NORTH LANARKSHIRE COUNCIL

REPORT

To: POLICY & RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB-COMMITTEE	Subject: PROCUREMENT OF SINGLE VENDOR FOR IT NETWORK EQUIPMENT
From: HEAD OF EGASD	
Date: 27 January 2015 | Ref: IMcK/BT/GR	

1. Purpose of the Report

1.1 The purpose of this report is to:
- Advise committee of financial and service benefits of identifying a standard vendor for IT network equipment
- Request approval to run a procurement exercise to identify a single vendor for IT network equipment

2. Background

2.1 The Council ICT network currently connects 330 sites across North Lanarkshire. User devices, such as PCs and printers, physically connect to the network using local network switches at each site. Across NLC there are over 1500 of these local network switches.

2.2 The NLC network is currently split as follows:

- corporate network, which is made up predominantly of Cisco switches; and
- schools network, which is made up predominantly of Enterasys switches.

2.3 As part of the Council's ICT strategy it is intended to create standard solutions across the entire ICT environment. The use of standard solutions helps to reduce support costs and improve service (eg availability). Although multiple solutions can co-exist within the same environment, it typically involves more work to get it operating to the same level as a single, homogeneous solution.

2.4 North Lanarkshire Council's ICT strategy, as approved by Committee in May 2013, states that:

We will streamline our information architecture, ICT infrastructure and business applications by simplifying, standardising and reusing where possible.

2.5 There is a need for substantial investment in network hardware in the next 3 to 5 years. This is due to ageing equipment, the demand for modern, performant networks to access new technologies (eg wireless, cloud, collaborative tools, social media) and increased security requirements. Anticipated network related spend across both EGASD capital refresh and transformation programmes over these 5 years is £4.5m.

2.6 Previously, network equipment has been sourced through individual competitive tendering exercises as and when required. This resulted in the volume cost discount available to the organisation being calculated solely against each individual procurement, rather than cumulatively across multiple years.

2.7 It is anticipated that a significant financial saving to the council could be realised by entering into a multi-year agreement for network equipment.

3. Financial Considerations

3.1 Over these 5 years, funding of £3.6m in total has been allocated from a combination of the ICT Transformation programme and the ICT Capital programme (2015-2018)

3.1.1. This leaves approx £0.9m to be identified. It is intended that this gap is bridged by:

- Entering into a single vendor agreement to reduce the gap; and
- Allocating budget in the capital plan for years 2018-20.

3.2 It will be necessary to engage a consultant to manage the procurement process, this is expected to cost approximately £50k which will be met from EGASD revenue budget.

4. Recommendations

4.1 It is recommended that committee
- Note the contents of this report;
- Approves that EGASD undertake a procurement exercise to secure a vendor relationship for a minimum of 5 years with the ability to extend by a further two years.

Head of E-Government & Service Development