

Report of Assistant Director, Customer & Digital Services

Approval of change in scope of Managed Services Procurement

Summary

- 1) This report outlines a proposed amendment the scope of this procurement first approved by the then Executive on 7th December 2017. The scope has changed in that it will focus only on the requirements of City of York Council. The previous report included a joint procurement with Harrogate Borough Council.

Recommendations

- 2) The Executive Member is asked to approved the change in scope for this procurement to meet City of York Council's requirements only.

Reason: To ensure the that councillors and the public have the opportunity to review any change in scope to a key decision made by Executive.

Background

The Council's Managed Services Arrangements (MSA)

- 3) The report to the then Executive on 7th December 2017 described and sought approval for the proposed approach to procure a technology provider to deliver the City of York Council's (CYC) and Harrogate Borough Council's essential managed network services. Current spend by CYC and partners is around £2million per annum.
- 4) As described in 2017 it is proposed that the new contract will still seek to procure services that include, but are not restricted to, the design, management and support of the council's (and partners') highly resilient and robust data network services (fixed, mobile and wifi), and access to the internet, office and mobile telephone services. Network connectivity, be that internal or external, is a vital requirement to the council's frontline and supporting services as they cannot function without this service being in place, and it also underpins the council's current and future digital programme.

- 5) Since then the firewall element of the MSA has been separately procured and was included in the Capital Programme Monitor considered by the Executive in June 2019, in light of the revised timescales of the procurement process.

Previous Executive Approval

- 6) On 7th December 2017 the then Executive approved the following:
- (i) That the proposed approach, outlined in the report, to explore options to procure a technology provider to deliver the managed infrastructure services, be approved.*
 - (ii) That the proposed approach, outlined in the report, to explore options to work in collaboration with Harrogate Borough Council, as part of developing the benefits and opportunities of the existing shared Head of ICT Services arrangements, be approved.*
 - (iii) That the council be authorised to act as the Accountable Body for the Local Full Fibre Network (LFFN) funding regime identified in paragraph 17 of the report, and for any other relevant grant schemes that may become available in the future.*
 - (iv) That authority be delegated to the Deputy Chief Executive / Director of Customer & Corporate Services to approve the procurement process, to approve the terms of relevant legal agreements and to award the resulting contract to the successful bidder, following the conclusion of the process to secure a technology partner to deliver the managed infrastructure service.*
 - (v) That authority be delegated to the Deputy Chief Executive / Director of Customer & Corporate Services to determine the final terms in relation to the LFFN grant and any other relevant grant schemes that may become available in the future, and to give approval to the acceptance of such grants*

Change in Scope and timescales

- 7) It is now clear that the original timescales to deliver this size and complexity of project and procurement was ambitious. The process commenced in 2018 with market engagement and it became clear through that process that further assistance would be needed to deal with the shape and size of the procurement. This procurement partner resource was finally secured in early 2019.

- 8) By Summer 2019, Harrogate's requirements had changed and they are now undertaking a separate procurement process which impacts on the previous approval given as per paragraph 5 (i) and (ii) above. In terms of the implications of this change - this simplifies the 'ask' of the market place, and according to internal, and external independent advice, will not have a detrimental effect on the attraction of the procurement to suppliers in this field. There may be minor impacts in terms of economies of scale and multi area benefits of growth opportunities in the future.
- 9) There is no other change proposed to the procurement and as such all other approvals, risks and implications remain the same
- 10) The council's current contract for the managed service has been extended to allow the procurement process to take place, within procurement rules and existing budgets, and now expires in August 2020.

Consultation

- 11) None required for this report. As the scope of the procurement has changed, and as time and technology available has moved on, the council has been advised to engage again with the market place and a supplier day has been advertised and will be held on 22nd November 2019 at West Offices, York.

Options

- 12) There are no other options available.

Analysis

- 13) There are no options to analyse.

Council Plan

- 14) Outcomes achieved by the activities covered in this report underpin all the outcomes described in the Council Plan 2019 -23 and particularly help to deliver:
 - Further progress Digital York and enhance connectivity in the city.
 - Deliver the Council's digital programme to make contacting the Council as streamlined as possible, with information made readily available.

Implications

- 15)
 - a. **Financial:** There are no new financial implications as future costs are expected to be managed within existing revenue and capital plans.

Related planned savings have been mitigated in the short term and future savings will directly benefit CYC only rather than two councils. There may be some loss of economies of scale from one council rather than two, but the contract will be less complex to deliver.

- b. Human Resources (HR):** The project has restarted and appropriate resources allocated to the project with external support and expertise.
- c. Equalities:** There are no equalities implications of this report.
- d. Legal:** This report is to update a change in scope of an existing key decision. The fundamental purpose and significance of the decision has not change, as the major element of the decision related to CYC's own requirements.
- e. Crime and Disorder:** The contract will include the city council's CCTV infrastructure.
- f. Information Technology (ICT):** As described in the report
- g. Property:** The contract will service all council buildings and partners within those buildings.
- h. Other:** No known implications

Risk Management

- 16) There are a number of risks associated with not undertaking the procurement of ICT Managed Services, and these include:
- a) Failure to provide the required level of ICT Services that are essential and underpin the council's and its partner's frontline service delivery and their supporting services.
 - b) Creating the need for additional capital funding that would be required to meet the future growth requirements of the ICT services covered within the scope of the managed service agreement.
 - c) Anticipated ICT savings will not be delivered.

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Report Approved

07/11/19

Specialist Implications Officer(s)

Financial: Ian Floyd, Director of Customer & Corporate Services

Wards Affected: *List wards or tick box to indicate all*

All

Background Papers:

Managed Services Procurement – Executive December 2017:

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=10194&Ver=4>

Firewall Procurement – Capital Programme Monitor 1 2019/20 – Executive 29th August 2019

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=11108&Ver=4>

List of abbreviations used in this report:

CYC	City of York Council
MSA	Managed Service Arrangements
LFFN	Local Full Fibre Network
ICT	Information & Communications Technology