

**From: Peter Bole, Director of Information and Communications Technology**

**To: Gary Cooke, Cabinet Member for Corporate Support and Democratic Services**

**Decision No: 14/00069**

**Subject: Kent Public Service Network Contract**

Key decision

Expenditure or savings of > £1m

**Classification: Unrestricted**

**Past Pathway of Paper: None**

**Future Pathway of Paper: For Cabinet Member Decision**

**Electoral Division: All**

**Recommendation(s):**

That the Cabinet Member Corporate Support and Democratic Services agree the award of contract for the Kent Public Services Network to Daisy Udata Communications Limited following completion of an EU compliant procurement exercise.

**1. Introduction**

- 1.1 This report provides information on the procurement undertaken by KCC Information and Communications Technology Division in partnership with 22 other public agencies for network and related services to serve over 1,300 sites.
- 1.2 The contract is required to provide the core technology infrastructure and services that are the basis of electronic communications between public agencies, users of public services and suppliers.
- 1.3 The contact would commence in July 2014 to allow for migration from existing provider and replacement of network components reaching end of life, before expiry of the existing contract in February 2015.

**2. Financial Implications**

- 2.1 The proposed contract spend on KPSN will be approximately £3.71M per year for an initial period of up to six years with a possible extension up to a total of ten years based on performance.
- 2.2 This compares to current revenue costs calculated on a like for like basis of £6.33M.
- 2.3 Migration to the lower costs technologies proposed in the tendered solution together with replacement of current network components at end of life will cost £2.48M.
- 2.4 The council's element of this shared service solution represents £2.1M of current annual spend and will benefit from a reduction in revenue cost to £1.35M from 2016/17, the point at which transition and upgrade costs are covered.
- 2.5 Total cost of ownership, which includes transition and upgrade costs, over the initial term of six years will be 24% lower than the cost of the current contract. Over ten years, the maximum extension, the benefit increases to 31.6%.

### **3. The Report**

- 3.1 The proposed contract is required to avoid extension of the existing contract which would be in breach of Procurement Regulations.
- 3.2 Periodic testing of the market enables best value solution to be maintained. New lower cost technologies are now available, which was not the case when the contract was reviewed and extended two years ago. With current network components also reaching end of life over the next 12 months, commencing transition and renewal at this stage of the cycle allows optimum total cost of ownership for the current contract to be achieved.
- 3.3 With the use of electronic channels being increasingly mandated by government as the required method of communication when discharging statutory responsibilities, the only legal implications are indirect.
- 3.4 The Equality Impact Assessment concluded that no Protected Characteristics will be impacted upon either positively or negatively as a result of this contract. This is primarily due to the contract delivering a non-customer facing infrastructure service.
- 3.5 There are no Public Health implications arising from the contract.
- 3.6 There are no implications for the Council's property portfolio arising from the contract.
- 3.7 Approval for the Cabinet Member for Corporate Support and Democratic Services to agree award of contract for the Kent Public Services Network is sought.

- 3.8 The Kent Public Service Network is a shared service solution managed by Kent County Council on behalf of a partnership comprising 22 other public sector organisations. The KPSN partners have participated throughout the procurement and endorsed the outcome through the procurement project board; KPSN management board and KPSN executive board as required by the partnership governance agreement.
- 3.9 The matter was discussed at the Policy and Resources Cabinet Committee of 23 April 2013 who supported the procurement and noted the report without further recommendation.

## **5. Conclusions**

Robust procurement process has been undertaken to identify a future service provider for the Kent Public Service Network and related services. The new contract will represent a significant saving over the cost of the current service. Migration will commence on award of the contract with the full service implemented prior to expiry of the current contract in February 2015.

## **6. Recommendation(s):**

**The Cabinet Member Corporate Support and Democratic Services agree the award of contract for the Kent Public Services Network to Daisy Udata Communications Limited following completion of an EU compliant procurement exercise.**

## **7. Background Documents**

- 7.1 Contract information is published via [www.kentbusinessportal.org.uk](http://www.kentbusinessportal.org.uk)

## **8. Contact details**

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### **Relevant Director:**

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