards affected: All		Date of consultation with Portfolio Holder(s): 25/06/19	
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
Nottingham City Council's core information technology (IT) infrastructure includes devices responsible for providing network connections. These devices control the passing of messages between computers and computer systems, across networks that allow services to be delivered to citizens.			
This report seeks to replace core network equipment that has reached the end of its life and becomes unsupported in 2019 by its supplier.			
Specifically the equipment includes switches and associated products such as firewalls used within the data centres. Sufficient funding for this programme of work has been provisioned within the IT capital budget allocation and associated six year forward plan.			
Exempt information:			
None.			
Recommendation(s):			
1 To delegate authority to the Head of Service (IT) to enter into contracts up to the value of £1,600,000 using approved procurement methods for replacement of communications infrastructure equipment, associated products and services.			
2 To approve allocation of funding from the IT Efficiency Fund for the funding of replacement of communications infrastructure including addition to maintenance and support contracts.			

1 REASONS FOR RECOMMENDATIONS

- 1.1 The current core network switches used by Nottingham City Council in its data centres and for communication with remote sites are now 'end of life'. This means that they will not receive manufacturers' support and that security vulnerabilities within the devices will cease to become patched.
- 1.2 These devices are responsible for providing connectivity of both voice and data services across the converged network extending to Council sites and partner agencies.
- 1.3 The reliable operation of switches is critical to the delivery of Council services. The main data centre switches control the management of messages within the Council's data centres, passing messages between processors, storage devices, etc.
- 1.4 The Council will seek competitive bids for the supply of replacement communications infrastructure equipment and associated services. The procurement of network equipment can be made through available frameworks including Crown Commercial Services. Use of frameworks such as CCS allows the Council to access pre-assessed providers of services which helps ensure quality, including security capability, of bidders.
- 1.5 Replacement of communications infrastructure is expected to be formed of three separate procurement exercises including:
 - Procurement of hardware, e.g. core and network switches.
 - Procurement of professional services, e.g. solution design.
 - Procurement of maintenance of equipment, e.g. proactive monitoring, maintenance.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The current core and main network switches used by Nottingham City Council in its data centres and for communication with remote sites were installed in 2010. This was when the Council moved its main data centre from the Guildhall complex to Loxley House.
- 2.2 Because of the criticality of network services it is necessary to build in some redundancy so that in the event of a component's failure services can continue to operate without disruption to service users. This need for resilience has grown as access to information in real time has become increasingly important to ensure service delivery.
- 2.3 The adoption of new ways of working, flexible working, supporting colleagues working from home, etc. will increase demand for both network capacity and network resilience. Devices such as 'soft 'phones', use of instant messaging services, online group working, all depend upon robust and reliable data networks that can ensure an adequate quality of service in order to function.
- 2.4 The decision was made when setting up the new IT environment at Loxley House to build on Cisco technologies. These are regarded as robust, good quality, technology and are supported by a wide range of third parties. The Council has, and will, continue to work to this supplier's standard.

- 2.5 The replacement of the core and main network switches in use by the Council is a change that is likely to require additional work to other network components, for example firewalls, in order to ensure their effective operation.
- 2.6 Communications infrastructure equipment is priced in US dollars and is manufactured outside of the UK. It is possible future fluctuations in the value of the UK pound and changes in tariffs on goods may affect pricing and so costs.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 It is not considered feasible for the Council to operate without switches to enable the operation of the data network and so this is not recommended.
- 3.2 The existing switches could continue to be used and not replaced. This is a feasible option but is not recommended because: the existing switches will have insufficient capacity for the increased traffic they will have to bear with changes in working; the switches will pose a security vulnerability, an immediate risk to the Council but also likely to result in the Council being excluded from connection to other secure networks, and; because of the difficulty in supporting the switches in the event of component failure there would be a risk to service delivery.
- 3.3 The existing switches could be upgraded. This is a feasible option but is not recommended because the upgrade path on the current switch models in use is of itself only a short life.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 This report seeks approval to enter into contracts up to the value of £1.600m using approved procurement methods for replacement of communications infrastructure equipment, associated products and services.
- 4.2 The full £1.600m will be funded from the IT Efficiency Fund (ITEF) across the following 5 years:

2019/20	2020/21	2021/22	2022/23	2023/24	Total
£m	£m	£m	£m	£m	£m
1.400	0.050	0.050	0.050	0.050	1.600

- 4.3 The profiling of the above costs have been considered in the ITEF forward plan and are affordable from within this budget. It is to be noted however that there are further IT projects within the ITEF forward plan that are yet to be approved. The current balance of the ITEF funding is insufficient to fund all of these projects therefore careful consideration when prioritising projects is a must in order to maximise the ITEF funding and support corporate needs.
- 4.4 The competitive procurement process will support the achievement of value for money.
- 4.5 VAT will be treated in accordance with HMRC guidance.

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 This report does not raise any significant legal issues provided the contracts are awarded in accordance with the City Council's Financial Regulations and Contract Procedure Rules. The Legal Services team will work with Procurement and IT colleagues to agree the contracts for the procurement of the equipment and associated services.

Advice provided by Andrew James Team Leader Commercial, Employment and Education 12 June 2019

- 5.2 The Procurement Team will work with IT colleague to ensure compliance with the Council's financial regulations and contract procedure rules to undertake the tenders in order to secure best value for the Council and the citizens it represents. On this basis there are no procurement concerns with the approach.

Advice provided by Mabs Karim, Procurement Officer, Commissioning & Procurement, 10 Jun.2019.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 There are no Social Value Considerations directly associated with this decision.

7 REGARD TO THE NHS CONSTITUTION

- 7.1 Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community. The NHS Constitution states in section 2, 'NHS Values' that:
'Working together for patients - Patients come first in everything we do. We fully involve patients, staff, families, carers, communities, and professionals inside and outside the NHS. We put the needs of patients and communities before organisational boundaries. We speak up when things go wrong.' Having reliable and up to date data network and components enables the Council to work more effectively with NHS colleagues. The proposals in this report will enable the Council to refresh core elements of its infrastructure to support this joint working as in place now and in the future. Having network components that are also supported contributes to the Council's ability to remain connected to other secure public sector networks such as the Health and Social Care Network (HSCN) and to retain its Public Services Network (PSN) accreditation.

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 An EIA is not required because the proposal included in this report is a renewal of data network components which are already in use by the Council. The replacement of these components will not have a material effect on the type of service used by an end user, be they a citizen, colleague or Councillor.

**9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT
(NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT
INFORMATION)**

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 None.