

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY & RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB-COMMITTEE		Subject: REQUEST FOR EXTENSION OF CONTRACT VALUE FOR PROCUREMENT OF LOCAL AREA NETWORK (LAN) & WIRELESS LOCAL AREA NETWORK (WLAN) EQUIPMENT
From: HEAD OF REVENUE & E-GOVERNMENT SOLUTIONS		
Date: 10 th January 2017	Ref: SingleVendor/BC	

1. Purpose of the Report

- 1.1 The purpose of this report is to seek committee approval to extend the total value of a previously awarded contract for the Provision of Local Area Network (LAN) & Wireless Local Area Network (WLAN) equipment, from £3,011,238 to £3,811,238.

2. Background

- 2.1 Approval was granted by the P&R (Finance and Customer Service) sub-committee in September 2015 for the award of 4 year contract to CSA Waverly for a projected spend of £3,011,238.
- 2.2 An Invitation To Tender (ITT) had been issued to all twenty suppliers under Lot 1 of the Crown Commercial Service Framework Agreement for Technology Products, Reference RM1054.
- 2.3 The ITT aggregated the spend of known and proposed requirements over the period to September 2019. This included:
- ICT Transformation Programme spend on LAN & WLAN equipment for High Schools;
 - ICT Transformation Programme spend on WLAN equipment for 66 corporate sites;
 - Proposed Capital spend in 2016/17 for refresh of aged LAN hardware in approximately ninety corporate properties;
 - Proposed Capital spend in 2016/17 for refresh of Motherwell Civic Data Centre networking hardware; and
 - Potential spend in 2017/19 on LAN hardware within Primary schools to replace aged equipment (no funding currently agreed).
- 2.4 There were a number of advantages in aggregating all planned expenditure in this area, all of which have been achieved:
- Developing a strategic partnership with a vendor and supplier
 - Benefiting from larger discounts based upon aggregated volume.
 - Standardisation of technology across the full Council estate.

2.5 To date some £2,000,000 has been committed through this contract, refreshing all LAN and WLAN equipment within 23 High Schools and approx. 100 corporate sites.

3. Reason for Request

3.1 At the time of award the pound to dollar rate was approximately \$1.50 : £1.00, The exchange rate is currently \$1.22 : £1.00, a drop in value of 19%, which is approximately £600,000 against the value of the current contract.

3.2 The initial scope of the contract was estimated over the entire estate using general templates. As work has progressed there has been variation in the quantities of equipment required, in particular the volume of wireless access points has increased significantly due to demand within the High School establishment.

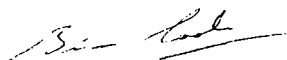
3.3 It is expected that the Primary Schools estate will follow a similar pattern and hence the demand will be greater than that originally estimated.

3.4 It is estimated that both these variations within schools will result in an additional £200,000 of spend to complete the work.

3.5 The additional £800,000 spend is profiled for 2018/19 and will be incorporated within the future Capital Programme needs.

4. Recommendation

4.1 It is recommended that committee approve the extension in value of this framework contract for LAN & WLAN equipment to CSA Waverly, in partnership with Virgin Media, by £800,000 to a total value of £3,811,238.



Head of Revenue & E-Government Solutions

Members seeking further information on the contents of this report are asked to contact Brian Cook, on tel. 01698

403929
