

CABINET

17 DECEMBER 2013

GATEWAY 3 CONTRACT AWARD: 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

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Summary

This report seeks permission to award a contract to the supplier as highlighted within Section 3.2 of the Exempt Appendix.

The Cabinet approved the commencement of this requirement at Gateway 1 on 1 October 2013, following consideration by Procurement Board on 17 September 2013. A copy of the Gateway 1 Report is available upon request.

This Gateway 3 Report has been approved for submission to the Cabinet after review by Directorate Management Team on 29 November 2013 and Procurement Board on 4 December 2013.

1. Budget and Policy Framework

- 1.1 This procurement is within Budget and is consistent with the Policy Framework. The proposals support the Council's priorities as set out within the Medway Council Plan, specifically the core value of providing value for money and the commitment that the council 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. This procurement will also support the strategic priorities set out in the Children and Young People's Plan, such as the priority to raise the aspirations and expectations for all children, families, teachers, schools and communities in Medway.

2. Background

2.1 Medway Council is seeking to procure a resilient managed wide area network service, based on microwave radio, for potentially 18 sites on the Hoo Peninsula. As an organisation Medway Council has a responsibility to provide schools purchasing ICT services from the council, a fit for purpose network. The Hoo Peninsula suffers from a lack of traditional connectivity and so the Council commissioned a review for a wireless based solution. After an in depth study, Medway Council have concluded that the optimal way of delivering a faster, more reliable network to the area is to adopt the use of microwave radio. The Council has sought to ensure best value and have included a number of corporate sites in the design.

2.2 Funding/Engagement from External Sources

Medway Grid for Learning (MGfL) ring fenced capital for the installation and MGfL revenue for the yearly rental.

2.3 Urgency of Report

This procurement is urgent to meet the need to start implementation in January 2014 and to improve the present poor connectivity that is affecting teaching and learning at these sites.

3. Procurement Process

3.1 Procurement Process Undertaken

The procurement has followed the mini competition tendering process and has used the FAB-Telecoms-12 Fabrick Housing Group Framework. The selection list has been taken from this framework where two suppliers showed an interest in tendering. Medway has also followed a consultation process with schools.

3.2 Evaluation Criteria

The quality and cost ratio used for the procurement was 60%/40%.

There were four sub criteria for quality; **Managing Construction, Network Delivery, Customer Service** and **References**.

Quality: 60%		Contractor A		Contractor B		Contractor C	
Criteria	Weighting	Score (out of 5)	Weighted Score	Score (out of 5)	Weighted Score	Score (out of 5)	Weighted Score
A: Managing Construction							
1: Network Solution (A1)	6%						
2: Installation and CDM (A2)	6%						
3: Maintenance & Relocation (A3)	5%						
4: Error procedures (A4)	3%						
5: Completion time-scales (A5)	4%						
B: Network Delivery							
1: Network carrier only service (B1)	5%						
2: IL2 and 99.85% availability (B2)	4%						
3: Bandwidth guarantee (B3)	8%						
4: Network services (B4)	3%						
5: Future upgrades (B5)	3%						
C: Customer Service & support							
1: Customer and stakeholder liaison	3%						
2: Support	5%						
D: References							
1: References	5%						
Total Weighted Score %	60%						

4. Business Case

4.1 Delivery of Procurement Project Outputs / Outcomes

The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement have been appraised in the table below to demonstrate how the recommended procurement contract award will deliver said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How will recommended contract award option deliver outputs/outcomes?
<p>1. Access to greater bandwidth for schools and academies on the Hoo Peninsula</p>	<p>Network monitoring demonstrates improved connection speeds</p>	<p>ICT Department</p>	<p>At testing & sign off Ongoing monitoring of service</p>	<p>The proposed contractor has provided a concise network solution and installation plan. References have indicated successful delivery of contracts for radio technology</p>
<p>2. Access to greater bandwidth for some community establishments where viable, for example libraries.</p>	<p>Network monitoring demonstrates improved connection speeds</p>	<p>ICT Department</p>	<p>At testing & sign off Ongoing monitoring of service</p>	<p>The proposed contractor has provided a concise network solution to deliver greater bandwidth to community establishments as well as potential future expansion to deliver broadband to citizens of the community.</p>

5. Service Comments

5.1 Financial Comments

5.1.1 The procurement requirement and its associated delivery (as per the recommendations at Section 7), will be funded from existing revenue budgets and from the existing ring fenced Capital funding.

5.1.2 Further detail is contained within Section 1.1 Financial Analysis of the **Exempt Appendix** at the end of this report.

5.2 Legal Comments

5.2.1 As this procurement has been designated a Category B Procurement (High Risk) the decision to award the contract is a decision for Cabinet, under Part 5 of Chapter 3 of the Council's Constitution.

5.3 TUPE Comments

5.3.1 Further to guidance from Legal Services and Human Resources, 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.

5.4 Procurement Comments

5.4.1 The service undertook a mini-tender from a framework, as agreed by Cabinet.

5.4.2 There are lessons to be learnt from this procurement given that only one bid was submitted to the council when two expressed an interest in bidding and only one submitted a bid. The importance of understanding how many suppliers on a framework are likely to, or capable of, submitting a bid should inform the options appraisal in the Gateway 1 reports so that the preferred procurement option, where appropriate, leads to three or more bids being submitted for consideration.

5.4.3 Given that only one bid was submitted, best value cannot be fully demonstrated. The service should seek feedback from the providers that did not submit a response so that the council can understand the reasons for future reference and this should feature in the GW4 report, which could come back to Procurement Board and Cabinet in six months' time rather than the usual 12 months.

5.4.4 The service will need to liaise with the Category Management team to award the contract.

5.5 ICT Comments

5.5.1 ICT has been involved in this procurement from the outset and commissioned the initial survey to ensure the solution is feasible. The concept and design has been fully evaluated and given the positive references that have been received, they indicate that this project will be successful.

6. Risk Management

- 6.1 Medway is presently working closely with schools.
- 6.2 Although a concise network installation plan was part of the specification, planning restrictions may prevent the erection of monopoles in rural areas. This will be mitigated by securing planning applications prior to any installations where permission is required. Close liaison will need to take place with the planning department to expedite implementation and minimise risks of non-agreement.
- 6.3 Should planning consent be unsuccessful, other sites for erection of the monopoles could be investigated prior to implementation but would be more expensive, and would delay proceedings. In this case Medway would return to the Procurement Board to consider costs that would need to be revisited before committing to the project. Also, if planning consent for monopoles cannot be secured, alternative options for the provision of improved broadband on the Peninsula would need to be investigated and costed.
- 6.4 The system will be fully tested at a non school site to ensure the success of the network.
- 6.5 When the new network is connected to the school the old connection will remain open until transfer has been completed successfully.
- 6.6 A concise report outlining low power (50mW) of transmitters will be available in order for schools to understand the technology. Also, the transmitters and receivers will be mounted on rooftops and poles.
- 6.7 To sustain the network schools will need to sign up to the broadband service via the Medway Grid for Learning for a minimum of 5 years and Medway is working with schools to secure that commitment

7. Procurement Board

- 7.1 Procurement Board considered this report on 4 December 2013 and supported the recommendation as set out in section 7 below.

8. Recommendation

- 8.1 Cabinet is requested to approve the contract award to install a wireless network solution for the Hoo Peninsula to the contractor as outlined within section 2.2 of the Exempt Appendix.

9. Suggested Reasons for Decision

- 9.1 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.
- 9.2 The procurement will provide an upgradable cost effective solution.

Lead Officer Contact

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BACKGROUND PAPERS

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

Gateway 1 Procurement Commencement: Hoo Peninsula Wireless Network
<http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=21420>

FAB-Telecoms-12 Framework Summary