

CABINET

1 OCTOBER 2013

GATEWAY 1 PROCUREMENT COMMENCEMENT: HOO PENINSULA WIRELESS NETWORK

Portfolio Holders: Councillor Mike O'Brien, Lead Member for Children's Services
Councillor Peter Hicks, Community Safety and Customer Contact

Report from: Barbara Peacock, Director of Children and Adult Services

Authors: Jacqui Moore, Head of Schools' Commissioning & Traded Services
Peter Good, ICT Infrastructure Manager.

Summary

This report seeks permission to commence the procurement of a wireless network solution for the Hoo Peninsula.

The Hoo Peninsula is poorly served by the major telecommunications companies and as such connections to council buildings & schools is expensive and slow. ICT has undertaken a separate feasibility study for a high speed wireless solution that will serve the majority of these sites. The results of this survey are detailed in this report and approval for purchase is sought.

This Gateway 1 report has been approved for submission after review and discussion at Children & Adults Directorate Management Team meeting on 20 August 2013 and Procurement Board on 17 September 2013.

The Children & Adults Directorate Management Team has recommended that this procurement project be approved as a High Risk procurement project at Procurement Gateway 1. This is because although this procurement project is a Services Category B Medium Risk procurement with a total contract value above £100,000.00, there are political implications and/or service sensitivities which need to be taken account of.

These political implications and/or service sensitivities relate to the use of high beam wireless connections that have triggered debate about safety. The Radio Safety report submitted by MLL Telecom outlines how the proposed solution meets current safety guidelines. National and international safety guidelines concerning exposure of the public to the radio waves produced by all kinds of antennas exist, and we would require any supplier to adhere to these guidelines.

1. Budget and Policy Framework

1.1 Service Background Information

- 1.1.1 Sites on the Hoo Peninsula are currently connected to the Council's network by 2Mb Megastream connections. Sites in and around the main towns of Strood, Rochester, Chatham, Gillingham and Rainham are served by a minimum of 10 Mb circuits.
- 1.1.2 The lack of service provision on the Peninsula is affecting delivery of online learning opportunities to the pupils attending schools on the Peninsula. The efficiency of leadership and management processes that rely on Internet connectivity are also affected. To create equality across the authority the connection speeds to these sites must be increased.

1.2 Council's Strategic Priorities And Core Values

- 1.2.1 The procurement of this requirement directly links into the following Council Strategic Priorities and Core Values:

Core Values

- Giving value for money

This procurement requirement will deliver against the Core Value of 'Giving value for money' by providing best value in terms of connection speed versus cost.

Improved connectivity to these sites on the Peninsula will also give the schools and academies better online access to support the procurement of the full range of resources that they require, enabling improved efficiency of research and access to online procurement resources.

Strategic Priorities

- Children and young people having the best start in life in Medway.

This procurement requirement will deliver against the Strategic Priority of 'Children and young people have the best start in life in Medway' by providing the pupils on the Peninsula with bandwidth comparable to other areas in Medway, both directly in school and also in their community areas. This gives the opportunity to provide greater support to families who are in turn able to support their children with learning.

1.3 Strategic Council Obligations

The procurement of this requirement directly links into the following Strategic Council Obligations:

- Medway Council Plan

This procurement requirement links into the Medway Council Plan as the project supports the core value of providing value for money. In particular, this procurement of improved Internet connectivity will support the following commitment:

- We will champion strong leadership and high standards in schools so that all children can achieve their potential, and the gaps between the least advantaged and their peers are narrowed.

Currently slow Internet connectivity is an inhibiting factor in leaders being able to carry out their role effectively, for example time taken to research and download relevant documentation and respond to emails. The lack of bandwidth available also restricts the range of resources that children and young people have access to, in particular, access to interactive materials which support independent learning.

- Children and Young People's Plan (CYPP)

This procurement will support the strategic priorities set out in the Children and Young People's Plan, This is the strategic partnership plan for the

area that seeks to make a difference for all children and young people in Medway. In particular the provision of enhanced Internet connectivity will support Priority 9 (details below) by providing access to resources and networking opportunities, locally, regionally, nationally and internationally.

- Priority 9: Raise the aspirations and expectations for all children, families, teachers, schools and communities in Medway.

- **Other Strategic Council Obligations**

This procurement requirement does not link into any other Strategic Council Obligations.

1.4 Departmental and Directorate Service Plans

- 1.4.1 This procurement requirement links into the following Departmental/Directorate Service Plans by providing a fit for purpose network infrastructure that will improve Medway Grid for Learning services to schools on the Hoo peninsula. The procurement supports the School Improvement Strategy first implemented in April 2011. The key priorities within this strategy are to raise standards particularly at KS2 and to develop effective partnership working. Improved broadband connectivity in the Peninsula area would support both these priorities, particularly given the number of primary schools in the area.
- 1.4.2 Further to the School Improvement Strategy instigated in 2011, and following a review of school improvement commissioned by the Director of Children's Services from the ISOS Partnership, a new strategy for School Improvement is in the process of development. This new strategy is built around partnership working and school to school support; reliable and swift connectivity is a fundamental part of this.

1.5 Funding/Engagement From External Sources

1.5.1 There will be some capital investment and ongoing revenue costs will be met through buyback of the Medway Grid for Learning traded service offering. The Corporate sites benefiting from the capital investment will continue to pay line rental but directly to the Medway Grid for Learning for the duration of the contract.

2. Background

2.1 Project Details

2.1.1 This procurement is a services procurement requirement

2.1.2 This report seeks permission to commence a new procurement project with a proposed contract duration of **5 years** with provisions to extend for a contract duration of **2 years**.

2.1.3 The contract is proposed to commence on **(01/01/2014)** and conclude on **31/12/2018 with an option to extend for 2 years to 31/12/2020**.

2.1.4 This procurement requirement is a standalone project with no linkage to any other procurement projects or procurement programmes.

2.2 Business Case

2.2.1 Procurement Project Outputs / Outcomes

As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
Access to greater bandwidth for schools and academies on the Hoo Peninsula	Network monitoring demonstrates improved connection speeds	ICT Department	At testing & sign off Ongoing monitoring of service
Access to greater bandwidth for some community establishments where viable, for example	Network monitoring demonstrates improved connection speeds	ICT Department	At testing & sign off Ongoing monitoring of service

libraries.			
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2.2.2 Procurement Project Management

This procurement project will be resourced through the following project resources and skills. Internal ICT staff will co-ordinate access and the successful contractor will provide the implementation and ongoing support personnel. The Schools' ICT Commissioner will monitor implementation of the project from a client perspective.

2.2.3 Post Procurement Contract Management

The contract management of this procurement project post award will be resourced through the following contract management strategy. Monthly meetings will be held with the contractor during implementation, and quarterly account meetings will be held thereafter. Client engagement will also take place through the ICT Policy & Practice Steering Group meetings held 3 times a year with school representatives.

2.2.4 Other Issues

Planning permission may prevent the erection of mono poles in rural areas.

This will be mitigated by securing planning applications prior to any installations where permission is required. Should planning consent be unsuccessful, other sites for erection could be investigated prior to implementation but would be more expensive. In this case costs would need to be revisited before committing to the project. If planning consent for mono poles cannot be secured, alternative options for provision of improved broadband on the Peninsula would need to be investigated and costed.

2.2.5 TUPE Issues

Further to guidance from Legal Services, Human Resources and the Strategic Procurement Team, it has been identified that TUPE does not apply to this procurement process. This is because this service is not operated by existing Medway staff.

3. Options

In arriving at the preferred option as identified within Section 4.1 'Preferred Option', the following options have been considered with their respective advantages and disadvantages.

3.1 Do nothing

The option of doing nothing has been considered and below are the advantages and disadvantages of this option:

Advantages – No increase in cost, no loss of service

Disadvantages – Slow data connectivity for colleagues and pupils of Peninsula schools. Schools on the Peninsula have already given feedback that current slow connectivity is hampering their ability to deliver a high quality curriculum to pupils and to perform leadership and management responsibilities effectively and efficiently.

3.2 In-house service provision

The option of providing this requirement through in-house service provision has been considered but is not a viable option because the skills to design and implement this type of service are not available in house. Additionally, wireless transmitters and receivers are required to be mounted at heights where working at height training is required. Furthermore licensed spectrum* is required to support the installation to which we do not have access.

*Spectrum management is the process of regulating the use of radio frequencies to promote efficient use and gain a net social benefit.

3.3 Using another local authority to deliver procurement requirements

The option of using another local authority to deliver procurement requirements has been considered but is not a viable option because the skills required to deliver such a solution do not exist.

3.4 Procurement via an EU compliant framework

The option of using an EU compliant framework to deliver procurement requirements has been considered and the following frameworks have been identified from which Medway Council's procurement requirements can be satisfied.

List frameworks and framework provider details:

Telecom Services Framework ref FAB/TELECOMS/12 administered by the Fabrick Housing Group.

Below are the advantages and disadvantages of this option:

Advantages – Competition has already been established

Disadvantages – opportunities from other suppliers may be missed.

3.5 Formal tender process in line with Contract Procedure Rules

The option of formally tendering this procurement requirement solely in line with Medway Council's Contract Procedure Rules has been considered but this is not a viable option because the value of the requirement is above the EU Procurement Threshold for Services of £173,934.00

3.6 Formal tender process in line with EU Procurement Regulations.

The option of formally tendering this procurement requirement in line with EU Procurement Regulations has been considered because the value of this procurement requirement is above the EU Procurement Threshold for Services of £173,934.00 and below are the advantages and disadvantages of this option:

Advantages – Ensures competition and therefore best value

Disadvantages – Long lead time and costly in terms of Medway Council resource.

3.7 Internal Medway Council Collaboration between departments

The option of procuring requirements through internal collaboration between Medway Council departments in order to exploit economies of scale and synergies has been considered and below are the advantages and disadvantages of this option:

Advantages – ICT have already engaged with education to reduce the cost per site and as a result are submitting this joint Gateway 1 request to commence procurement.

Disadvantages – None

3.8 External public sector collaboration (e.g. other Councils, Fire Service, PCT, Police)

The option of procuring requirements through external collaboration between Medway Council and other external public sector organisations in order to exploit economies of scale and synergies has been considered but no such opportunities exist.

3.9 Private sector collaboration e.g. Private Public Partnering/Private Finance Initiatives

The option of procuring requirements through private sector collaboration between Medway Council and other external private sector organisations has been considered but no such opportunities exist at present. Potentially there may be options with the Broadband UK initiative but as yet, there are no details on specific areas or bandwidth that are being considered for investment.

Arqiva were awarded the Wireless concession for the area and this may alter the design. However it would not significantly alter the equipment and number of connections.

3.10 Procurement via a below EU Threshold Select List

N/A

3.11 Other alternative options

The following alternative options have been identified for consideration including advantages and disadvantages

An alternative option to deliver the attached site list via traditional telecommunication routes was considered.

Traditional Connectivity

Advantages – tried and tested,

Disadvantages – substantially more expensive, does not include excess construction charges which could be substantial.

4. Advice and analysis

4.1 Preferred option

4.1.1 Further to an extensive review of procurement options as highlighted within Section 3 'Options' above, the following preferred option 3.4 is recommended to the Cabinet.

4.1.2 In purchasing via the Fabrick Housing Group framework, lead times to implementation are significantly reduced, competition is ensured and it confirms the capability of the successful company. With the urgent requirement to improve standards achieved in our schools, it is imperative that the Internet connectivity to schools on the Hoo Peninsula is improved as soon as possible.

4.1.3 Fabrick Housing Group was created in 2008 by bringing together two successful Tees Valley based Registered Social Landlord (RSL) companies; Tees Valley Housing, a traditional housing association and Erimus Housing, formed from the large scale voluntary transfer of properties from Middlesbrough Council. Norcare, a Newcastle based charity providing supported housing services to vulnerable people, joined the Group in July 2012. The partnership means the companies can share regeneration and development expertise, resources, skills and knowledge to ensure greater efficiencies and enhanced services for all residents. Together, the partners in the Group manage more than 15,000 homes, from North Tyneside in the north to York in the south, with the majority of homes in Middlesbrough and Stockton-on-Tees.

4.1.4 The Fabrick Housing Group framework agreement is accessible by UK Public Sector Bodies - including but not limited to Local Authorities, Central Government Departments, NHS Bodies and Police & other Emergency Services. The framework is also be open for use by all other public sector contracting authorities (as defined in Article 1(9) of Directive 2004/18/ EC and implemented by Regulation 3 of the Public Contract

Regulations 2006) or their agents. These include but are not limited to central government departments and their agencies, Non-Departmental Public Bodies (NDPBs), NHS bodies (including; acute trusts, ambulance trusts, primary care trusts, care trusts, NHS hospital trusts, strategic health authorities, mental health trusts, special health authorities), Local Authorities (as defined in Regulation 3 (2) to (5) of the Public Contracts Regulations 2006 ('the Regulations'), Police Authorities (as defined by Regulation 3 (1) (j) to (p) of the Regulations), Emergency Services, Educational Establishment (including Schools, Universities, Academies, Colleges of Further Education) and Registered Social Landlords who have a need to purchase these services.

4.2 Equality Act 2010

Officers have considered the Diversity Impact of implementing an improved network on the Peninsula and have determined that no further review is required. The purchase of a faster network will improve equality across the authority, which will, in particular enable pupils in schools on the Peninsula to have a comparable level of Internet access as their peers in other areas of Medway. In addition, the results of this procurement have the potential to support people with disabilities to access high speed internet at their local library as opposed to commuting into one of the main towns.

4.3 Corporate Sustainability Plan

The Council is committed to corporate sustainability and there is a strong emphasis placed upon the need for mainstreaming sustainability. The solution proposed enhances sustainability since the technology of choice can be upgraded without the need for further hardware requiring only an upgrade of the licensed frequency spectrum.

4.4 Carbon Reduction Commitment Energy Efficiency Scheme (CRC)

4.4.1 The Carbon Reduction Commitment Energy Efficiency Scheme (CRC), which started in April 2010, is a mandatory carbon emissions scheme that aims to increase energy efficiency in the UK.

4.4.2 In providing this solution there is no excess construction to be undertaken for individual sites, as there would be for a traditional upgrade. There is however the need to erect two mono poles on the Peninsula that would require machinery and construction materials to support the equipment. The premise is that the install will be CRC neutral.

4.4.3 Whilst in operation there is an increased use of electricity in the powering of the receivers and transmitters. However, the power used by the existing method of network delivery will offset some of this increased usage.

5. Risk Management

5.1 Risk Categorisation

The following risk categories have been identified as having a linkage to this procurement project:

Procurement process		Equalities	
Contractual delivery		Sustainability / Environmental	X
Service delivery	X	Legal	<input type="checkbox"/>
Reputation / political	X	Financial	X
Health & Safety	X	Other/ICT*	X

For each of the risks identified above, further information has been provided below

Risk Categories	Outline Description	Risk Likelihood A=Very High B=High C=Significant D=Low E=Very Low F=Almost Impossible	Risk Impact I=Catastrophic II=Critical III=Marginal IV=negligible Impact	Plans To Mitigate Risk
a) Procurement process	N/A			
b) Contractual delivery	N/A			
c) Service delivery	There will be a loss of service as sites disconnect from the old networks and reconnect to the new network	A	IV – this will be a planned event and can be conducted with consent from the site	The old connection will not be terminated until transfer has been completed, therefore providing the ability to switch back to the existing service

d) Reputation / political	<p>Schools are desperate for faster networks. Failure to deliver could damage the reputation of the authority</p> <p>Erection of mono poles may cause public concern</p>	<p>E</p> <p>B</p>	<p>III – A non school site will be connected first</p> <p>III</p>	<p>A non school site will be connected first to ensure success</p> <p>Report from MLL Telecom outlining low power of transmitters. Work with schools involved to ensure clear understanding of technology.</p>
e) Health & Safety	The solution uses microwave technology and this has had negative press previously	E	IV	Transmitter and receivers will be mounted on roof tops and poles – see supporting documentation. The power emitted from the majority of this type of equipment is no more than 50mW.
f) Equalities	N/A			
g) Sustainability / Environmental	<p>Environmental – see H&S above</p> <p>Sustainability</p> <p>Should schools pull out after year 1 Medway Council will be left to fund the contract and relocate</p>	E	IV	<p>See H&S above</p> <p>Schools will need to sign up for a minimum of 5 years to support sustainability</p> <p>School stakeholder meeting to be held post GW1</p>

	wireless equipment			approval to secure commitment from schools.
h) Legal				
i) Financial	Should schools pull out after year 1 Medway Council will be left to fund the contract and relocate wireless equipment	D	III	Schools will need to sign up for a minimum of 5 years to support sustainability School stakeholder meeting to be held post GW1 approval to secure commitment from schools.
j) Other/ICT*	Technology provided could fail to provide anticipated service	D	1	Ensure that solution delivered is thoroughly tested before providing service to schools

6. Consultation

6.1 Internal (Medway) Stakeholder Consultation

- 6.1.1 As part of this procurement project no internal stakeholder consultation is required before the commencement of the procurement project in order to direct the specification. This work has already been completed with the Schools' Commissioning & Traded Services Team.
- 6.1.2 As part of this procurement project no internal stakeholder consultation is required during the procurement process in order to aid the evaluation process.
- 6.1.3 As part of this procurement project no internal stakeholder consultation is required post procurement/tender award in order to aid the contract management process.

6.2 External Stakeholder Consultation

- 6.2.1 As part of this procurement project external stakeholder consultation will be undertaken with school stakeholders on the Hoo Peninsula prior to commencement in order to secure a 5 year commitment for both service and siting of equipment.
- 6.2.2 As part of this procurement project no external stakeholder consultation is required during the procurement process in order to aid the evaluation process.
- 6.2.3 As part of this procurement project no external stakeholder consultation is required post procurement/tender award in order to aid the contract management process. However, engagement will take place with the ICT Policy & Practice Steering Group to gauge customer satisfaction through the contract.

7. Procurement Board

- 7.1 The Procurement Board considered this report on 17 September 2013 and supported the recommendations as set out in paragraph 9 below.

8. Financial and legal implications

8.1 Financial Implications

- 8.1.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following financial implications which the Cabinet must consider. The capital element to cover associated equipment and erection of posts is to be financed directly from the Broadband capital code. The purpose of this funding is to support the development of a fit for purpose broadband connectivity service. The challenge relating to appropriate broadband connectivity on the Hoo Peninsula has been a high priority for a number of years, to date no effective and sustainable solution has been found. Funding from this capital code has been assigned specifically for the purpose of implementing the solution once established. Revenue costs are currently covered by charges to schools for the Medway Grid for Learning Service and this would continue. Currently 4 secondary phase schools, 80 primary phase schools and 6 special schools buy into the Medway Grid for Learning service. In order to further mitigate risk as a result of the requirement for Medway to sign up for a 5 year contract with the successful contractor, stakeholders would be engaged at the beginning of the project and would be expected to sign up for the service for the duration of that contract.
- 8.1.2 Detailed finance and whole-life costing information is contained within Section 2.1 Finance and Whole-Life Costing of the Exempt Appendix..

8.2 Legal Implications

- 8.2.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following legal implications which the Cabinet must consider –

The client is seeking to appoint a contractor via an EU compliant Framework. There will be no legal implications with doing this so long as the rules regarding the use of the framework are followed and that upon award of this contract and approval of a Gateway 3 report legal services are issued with a full contract bundle of documents so that the Formal Award and Contract Deeds/Model Order form can be completed in line with the Contract Rules.

The client also needs to ensure that any contractor will adhere to any guidelines and Health & Safety requirements with regards to the use of high beam wireless connections.

8.3 Procurement Implications

- 8.3.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following procurement implications which the Cabinet must consider –

The framework proposed by the Client has been let following a compliant EU process and is accessible to the Council. Procuring through the framework will ensure the Council's obligations under the EU Regulations are met.

8.4 ICT Implications

- 8.4.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9 'Recommendations', has the following ICT implications which the Cabinet must consider.

There is the potential that the BD:UK initiative will provide a similar service and bandwidth being suggested within this report, that could be procured for schools in the future. However, there are currently no details on the areas to be serviced, the bandwidth to be provided which could be as low as the current 2MB, timelines for implementation, or costs. There is therefore no guarantee that BD:UK will improve services on the Peninsula.

Schools have indicated that they are not happy with the current bandwidth provided and are becoming increasingly impatient and so as a Council we need to ensure that we can provide a service to ensure that schools and young people of Medway have equality of service across the estate.

By procuring services from a third party supplier the risk is reduced as the input by ICT resources, already significantly stretched, is limited.

8.5 Other Information

No other information.

9. Recommendation

9.1 The Cabinet is requested to approve the use of the FAB-Telecoms-12 Fabrick Housing Group Framework to procure a wireless network solution for the Hoo Peninsula as set out in paragraph 4.1 of the report (preferred option).

10. Suggested reasons for decision(s)

10.1 The recommendations contained within Section 9 'Recommendations' above are provided on the basis of:

The current network solution on the Hoo Peninsula is not fit for purpose and is inhibiting the delivery of high quality education for young people who learn there.

The proposed procurement will provide an upgradable cost effective solution.

Lead officer contact

Name	<input type="text" value="Peter Good"/>	Title	<input type="text" value="ICT Infrastructure Mgr"/>
Department	<input type="text" value="ICT"/>	Directorate	<input type="text" value="Business Support"/>
Extension	<input type="text" value="2860"/>	Email	<input type="text" value="peter.good@medway.gov.uk"/>

Background papers

The following documents have been relied upon in the preparation of this report:

Description of document
Radio Safety White Paper FAB-Telecoms-12 Framework Summary