



Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

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Item 5

23rd May 2024

The Provision of Network Services

Tender Reference: GCC006020CPU

Purpose of Report:

To submit details of the tenders received for the provision of Network Services and recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the award of a contract for the provision of Network Services to the supplier listed below.

Commsworld Limited
Companies House Number - SC150343

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Background and Tender

- 1.1 On 1st April 2018, the council commenced a contract with CGI IT UK Ltd (CGI) for digital and ICT services. This seven-year contract runs until 31st March 2025, with the option of extending for five years.
- 1.2 In 2021, the Future of Digital and ICT Services (FICT) project was established to examine potential future models for the delivery of digital and ICT services and, through development of a series of Business Cases, to identify and appraise the options available. On 28th September 2023, the City Administration Committee approved the preferred option i.e. implementation of a multi-source model with an in-house service integration and management (SIAM) function, referred to as the Road to Multi-Source Strategy (R2MS). This will see all of the Council's ICT service towers being re-procured on a phased basis by 2028. The first of these re-procurements is Network Services.
- 1.3 The key elements of Network Services are:

Wide Area Network (WAN) connectivity to Education and Corporate buildings;
Local Area Network (LAN) connectivity within Council buildings;
Corporate, Education and Guest Wi-Fi;
Public Wi-Fi;
IP Telephony;
Remote Connectivity;
Integration with the Council's SIAM delivery model, and
Integration with the Council's Security Management Model.

- 1.4 A commodity team consisting of stakeholders from the Corporate Procurement Unit (CPU) and the FICT Team was formed to develop the sourcing strategy and deliver this new contract.
- 1.5 In line with the effective and efficient objective within the council's Sustainable Procurement Strategy 2023-2027, and to support the national agenda in utilising national collaborative frameworks, a Request for Information (RFI) was issued on 14th September 2023 to the 18 suppliers appointed across lot 1a WAN, 2a LAN, 4b Digital Communication Services, and 4c Contact Centre Services of Crown Commercial Services' Network Services 3 framework, (framework contract reference RM6116). The framework allows a cross-lot mini-competition if services are required from more than one lot.
- 1.6 Within the agreed October 2023 deadline, a total of four (4) RFI responses were received. Other suppliers did engage in the process and did not formally respond.
- 1.7 The suppliers' RFI submissions were reviewed by the FICT Team and based on the content of the responses, the commodity Team agreed that a cross-lot mini competition process from the CCS framework would be the most appropriate method to deliver this contract.

- 1.8 The mini competition was facilitated via the Public Contracts Scotland Tenders portal.
- 1.9 The contract start date is 1st June 2024. The initial term of the contract for services is for a period of five (5) years, from 1st April 2025, with the option to extend for a further five (5) years.
- 1.10 The contract will be utilised council wide.

2 Evaluation

- 2.1 All 18 suppliers on lots 1a, 2a, 4b and 4c of the CCS framework agreement for Network Services 3 were invited to bid. Of these, 1 submitted a bid. Of the 17 suppliers that failed to respond, 1 referred to staffing implications for no bid and 16 failed to advise.
- 2.2 The award evaluation was based on the following criteria and weightings:

Price	Quality	Quality - technical sub criteria	% Marks	Quality / Sub Criteria	
20%	70%	Solution – approach to meeting the service requirements	40%	Community Benefits (Mandatory) Pass	Fair Work Practices – 10%
		Network Management and Monitoring Tools	5%		
		Service Transition and Due Diligence	5%		
		Flexibility and Adapting to Change	5%	Points requested - 150	
		Securing Access to the Council Network	10%		
		Risks and Mitigations	2.50%	Supplier provided - 1,105	
		Team and Capacity	2.50%		

- 2.3 The evaluation of award scoring and award value of the supplier which has been recommended for award is shown in the table below:

Description	Supplier	Total Evaluation Score	Total Value (5 year)	Rank
Network Services	Commsworld Limited	82%	£36,530,744	1

Note: the total value includes refresh costs and the Transition/Mobilisation cost through which the recommended supplier will take over responsibility for the provision of the in-scope ICT services from CGI commencing from 1 April 2025.

- 2.4 The provision of the Network Services is provided under the council's ICT contract with CGI; therefore it is not possible to have a like for like spend comparison. Based on analysis, an estimate of the expected Network Services costs and price provided are within the affordability envelope.

3 Best Value

- 3.1 The evaluation team is satisfied that the recommended supplier's bid and commercial offer will provide best value for the council. The contract will provide an improved service delivery model, incorporating the following key enhancements:
- **Wide area network (WAN)** - improved bandwidth to 506 networked sites across the estate.
 - **Internet bandwidth** - internet bandwidth will increase from 10Gb/s to 100Gb/s for both Corporate and Education Services.
 - **Enhanced monitoring** - the recommended supplier's solution will provide comprehensive and proactive monitoring of all elements of the network environment. Key Council officers will have access to information, such as asset and capacity data, which will be used to inform key business decisions.
 - **Corporate, Education and Guest Wi-Fi** - the recommended supplier would take on the service as-is, and over a three-year refresh period, there will be enhancements to performance, security and management.
 - **Wi-Fi at Children's Houses** - the recommended supplier would implement a solution that provides the flexibility for customisable content filtering on a house by house and child by child basis. Access will be configurable at a local level by the appropriate responsible officer.

4 Contract implementation and Supplier Management

- 4.1 To minimise any impact to council services and ensure a seamless transition of services from CGI to the recommended supplier, the project implementation has been split into the following phases:
1. Transition/ mobilisation activities - June 2024;
 2. Take on existing Network Services from CGI – April 2025, and
 3. Deliver new improvement requirements – April 2025 onwards.
- 4.2 The Contract Management Assessment Tool (CMAT) has rated this contract as 'high', meaning the level of contract management will be set accordingly. . The supplier will be monitored in line with the council's contract and supplier management processes, which include tracking performance against key performance indicators and working collaboratively to identify opportunities of improvement and innovation.
- 4.3 The supplier will be monitored on a day to day basis by the Intelligent Client Function.
- 4.4 The agreed community benefits outcomes and Fair Work First commitments will be monitored via Cenefits, which is a web based monitoring tool.

Sustainable commitments will also be captured within the CPU Sustainable Register.

5 Policy and Resource Implications

Resource Implications:

Financial:

The estimated award value over the five-year duration is £36,530,744. Revenue and capital costs will be met from service budgets.

If the optional five-year extension period is implemented, it is expected that costs would be in line with the initial term plus inflation. Any implementation of the extension would be subject to consideration of Council's Road to Multi-Source Strategy; due diligence, and affordability.

Legal:

The Director of Legal and Administration will be responsible for concluding the contract.

Personnel:

The tender for Network Services will have implications for both council staff seconded to CGI and CGI's own staff. Employees have been identified as potentially in scope for transfer to the recommended supplier under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE Regulations) as they work in the area covered by this tender.

There are ongoing discussions with all of the seconded council staff under the FICT Project, including those affected by this tender in line with the TUPE regulations. CGI employed staff will be consulted by CGI as part of this tender in line with CGI's obligations under the TUPE Regulations.

Procurement:

A cross-lot mini competition, as per paragraph 1.7.

Council Strategic Plan:

The contract will support and enable each of the four Grand Challenges in the council's Strategic Plan.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25

Yes - the Sustainable Procurement duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

What are the potential equality impacts as a result of this report?

No equality impacts identified.

Please highlight if the policy/proposal will help address socio economic disadvantage.

Fair Work First was included as part of the award criteria with a weighting of 10%. The recommended supplier, has confirmed the following:

- Employee Voice
- Investment in workforce development
- No zero hours
- Pays the Real Living Wage
- Flexible and family friendly

Community Benefit (CB) was included as part of the tender process as a mandatory requirement. The CB outcomes to be delivered must total 150 minimum points, based on the council's CB menu.

They have also confirmed the following outcomes:

- Recruitment and Employment
- 1 x New Employee - Full Time Job (from Priority Group)
- 1 x New Employee - Full Time Job (non-Priority Group)
- Skills and training
- 45 x Taster Sessions (council or Delivery Partner Programmes)
- Supply chain development
- 10 x Supply Chain Briefings
- Community Engagement
- 140 hours of Community Engagement

The above outcomes will commence in April 2025, spanning the initial two years of the five-year contract period.

The proposal supports outcome 1 of the council's Equality Outcomes 2021 to 2025.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Yes, Recommendation 51 - the new City Development Plan presents a vision for a low carbon city that can guide the development of proposals and planning decisions that help our city respond to the climate challenge. Carbon reduction action is supported via the CCS framework agreement. All suppliers for this agreement have committed to comply with the Procurement Policy Note 06/21: 'Taking account of Carbon Reduction Plans in the procurement of major government contracts'.

What are the potential climate impacts as a result of this proposal?

Digital services and projects will be supported through the Network Services provided under this contract. These may include supporting reduction of energy consumption through new technology..

Will the proposal contribute to Glasgow's net zero carbon target?

Yes, as above.

The recommended supplier's Carbon Management Plan includes the following key mitigations:

- To reduce its Carbon Footprint by 50% by 2030 in accordance with the SME Climate Hub initiatives.
- To reduce its Carbon Footprint to 0% by 2050.
- To continue its progress to achieving Net Zero, they have adopted the following initial carbon reduction targets:
 - Electric fleet – through time the recommended supplier will introduce electric powered vehicles to replace the existing petrol / diesel fleet. As technology develops in this area, we will match the introduction of these vehicles to coincide with travel distance requirements.
 - Business travel – this will be limited to necessary travel only. Alternative methods of attending meetings will be used (such as Zoom, Teams and so on) to conduct meetings.
 - Ensure goods are purchased locally or within the UK where at all possible to reduce transportation impacts.

**Privacy and Data
Protection impacts:**

No data protection impacts identified.

6 Recommendations

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