

Agenda Item 12
Report NPA24/25-18

Report to **South Downs National Park Authority**
Date **17 October 2024**
By **Procurement Manager**
Title of Report **ICT Contracts Renewal 2025**

Recommendation: The Authority is recommended to:

- 1. Approve the commencement of (a) procurement process leading to the appointment of a contractor to provide ICT Infrastructure as a Service and Deskside Support services to SDNPA for a period of three years from July 2025, with a further possible two extensions of one year each.**
 - 2. Approve delegation of Authority to the Chief Executive to award a contract for the above, following a competitive process carried out under the terms of the Public Contracts Regulations 2015.**
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1. Introduction

- 1.1 The report describes the proposed process for tendering the ICT services contract and the proposed timetable.
- 1.2 The two current ICT contracts for Infrastructure as a Service and Deskside Support were let in June 2020 for an initial 3 year term and were extended for a further two years. Both contracts end on 30 June 2025 and therefore a new competitive procurement process must take place to put a new outsourced arrangement in place, with enough time to ensure continuity and a smooth transition.
- 1.3 SDNPA has approached the market by way of Prior Information Notice to explore options for the new contract and the feasibility of combining the two functions under one contract. The results of the preliminary market engagement indicate that combining the two contracts (infrastructure as a service and deskside support) into one would provide benefits including cost efficiencies, streamlined contract management, faster resolution times and enhanced service quality.
- 1.4 The provision of the Authority's ICT infrastructure and support service is important in the effective and efficient functioning of the Authority. Provision is made within the Authority's annual budget for these services.

2. Policy Context

- 2.1 The SDNPA's Corporate Plan sets out how we will deliver those elements of the Partnership Management Plan for which we are responsible. ICT supports the functioning of the whole organisation in the delivery of our day to day work and achieving our targets. As such, this is a key contract.
- 2.2 Should NPA support the recommendation to combine for Infrastructure as a Service and Deskside Support, the value is likely to exceed £1 million for the term including any

extension. Therefore, approval is needed from the NPA to commence the procurement process.

3. Options & cost implications

- 3.1 In order to develop a viable specification SDNPA published a Prior Information Notice in the form of a questionnaire (**Appendix I**). Three options have been considered.
- 3.2 **Re-tender on current terms** – Maintaining two separate contracts (one for Infrastructure as a Service and another for Deskside Support) would continue current inefficiencies. There have been challenges with coordination between the two contractors, leading to delays and complications in service delivery. As a result, the current arrangement has not proven as efficient as initially hoped, and SDNPA may benefit from a more streamlined approach under a single service provider.
- 3.3 **Single Contract** – Combining the two main contracts is expected to enhance efficiency and reduce costs compared to a split contract. Telephony and Printing services will remain as separate contracts not covered under this procurement process, as this approach continues to provide the best value for money. Market engagement has indicated that a combined contract for Deskside Support and Infrastructure as a Service will not significantly restrict the pool of potential bidders, and that sufficient competition will still be achieved in the tender process.
- 3.4 **In-house Provision** – In-house delivery of ICT services was considered in 2020 and has been re-evaluated for the upcoming contract period. However, the original concerns remain. SDNPA would face challenges in recruiting and retaining the range of expertise required to deliver the full suite of ICT services at a competitive cost. Additionally, the need for ongoing training and development of staff adds further complexity and cost. Moreover, replicating the level of service provided through an outsourced contract would require significant investment in purchasing and maintaining a large amount of equipment, which would be prohibitively expensive. Staffing levels would also need to be increased to manage this infrastructure effectively. These factors, combined with concerns about service resilience and coverage during staff absences, make an in-house solution less viable compared to outsourcing.
- 3.5 **Conclusion** - Following the Prior Information Notice the proposed preferred approach is to issue a single tender covering both Infrastructure as a Service and Deskside Support. The returns from the Prior Information Notice indicate this will be the best value for money option whilst improving the quality of service received.
- 3.6 Due to the current economic situation, we would expect there to be an increase in the cost of this contract over the contracts let in 2020. However, the premarket engagement that has been conducted suggests cost savings could be realised by combining the contracts into one.

4. Procurement Route

- 4.1 The Services to be procured are above the current GPA threshold for services (£214,905) under the Public Contract Regulations 2015. As SDNPA is considered a contracting authority under the regulations, these services must be subject to a competitive tender exercise. The estimated value of the services to be tendered over three years with a possible two further year extension is in the region of £1.4 million.
- 4.2 The Procurement Act 2023 is due to come into effect on 24 February 2025, however there will be no implications for this procurement as once the Contract Notice has been issued to commence the process (see Section 5 below), current legislation (PCR 2015) will apply to the entire process, and no transition to the new Legislation will be needed.
- 4.3 Contract Standing Orders (CSO 11) (Tendering Procedures for Contracts above GPA Thresholds) applies to this procurement, and the procurement will comply with this CSO.
- 4.4 The two most appropriate procurement processes to ICT contracts are the 'Open' and 'Restricted' routes. SDNPA would favour using the restricted process. This would allow us

to use selection criteria to reduce a large number of bids to a more manageable set before the main tender and award process.

- 4.5 SDNPA uses the MEAT (Most Economically Advantageous Tender) criteria for awarding contracts, using a combination of quality factors, such as Approach to the Contract, Project Resourcing , Social Value and Price based on lifetime costs. Evaluation is carried out by a number of officers scoring independently, before meeting on a panel basis. The evaluation programme will also allow for a process of clarification on all aspects of bids and due diligence before Intention to Award.
- 4.6 In accordance with Public Contract Regulations 2015 transparency requirements, a contract notice will be published on the Find a Tender Service.

5. Outline Timetable

- 5.1 If approved, the intention is to publish the Contract Notice and release the documents for the selection stage by the end of October.
- 5.2 Five weeks has been allowed for the selection stage, after which the tender will be published to between 5 and 8 selected companies for six weeks.
- 5.3 Evaluation of the tenders, including clarification and due diligence will take place during January and early February 2025, with an Intention to Award notice being issued in early February.
- 5.4 This contract will be subject to a Mandatory Standstill Period and award will therefore take effect in the second half of February, thereby allowing a lead in time of four months to allow for any necessary data transfer process and transition planning before the contract goes live on 1 July 2025.

6. Other implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	SDNPA has sufficient resources in place, both in term of staff qualified to undertake the procurement exercise, and revenue budget to meet the costs of the new contract.
How does the proposal represent Value for Money?	The competitive tender process is aimed at delivering value for money.
Which PMP Outcomes/ Corporate plan objectives does this deliver against	All. See Section 2.1
Links to other projects or partner organisations	The ICT infrastructure and support service underpins the Authority’s delivery of its work on projects and with partners.
How does this decision contribute to the Authority’s climate change objectives	We expect bids to include solutions on how they will contribute to our own climate objectives and ways in which they reduce their own carbon.
Are there any Social Value implications arising from the proposal?	Social value may improve the economic, social and environmental well-being of the area. The new contract will be above the relevant GPA Threshold and Public Procurement Regulations 2015 will apply. Evaluation of Social Value will be included at a 10% weighting, using criteria designed to ensure that proposed outcomes are achievable and proportionate to

Implication	Yes*/No
	<p>the contract. KPIs will be set with the successful bidder to ensure the social value outcomes are delivered during the contract.</p> <p>Ideas resulting from the preliminary market engagement included promotion of digital inclusion in the local community, apprenticeships, contractor staff volunteering/conservation days, engagement with schools regarding STEM, working with young people and the BAME community to support STEM careers, litter-picking, etc.</p>
<p>Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?</p>	<p>Yes. The procurement exercise and the terms of the subsequent contract will meet the terms of the Equality Act 2010.</p>
<p>Are there any Human Rights implications arising from the proposal?</p>	<p>No.</p>
<p>Are there any Crime & Disorder implications arising from the proposal?</p>	<p>Crime and Disorder implications are met through the mandatory exclusion clauses in the selection stage of the procurement process.</p>
<p>Are there any Health & Safety implications arising from the proposal?</p>	<p>No, all Due diligence will take place during evaluation and any Health and Safety considerations which may arise in the provision of the service will be addressed in the contract.</p>
<p>Are there any Data Protection implications?</p>	<p>No, all Due diligence will take place during evaluation. Any future contract will contain appropriate data protection and information security clauses, in line with the Authority's policies.</p>

7. Risks Associated with the Proposed Decision

Risk	Likelihood	Impact	Mitigation
<p>Commercial Risk: The price objectives are not achieved up front or costs arise during the term of the awarded contract</p>	<p>2</p>	<p>4</p>	<p>An outcome based specification will be used for suppliers to develop their costed proposals against.</p>
<p>Technical Risk: Inability to specify the desired outcomes or suppliers in the market being unable to deliver to the specification.</p>	<p>1</p>	<p>4</p>	<p>A Prior Information Notice went out to the market with a very good response, enabling us to write a specification we believe to be viable.</p>

Risk	Likelihood	Impact	Mitigation
Performance Risk: The supplier fails to deliver the required outcomes over the course of the contract.	2	4	Key Performance Indicators and regular service monitoring will be used to monitor performance over the term of the contract.
Contractual Risk: Unable to remedy the shortcomings in the contractors' performance without severely damaging the contract and unable to avoid relying on the contracted supplier as the contract develops.	2	4	This is difficult to mitigate effectively with a contract of this nature – several suppliers are in the market but switching suppliers at any time, mid-contract or otherwise, would be both difficult and costly. Proactive contract management should minimise performance issues, with the support of SDNPA's Legal Team who can assist with contractual issues if they arise
Legal Risk: In public procurement there is a legal risk where a procurement is found unsound in law, either through the remedies directive or the public procurement rules.	2	3	This Procurement is over the GPA threshold and therefore subject to legal challenge. Trained procurement staff and our legal team will ensure compliance with the legislation.

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Appendices I. Prior Information Notice

SDNPA Consultees Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Business Service Manager

External Consultees None

Prior Information Notice.

Preliminary market engagement questionnaire

Please provide your answers in the table below, limiting your answer to 500 words per question.

1	Based on your understanding of our business and current IT operating model, do you believe it is feasible to combine our two disparate IT functions under a single managed service provider? Please elaborate on your reasoning and outline any potential challenges or considerations for SDNPA.	
2	Typically, what information would you require from SDNPA to enable your organisation to produce a robust commercial submission at tender stage?	
3	Please let us know what kind of social value offer you would consider achievable, during the delivery of this contract.	
4	In what ways could carbon emissions be reduced in the delivery of this contract	
5	Given the overview and our requirement for two virtual desktops for 5 users each, how would you design a Virtual Desktop Environment (VDE) that is both cost-effective and environmentally friendly?	
6	Are there any potential issues or limitations in providing network shares to our end-user devices, assuming these devices use a VPN to connect to your network infrastructure? What measures can you take to mitigate such issues?	
7	Do you offer a flexible pricing structure that would allow us to transition from a traditional file-sharing model to increased use of Microsoft 365 services over the duration of the contract?	

8	<p>What challenges or limitations might arise with providing on-site deskside support two days per week and remote support for three days?</p>	
9	<p>How would you go about providing a tertiary on-site backup solution to ensure we have a local copy of our data, helping to mitigate any potential delays in data retrieval should we need to transition to a new supplier?</p>	
10	<p>What possible options are there for providing ISP services and reliable connectivity to both our head office and our Seven Sisters satellite office, considering that these services are currently provided by our existing MSP using Openreach infrastructure?</p>	
11	<p>Are suppliers generally able to manage existing customer-provided equipment, such as switches and Wi-Fi systems?</p>	
12	<p>How would you go about providing network monitoring for both our existing on-premises infrastructure and any virtual infrastructure? Could you elaborate on the tools and methods you would use for this monitoring?</p>	
13	<p>Have you successfully provided fully outsourced MSP services to clients of a similar size and profile to SDNPA? If so, can you provide details of any issues or challenges encountered and considerations that we should be aware of?</p>	
14	<p>What do you consider to be unique, different, or challenging about SDNPA's requirements compared to other businesses or contracts you have previously managed? Please briefly explain why these aspects are significant and provide some headline suggestions on how you would address them.</p>	

15	Onboarding- how long does a typical onboarding process take? What are the key phases?	
16	What other qualifications, professional standards, accreditations, or professional memberships do you consider important for the delivery of these services? Please explain why these are relevant.	
17	Can you please provide an overview of your typical pricing model for similar managed services, including how this is broken down by service line or capability.	
18	Are you able to provide a provisional idea of monthly cost for a combined solution? Please note that the information we collect on this question will inform our budgeting process and does not constitute an offer from any supplier.	
19	Do you think that combining the two elements into one contract would provide cost savings to the Authority? If so, please describe where these would be. If not, please explain your thoughts on this.	
20	What range of IT services do you typically provide in a managed services contract, specifically regarding service delivery and capabilities?	
21	Can you provide specific details on your response time targets and resolution processes?	
22	Could you provide details on your disaster recovery services, including the strategies and processes you implement to ensure data integrity and business continuity in the event of a disaster?	
23	What security measures and practices do you have in place to protect SDNPA systems and data?	

