

Cabinet

Date of Meeting: 4th February 2020

Report Title: Data Centre Local Area Network (LAN) and Hosting

Portfolio Holder: Cllr Amanda Stott – Finance, IT and Communication

Senior Officer: Jane Burns, Executive Director of Corporate Services

1. Report Summary

- 1.1. This report intends to address two key issues. Firstly, the need to upgrade the Local Area Network and hosting infrastructure and equipment, the majority of which is over ten years old, to ensure that it is compliant with the Public Service Network Code of Connection, which is a mandatory set of requirements.
- 1.2. Secondly, as part of the necessary procurement process involved in the required upgrades, this report recommends that a more expedient and cost-effective approach is taken, utilising two existing procurement frameworks available through Crown Commercial Services.
- 1.3. The total contract value is up to £7 million across both Cheshire East and Cheshire West and Chester Councils over 7 years, until 2027 for each framework giving a combined value of up to £14m. This figure considers existing contractual expenditure levels, expected framework economies of scale and supplier inflationary growth. [Note that this is based on both Councils having made provision (as agreed within the ICT Shared Services Agreement) to £1 million annually for ICT essential replacements.]
- 1.4. Procurements above £1 million are a key decision of the Council and need to obtain Cabinet approval. The purpose of this Cabinet paper is therefore to seek approval on the recommendations and to authorise officers to take all necessary actions to implement the proposal which is to procure via further competitions under both the RM3808 and RM6068 Crown Commercial

Frameworks call off contracts with an appropriate accredited vendor, for the purchase of new, replacement, support and maintenance of the following End of Life (EOL) and End of Sale (EOS) items:

- Local Area Network (LAN) equipment (for example switches);
- Wide Area Network (WAN) equipment (for example routers);
- Endpoint security (firewalls and associated security products) equipment;
- License extensions and maintenance cover for all new and existing Cisco equipment which is still serviceable;
- Data Hosting Services, equipment and Business Continuity and Disaster Recovery (BCDR) capabilities;
- Data hosting maintenance;
- Data hosting licensing.

1.5. It is believed that this proposal will provide best value for money, as it will give the councils a route to market for future LAN, WAN, endpoint security equipment, license extensions, maintenance cover and data hosting, without the need for running further procurement exercises. The expectation is that call off contracts under these frameworks will reduce procurement overheads for essential replacements thus there is the opportunity to achieve financial economies. These framework call off contracts mitigate the risk of non-compliance and security breaches as we will have a route straight to market via a manufacturer supported supplier for our future needs.

1.6. This approach has already gained approval with Cheshire West and Chester Council (CWaC) through shared Evolution Programme governance and the Joint Strategic Board. CWaC have confirmed that as the spend is related to existing and operational provision covered in existing budgets they do not require (as part of the CWaC Constitution) to take this through internal governance mechanisms. This has been confirmed by CWaC legal services.

2. Recommendations

- 2.1. That Cabinet approves the procurement (via further competitions under the RM3808 Crown Commercial Framework) and the award of a call off contract for the purchase of new and replacement of equipment (end of line and end of service LAN, WAN, endpoint security); licence extensions and maintenance cover for all new and existing Cisco equipment that is still serviceable; with an expected total value of up to £7m across both councils over a seven year contract period.
- 2.2. That Cabinet approves the procurement (via further competitions under the RM6808 Crown Commercial Framework) and the award of a call off contract for the purchase of new and replacement of data hosting services, equipment, business continuity and disaster recovery capabilities, maintenance and licensing for all new and existing data hosting equipment that is still serviceable; with a total expected value of up to £7m across both councils over a seven year contract period.
- 2.3. That the Executive Director of Corporate Services, in consultation with the Portfolio Holder for Finance, IT and Communications, be authorised to award the call-off contracts, including any contract negotiations.

3. Reasons for Recommendations

- 3.1. This option will allow ICT Shared Services to procure a supplier(s) to deliver the network and hosted services for our current and future needs, delivering a fully integrated, affordable, resilient and secure network between all public sector partners and, develop a strategic plan and platform for collaboration, leading to an enhanced experience for the residents of Cheshire whilst providing value for money, achieve financial economies, mitigate the risk of non-compliance and security breaches.
- 3.2. In order to continue to demonstrate and achieve value for money over the term of the contract, the procurement process will, in accordance with the framework, seek a commitment to:
 - Transparent open book accounting;
 - The benchmarking of services, prices and transparency of all public sector customer pricing;
 - Reducing the capital cost of change as we will have a route straight to market and will not spend valuable time doing separate procurements, and a continuous service improvement programme to consistently ensure that service levels are higher than the norm for prices that are lower than the norm.

4. Other Options Considered

4.1. The options we have considered are as follows:

- 4.1.1. Do Nothing – This is not an option if we are to remain compliant under the terms PSN CoCo and other security requirements.
- 4.1.2. Extension of the Existing Contract – This has been looked at and discounted as the original Cabinet approved contract value would be exceeded and this may not give us best value as we are not testing the whole of the market.
- 4.1.3. Procurement using GCloud11 – We looked at using GCloud11 as a route to market, however following review it was deemed this was not suitable for purchasing physical equipment.
- 4.1.4. Procurement using a neighbouring authority OJEU compliant framework from AGMA and Kent Commercial Services (Managed Services for Business Solutions Y16018). This option has been considered and discounted as they do not deliver the full breadth of network and hosting services both councils require, providing only physical infrastructure.

5. Background

- 5.1. All of the Data Centre LAN and endpoint security equipment, which is becoming end of life or end of service is in many cases is in excess of 10 years old, far beyond the expected lifecycle at which point, the manufacturers will no longer provide security patches. Thus, if a threat is identified and a manufacturer's update is released, the updated release would not be issued to any equipment that is deemed end of life or end of service. This is the same for any firmware, software and operating system updates and upgrades required to minimise cyber security threats and potential data breaches to the shared network.
- 5.2. The PSN CoCo is a mandatory set of requirements that must be met before local authorities in England and Wales can connect to the Government Secure Intranet (GSI) in order to receive a number of key services from Central Government Departments such as DWP and Revenues and Benefits.
- 5.3. The essential replacement cycle for network and hosting equipment is between 5 and 7 years or scheduled replacement, before the manufacturer stops supporting the hardware, software, IOS patches and updates when it reaches the end of service date published, so that we do not introduce vulnerabilities into the network, mitigate the risk of non-compliance and security breaches.

- 5.4. The framework contracts mitigate the risk of non-compliance and security breaches as we will have a route straight to market via a manufacturer supported supplier for our future needs.
- 5.5. The rationale for going for a consolidated call off contract over a maximum of 7 years is that we are looking to provide financial economies of scale and reduce procurement overheads for essential replacements. It is anticipated that this single call off contract, may replace up to 5 existing contracts and save valuable time and budget in having a route straight to market. This will also give us the ability to call off additional future services that are required due to the rapidly changing technical environment.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. The proposed procurements via the Crown Commercial Service RM3803 Network Services 2 and RM6068 Technology Products & Associated Services frameworks are compliant with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.
- 6.1.2. Under Articles 5(1)(f) and 24(1) of the General Data Protection Regulations (GDPR), personal data must be processed in a manner that ensures appropriate security and it is the responsibility of the data controller to ensure and implement appropriate technical and organisational measures so that personal data is processed in accordance with GDPR. The Council is a data controller for the purposes of GDPR and is therefore required to ensure that adequate technical and organisational measures are in place.

6.2. Finance Implications

- 6.2.1. This request should not increase the demand on the revenue budget currently held in ICT Shared Service over and above any inflationary price increases that may be written into the resulting contracts. The expectation is that by consolidating several existing contracts through this mechanism as they come to the end of their terms, there is the opportunity to achieve financial economies.

6.3. Policy Implications

- 6.3.1. No policy implications identified.

6.4. Equality Implications

- 6.4.1. No equality implications identified.

6.5. Human Resources Implications

- 6.5.1. No human resources implications identified, as this paper relates to the provision and implementation of the technical solution required in order to achieve PSN compliance. Resources from Cheshire East ICT Services will be utilised to implement the solution along with professional services from the successful bidder. The budget for this resource is contained within the project capital budget.

6.6. Risk Management Implications

- 6.6.1. If the proposals made in this paper are not approved at the Cabinet meeting on 4th February 2020, failure to commence the procurement by 31st March 2020 will mean both councils will be at risk of not completing the change out by the time the equipment goes End of Life. This will lead to non compliance with Public Service Network Code of Connection (PSN CoCo) which is a mandatory set of requirements that must be demonstrated before local authorities in England and Wales can connect to the Government Secure Intranet (GSI), for them to receive several services from Central Government Departments such as DWP.
- 6.6.2. This paper relates to the procurement, contract and replacement of the Data Centre LAN, WAN and Endpoint security Equipment and the associated risks in the timely delivery of a Call Off Contract under Crown Commercial Services Framework RM3808, commencement of procurement and contract award during Quarter 1 2020.
- 6.6.3. This paper also relates to the procurement, contract and replacement of the of data hosting services, equipment, business continuity and disaster recovery capabilities, maintenance and licensing for all new and existing data hosting equipment and the associated risks in the timely delivery of a Call Off Contract under Crown Commercial Services Framework RM6808, commencement of procurement and contract award during financial year 2020/21.

6.7. Rural Communities Implications

- 6.7.1. The proposal could support the creation of greater digital choice for those in rural communities. This is contingent on additional investment being secured and the geographical presence of buildings on the council WAN.

6.8. Implications for Children & Young People/Cared for Children

6.8.1. This procurement enables the Adults, Children's and Public Health Programme and joint working arrangements with regional health colleagues through things like reciprocal Wi-Fi, GovRoam and Remote Working and the Digital Programme which enables residents' online access to Council services.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1. There are no direct implications for climate change however keeping the technology up to date helps with the reducing the carbon footprint through initiatives like remote working.

7. Ward Members Affected

7.1. All wards and members will be affected by this proposal.

8. Consultation & Engagement

8.1. Consultation with CEC and CWaC client engagement has been established through ICT Shared Services governance arrangements.

9. Access to Information

9.1. Not applicable.

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

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