

Subject:	WIDE AREA NETWORK PROCUREMENT		
Date of Meeting:	July 9, 2020		
Report of:	Chief Executive		
Contact Officer:	Name:	Matt Scott, Orbis CIO	Tel: 01273 291218
	Email:	matt.scott@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The Council's wide area network (WAN) contract, currently with GTT, comes to an end in December 2021, with an option to extend to 2022. There is now a requirement to commence a procurement exercise and re-tender for the WAN (Wide Area Network) service.
- 1.2 This report seeks approval to commence the procurement of a new data services network through a joint procurement with members of the Link partnership.

2. RECOMMENDATIONS:

- 2.1 That the procurement of a wide area network service via a joint procurement procedure as part of the public sector consortium known as 'The Link Partnership' be approved;
- 2.2 That the Assistant Director – Human Resources and Organisational Development be granted delegated authority to:
 - (i) engage with the procurement referred to at 2.1 and award a contract for a wide area network service with a term of ten years;
 - (ii) take any other steps necessary to implement recommendation 2.1 including entering into a separate agreement with the other Link Partners, and;
 - (iii) approve an extension(s) to the contract referred to in 2.2(i) above for a period of up to 2 years following the initial ten-year term, subject to satisfactory performance by the provider.
- 2.3 That the inclusion of the implementation costs estimated at £2.5m within the 2021/22 capital programme and the increase in ongoing revenue costs of up to £0.380m in 2022/23 as a commitment be approved.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Council's data network provides secure and highly available data connectivity to 209 council and school sites across Brighton and Hove. Without highly available and performant connections to all its sites, the council would be

unable to meet its obligations to support staff in meeting the needs of residents, nor would it be able to deliver digital services directly to residents.

- 3.2 The data network service was jointly procured in 2012 by Brighton & Hove City Council (BHCC) and the councils within East Sussex, with ESCC (East Sussex County Council) acting as the lead contracting body.
- 3.3 Since 2012, BHCC has been a member of a public sector consortium, known as the Link partnership, which has overseen the supplier delivery and management of the current data network services. The Link partnership is a public sector consortium of the public bodies that use the data network services, comprising BHCC, ESCC, East Sussex Fire and Rescue Service, Lewes and Eastbourne Councils, Wealden District Council and Rother District Council.
- 3.4 There is now a requirement to commence a procurement of a replacement service. There are two key factors driving this requirement: the data network contract, currently with GTT, comes to an end in December 2021, with an option to extend to 2022; significant developments in digital ways of working and cloud services will require significantly faster bandwidth speeds for Council and school sites over the next ten years, and reliance on the data network and bandwidth requirements have increased significantly since the current contract started.
- 3.5 An external consultancy called 4C Strategies was appointed by the Link partnership to provide specialist support to get the partnership to a point of readiness to procure a replacement data network service. The work by 4C Strategies has included: strategic and technical engagements with all existing Link members, this has identified future business need (operational and strategic priorities) and supported the identification of anticipated bandwidth requirements; undertaken a market engagement involving a Request for Invitation (RFI), this has helped to understand what service delivery options are available and has shaped the recommended way in which the market is approached.
- 3.6 Confirmation is required from existing Link members, by early July 2020, as to whether their respective organisations will commit to the joint procurement as recommended in the Outline Business Case. The intention is to start the tender process in August 2020 and have a contract in place by March 2021. Regardless of the wider partnership, there remains a requirement for BHCC to replace the data network service across the city for its schools and own corporate needs.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The UK data network marketplace

- 4.1.1 The UK marketplace for data network services is very competitive and is primarily served by four different types of 'supplier':
 - 'Telcos' (telecommunication companies), that build and deliver networks based on inhouse products, e.g. BT (with Openreach);
 - System Integrators' that build and deliver networks using connectivity from a variety of sources such as Telcos, Alt Nets (Alternative Network providers) and major infrastructure companies, e.g. GTT;
 - 'Alt Nets', that build discrete duct and cable infrastructures and / or take advantage of Openreach's Physical Infrastructure Access (PIA) portfolio.

PIA enables accredited Alt Nets to use Openreach's duct and pole infrastructures when building networks, e.g. City Fibre and ITS;

- 'Consortiums' comprising one or more of the above and an investor(s).

4.1.2 Across the UK, there are several examples of all supplier types successfully supplying data services to individual public sector organisations and public sector partnerships such as the Link.

4.1.3 By working in partnership with other public service bodies, the Council will once again benefit from the benefits of aggregating the collective data network requirements of the partnership. The primary benefit from a joint procurement being competitive pricing achieved from the sizeable number of connections across the Link partnership. This scale will enable tenderers to realise economies of scale in their underlying network designs and minimise the need for duplicated infrastructure and services

4.2 **Procurement Approach:** Route to market and tendering options

4.2.1 The intention is for ESCC to lead on the procurement on-behalf of the Link partnership and to put in place a data network services contract for ten years which would mirror the existing contract term.

4.2.2 It is proposed that the data network procurement is undertaken through either an existing third-party framework or Dynamic Purchasing System (DPS) or by undertaking a full EU restricted procurement procedure. These alternative routes will all allow sufficient time for implementation, with the contract commencing in January 2021 (framework or DPS route) or March 2021 (EU restricted route). The advantage of accessing a third-party framework or DPS is that suppliers have already been pre-qualified and met requirements for financial standing, insurances, past performance/experience. Running a full EU restricted process would enable setting more bespoke terms and conditions. ESCC could procure a contract, a framework agreement or a DPS itself on behalf of the partnership. If it procures a framework or DPS, public service bodies (other than the Link partners) could use it.

4.2.3 There are three potential options for tendering the new data network service, as follows:

- (i) Tender for a supplier to take on the existing regional data network components), provide a new core and provide the managed service. This is the 'Do Minimum' option and would not meet the step-change in bandwidth speeds required.
- (ii) Tender for a supplier to provide new gigabit capable full fibre access connectivity, a new core and the managed service under one contract.
- (iii) Tender separately for a new gigabit capable full fibre access connectivity and a new core and the managed service. With this option, there is no guarantee that the bandwidth requirements to all sites, particularly very rural locations, could be met and the on-going supplier management could be complex.

4.2.4 The recommendation is for the option (ii), the advantages of this option include: attracting a wider supplier response and extending the opportunity for innovation; greater likelihood of meeting the requirement for a new data network service and the higher bandwidths; and, simplifying the resulting implementation and on-going supplier management.

4.3 Benefits

- 4.3.1 The primary outcome will be a data network that can be used by the Council and its schools and potentially other public service partners within the City. Using an infrastructure that provides gigabit capable fibre to every site, supporting a minimum access speed of 300Mbps; an improvement of up to 10x speed and capacity increase to our lowest connected site today. This renewed and upgraded capability will support the Council's digital ambitions by providing better connectivity to cloud hosted services.
- 4.3.2 The resulting digital infrastructure from the establishment of a high-speed network for the Council has the potential to contribute towards the delivery of the Council's digital connectivity ambition; supporting digital inclusion and the recovery and growth of the local economy. With the Link partnership's aggregated and guaranteed spend over time providing the financial confidence to invest in the provision of ultra-fast capable, full fibre infrastructure across the county. From engagements with the Telco market, it is understood that the proposed approach will bring forward the deployment of ultra-fast capable, full fibre infrastructures and potentially 5G coverage; with the possibility of providing up to 70% 5G coverage of the City, should this be agreed as a desirable outcome
- 4.3.3 From the market engagement exercise, suppliers have indicated that there will be options for spreading some or all the implementation costs over the contract period. There may also be a potential to generate income, which could act as a subsidy to the operating costs. One such possibility is the opportunity of generating income from the installation of 5G cell equipment on local authority street furniture.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 All public service organisations within the Link partnership have been consulted in relation to this proposal. Further engagement and consultation will be undertaken as appropriate during the project.

6. CONCLUSION

- 6.1 There is a requirement to enter into a new WAN contract before the current one ends and there is an opportunity to use the procurement to upgrade the bandwidth provided to the City's council and school sites and use this to accelerate the deployment of full-fibre across the City.
- 6.2 The Council participated in a joint procurement for the WAN in 2012 and has benefitted from being part of a public sector consortium that has managed the delivery of the contract.
- 6.3 The recommendation is therefore to support the proposal to commence the joint procurement, between Brighton & Hove City Council and other Link partnership partners, for a new data network contract to replace the existing GTT contract.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1.1 The project and implementation costs are estimated to be approx. £2.5m. This capital expenditure will be funded through borrowing over the 10 year life of the procurement period with the estimated financing costs of £0.290m. The existing revenue costs of £0.6m pa could increase through this process by a further £0.09m per annum. The £2.5m capital investment will be added to the capital programme for 2021/22 with the total increase in the estimated revenue costs of £0.380m being added to the 2022/23 revenue budget as a commitment. These estimates will be updated once the procurement process is concluded and are predicated on all existing Link partners participating in the procurement. Fewer partners would diminish the economies of scale and potentially increase the one-off and on-going costs. The actual one-off costs will not be known until the procurement has been undertaken and new contract awarded.

Finance Officer Consulted: James Hengeveld

Date: 17/06/20

Legal Implications:

- 7.1 In accordance with Part 4 of the council's Constitution, Policy & Resources Committee is the appropriate decision-making body in respect of the recommendations set out in paragraph 2 above. In addition, in order to comply with CSO 3.1, authority to enter into contracts in excess of £500,000 must be obtained from the relevant committee.
- 7.2 The procurement route which the partnership will follow has not yet been determined. Orbis Public Law officers will advise on the proposed procurement route and the contract as the project progresses. It may be that the Council contracts directly with the provider or alternatively that ESCC enters into the contract on behalf of the partnership. If it is the second option, the Council will also need to enter into a contract which sets out the obligations on ESCC to deliver and manage the contract.

Lawyer Consulted: Barbara Hurwood

Date: 23. 06.2020

Equalities Implications:

- 7.3 Brighton & Hove Council is committed to providing its services in a way, which promotes equality of opportunity at every possibility. Any supplier of service will be required to comply with the relevant Equality and Diversity legislation and an Equalities Impact Assessment.

Public Health Implications:

- 7.4 Some safety concerns have been raised in relation to 5G, but tests by Ofcom found that electromagnetic field emissions from 5G are a fraction of the highest safety levels. There are an increasing number of enquiries and FOIs being received in regards the impact of 5G as well as wide, negative coverage across various media. We need to engage with Public Health team to develop and

maintain a consistent set of messages and standard responses to repeat questions. We need access specialists to inform responses that stray beyond standard responses or contain technical questions.

Corporate / Citywide Implications:

- 7.5 The primary focus of this proposal is to improve bandwidth provided to the Council, its schools and potentially other public service partners within the City. This will be used to accelerate the deployment of full-fibre across the City and thereby enable the Council's digital ambitions by providing better connectivity to cloud hosted services.
- 7.6 The resulting digital infrastructure has the potential to contribute towards the delivery of the Council's digital connectivity ambition; supporting digital inclusion and the recovery and growth of the local economy.