

GREATER LONDON AUTHORITY

REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD56

Title: Wide Area and Metropolitan Area Networks and Internet Service Provision – Tender Acceptance

Executive Summary:

Report LFC-0302 seeks approval to award a contract to BT for the provision of Wide Area Network (WAN), Metropolitan Area Network (MAN) and Internet Services to the Brigade, following a re-procurement exercise. The Deputy Mayor for Fire and Resilience is requested to authorise the expenditure in order that the contract can be awarded.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner to seek the prior approval of the Deputy Mayor before “[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...”.

Decision:

That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to spend up to £5,086,000 (over a maximum of five years including the extension option) for the provision of WAN, ISP and MAN services for three years (with options to extend for up to two further years).

Deputy Mayor for Fire and Resilience

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature:



Date:

10/03/2020

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DEPUTY MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-0302 to the London Fire Commissioner sets out the background for the request to authorise the expenditure in order for the London Fire Commissioner to award a contract to BT for the provision of WAN, ISP and MAN services.
- 1.2 The London Fire Brigade's (LFB) Metropolitan Area Network (MAN) and Wide Area Network (WAN) together form the main communications infrastructure that allows all LFB sites to communicate with each other. All data and telephony services run over these communications links, including the mission critical mobilising messages that are sent to stations from the Vision mobilising system. In addition, these links provide access to the Brigade's key line of business applications, such as StARS, HR and Finance systems.
- 1.3 In 2015 the Brigade signed a contract with BT for the provision of a WAN for a five-year period. That contract expires on 30 June 2020 necessitating the commencement of the re-procurement process in 2019.

2. Objectives and expected outcomes

Metropolitan Area Network (MAN) and Wide Area Network (WAN)

- 2.1 The LFB currently has three main types of site, with each site having a different bandwidth requirement (measured in megabytes Mb/s), due to the type of work carried out at that site:
 - **SITE TYPE A** – Fire Stations: minimum of 50 Mb/s;
 - **SITE TYPE B** – Fire Station "Plus" sites: minimum of 50 Mb/s (fire stations plus up to 10 additional users); and
 - **SITE TYPE C** – Fire Station "Office": minimum of 100 Mb/s (fire stations with more than 10 additional users).
- 2.2 A detailed statement of requirements (SOR) has been developed. These requirements state that the bandwidth referred to above is a minimum and that any solution should be able to "burst" to higher bandwidths to cope with increased requirements on an *ad hoc* basis.
- 2.3 The proposed new service will allow the LFB to vary its bandwidth requirements at all sites, if demand changes over time. Using the current bandwidth as a baseline, network bandwidth monitoring will be undertaken during the life of the contract. A report on network bandwidth utilisation will be produced and reviewed each year by the LFB's Chief Information Officer and adjustments made to available bandwidth. This report will form the basis of any recommendations to the Commissioner's Board if the bandwidth change gives rise to costs which cannot be met from the available ICT budgets.

Internet Service Provision

- 2.4 In 2015 the LFB awarded a contract to BT as internet service provider (ISP). That contract comes to an end on 12 July 2020, necessitating the commencement of the re-procurement process in 2019.
- 2.5 The provision of internet services to the LFB is now considered a critical service, particularly as the LFB examines the future use of cloud-based services, in line with its published information and technology strategy "*LFB in a Digital World*".

- 2.6 Internet services allow the LFB to send and receive external email, provide facilities for staff and contractors to remotely connect to LFB systems and facilitate access to key line of business applications cloud-hosted by third parties, otherwise known as “software as a service” (SaaS¹).
- 2.7 The ISP is responsible for hosting the LFB’s web site and the “Firewalls²” that protect the LFB from external attack and facilitate access to LFB systems for authorised users.

Procurement

- 2.8 The LFC’s Director of Corporate Services initiated the tendering process for the re-procurement of the WAN, MAN, and ISP services (under the delegated authority granted to her) and the procurement exercise has been carried out by staff from the ICT and Procurement departments.
- 2.9 At a meeting with the Head of Procurement on 7 May 2019 it was agreed that the Pan-London ICT Framework (Lot 4) could be utilised to negotiate new contracts as at that point in time there were no suitable Crown Commercial Services (CCS) frameworks available for use as it was due to expire and the replacement framework was yet to be awarded.
- 2.10 The Pan London ICT Framework (Lot 4) was tendered by the Royal Borough of Kensington & Chelsea on behalf of the London public sector. The aim of the framework is to deliver best value to London’s public sector through a catalogue price structure, faster cost-effective procurement process and flexibility. The framework offers a catalogue of services by BT which is supported by a number of the market leading IT/communications vendors. This framework has offered an alternative route to market when there has not been a collaborative opportunity available via the Greater London Authority (GLA), or a suitable CCS framework. The framework also allows for a tender exercise to be carried out. Formal benchmarking is regularly undertaken by an external company against a minimum of eight top quartile peers and an overall ‘value for money’ rating has been awarded. Benchmarking has shown potential for up to 25 per cent cost savings compared to other frameworks.
- 2.11 The LFB held a series of workshops with BT and key internal stakeholders to fully review the service currently being provided to it. The purpose of the workshops was to allow dialogue to discuss options available for the various services as well as potential cost savings. BT were provided with detailed statements of requirements and were required to respond to each of the points listed.
- 2.12 The responses submitted by BT to the LFB have confirmed that they are able to provide all of the services required. This has also been used as an opportunity to improve the LFB’s contract management processes with BT and revised key performance indicators (KPIs) and service level agreements (SLAs) have been included.
- 2.13 The evaluation indicates that the pricing submitted (see Appendix A of LFC-0302) is within the budget set aside for the project by the LFB. LFB officers are able to confirm that the pricing submitted is competitive and within the expected range for the services required and accords with up-to-date market research.
- 2.14 This tender will realise savings of £443,000 a year (some £2,218,000 over a five-year period, including the optional extension), this comprises some £166,000 (a reduction of nearly 14 per cent) for the Internet Services, and some £2,052,000 (a reduction of some 33 per cent) for the Wide/Metropolitan Area Networks (WAN/MAN).

¹ **Software as a service (or SaaS)** is a way of delivering applications over the Internet—as a service. Instead of installing and maintaining software, you simply access it via the Internet, freeing yourself from complex software and hardware management

² In computing, a **firewall** is a software or hardware-based network security system that controls the incoming and outgoing network traffic based on an applied rule set. A firewall establishes a barrier between a trusted, secure internal network and another network (e.g., the Internet) that is not assumed to be secure and trusted

- 2.15 The new tender for MAN/WAN and Internet services will realise savings of (£2,218,000 over five years). The new contract will allow the LFB to vary bandwidth at different sites (to increase or reduce it) more dynamically than previously. It is not expected that a significant increase in bandwidth is likely during the life of the contract but should there be a need for small adjustments then there would be flexibility in the LFB's ICT budgets to meet any increased cost.

3. Equality comments

- 3.1 The London Fire Commissioner and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, and Sexual orientation.
- 3.4 The Public Sector Equality Duty requires the London Fire Commissioner and the Deputy Mayor, in the exercise of all their functions, to have due regard to the need to:
- a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
 - b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it (;
 - c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to —
- a) tackle prejudice, and
 - b) promote understanding.

- 3.8 An Equality Impact Assessment (EIA) was undertaken in January 2020. The impact assessment found that there were no impacts on any staff groups. The replacement of the network and internet service provider will be transparent to all staff apart from those directly involved with its upgrade within ICT.

4. Other considerations

Workforce comments

- 4.1 There are no plans to initiate workforce consultation due to the nature of the services.

Sustainability implications

- 4.2 All procurement activity, including that discussed by report LFC-0302, is undertaken in line with the GLA Group Responsible Procurement policy. As part of delivery of this policy, the Greater London Authority Group is currently in the process of affiliating with Electronics Watch, which requires the inclusion of additional terms and conditions for contracts with significant hardware purchases. The terms aim to improve the transparency of the supply chain and management of any non-compliance with labour standards identified with the support of Electronics Watch. Where hardware replacement of considerable value forms part of the requirement for any of the options proposed, additional terms covering ethical sourcing will need to be included in the tender or renegotiation.

Local Digital Declaration (LDD)

- 4.3 In May 2019, the London Fire Commissioner signed the Local Digital Declaration (LDD) on behalf of the LFB. The Declaration, which is signed by national and local government bodies, is seeking to co-create the conditions for the next generation of local public services, where technology is an enabler rather than a barrier to service improvements, and services are “a delight for citizens and officials to use”. It is acknowledged that one size does not fit all, but by developing common building blocks local authorities, and other public services, it will be possible to build services more quickly, flexibly and effectively. Only in this more open and flexible market, it is believed, the full potential for innovation will be unlocked.
- 4.4 The LDD ambition requires both a culture shift and a technology shift, and the LDD sets out five principles to help do this (available via <https://localdigital.gov.uk/declaration/>). In particular, and relevant to any new or replacement computer systems, including the mobilising solution, is Principle 1 which is “We will go even further to redesign our services around the needs of the people using them. This means continuing to prioritise citizen and user needs above professional, organisational and technological silos.”

Collaboration opportunities

- 4.5 The Pan London ICT Framework (Lot 4) was tendered by the Royal Borough of Kensington & Chelsea on behalf of the London Public Sector as a collaborative framework. The framework has offered an alternative route to market when there has not been a specific collaborative opportunity available, or a suitable CCS framework. There were no specific collaboration opportunities identified by the LFB with the GLA or functional bodies, or with other Fire and Rescue Services, or blue-light services.

5. Financial comments

- 5.1 Report LFC-0302 recommends that a contract is awarded for the provision of WAN, ISP and MAN services for three years with options to extend for a further two years for a total five-year cost of £5,100,000 (£1,020,000 per year). This contract has overspent against the existing budget in the 2019/20 financial year, however with the reduced price set out in report LFC-0302 it is expected that spend from 2020–21 will be contained within the existing budget. Any significant increase in the

bandwidth specified in the procurement (referred to in Appendix A to the report) required in the future, however, would incur additional costs, which would be reported at the time.

- 5.2 The current contract for the provision of the WAN service will expire at the end of quarter one of 2020/21 and the ISP service in early quarter two. The 2020/21 budget includes one-off funding of £145,000 to meet the additional cost of the existing contract for that period.
- 5.3 There are no additional financial implications for the GLA.

6. Legal comments

- 6.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2 By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). Paragraph (b) of Part 2 of said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
- 6.3 In accordance with Section 5A Fire and Rescue Services Act 2004 (FRSA 2004), the London Fire Commissioner, being a 'relevant authority,' may do 'anything it considers appropriate for the purposes of the carrying- out of any of its functions...'.
- 6.4 The LFB's General Counsel also notes that the proposed service has been procured in compliance with the Public Contracts Regulations 2015. The Royal Borough of Kensington & Chelsea have conducted a compliant OJEU procurement in accordance with the Public Contracts Regulations 2015 to set up the Pan London ICT Framework from which the Commissioner is able to make a compliant call off.

Appendices and supporting papers:

Appendix 1: LFC-0302 – Wide Area and Metropolitan Area networks, and internet service provision – tender acceptance

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? Yes

If YES, for what reason:

The commercial interests of the London Fire Commissioner require deferral of the decision until after the cooling off period for the contract award has expired.

Until what date: 1 May 2020

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer

Richard Berry has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service

Niran Mothada has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Fire and Resilience for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 2 March 2020.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. J. Lelle

Date

2.3.20

