

**WEST DUNBARTONSHIRE COUNCIL****Report by Chief Officer – Regulatory and Regeneration****Tendering Committee: 15 November 2023**

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**Subject: Provision of Managed Wide Area Network Services – SWAN 2.0****1. Purpose**

**1.1** The purpose of this report is to seek approval of the Tendering Committee to conclude the award of the contract for the Provision of Managed Wide Area Network Services – SWAN 2.0.

**2. Recommendations**

**2.1** It is recommended that the Tendering Committee:

- a) Authorise the Chief Officer – Regulatory and Regeneration to conclude on behalf of West Dunbartonshire Council (the Council), the award of the contract for the Provision of Managed Wide Area Network Services – SWAN 2.0 to British Telecommunications plc;
- b) Note that the contract shall be for a period of six years at an initial value of £2,127,654.66 inc VAT over six years. Included within the contract is the option to place orders for any future Value Added Services up to an additional value of £690,000 inc VAT. For any orders that would exceed £690,000 accumulatively, a report will be taken to a future Committee to seek approval; and
- c) The estimated commencement date of the contract is December 2023

**3. Background**

**3.1** The Council have utilised the national Scottish Wide Area Network (SWAN) framework agreement since 2018 for managed Wide Area Network (WAN) services, Local Area Network (LAN) maintenance, telephony services and Wireless Local Area Network (WLAN) licensing and support. This framework agreement expired in March 2023 with a runoff period up to March 2026. The Council now has a requirement to appoint a suitably qualified provider to carry out the following provisions:

- Managed WAN services;
- Secure Access Service Edge (SASE) (Citrix replacement);
- LAN support services (required from 2024);
- WLAN licensing and support (required from 2026);
- Telephone services and support (required from 2026);
- Session Initiation Protocol (SIP) (required from 2026); and
- Any other service within the Value Added Services as required where financially beneficial

**3.2** The overall budget for Provision of Managed Wide Area Network Services – SWAN 2.0 was approved at the Corporate Services Committee on 1 February 2023. The budget for this specific contract is both General Revenue and Capital budgets.

**3.3** This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the Public Procurement Regulations. A Contract Strategy document was also approved on 26 October 2023.

#### **4. Main Issues**

**4.1** The Council carried out a benchmarking exercise and a comparison was undertaken between three procurement routes:

- The Scottish Wide Area Network (SWAN) 2.0 framework agreement for Managed WAN Services;
- Managed WAN Service; and
- Non-managed WAN solution consisting of individually ordered lines and equipment managed wholly by ICT staff.

**4.2** The Contract Strategy identified that the best route to market was a direct award utilising the SWAN 2.0 framework agreement.

**4.3** Value Added Services pricing was obtained through the SWAN 2.0 framework agreement for Secure Access Service Edge services to replace the Council's current Citrix environment for remote access. This would require a revenue spend of £376,766.55 split into annual instalments of approx. £125,589 for a three year agreement, the current revenue allocation for Citrix is approx. £200,000 per year, realising a possible revenue saving of £223,233 over a three year period.

**4.4** SWAN 2.0 framework agreement allows access to Value Added Services which provides for continuity of service in respect to our LAN / WAN and WLAN maintenance and support, ensuring these overlapping technologies remain consistent in terms of interoperability and service levels. The previous SWAN single provider framework agreement has proven to provide significant pricing benefits through the Value Added Services in the past with enhanced discount levels being available, this is expected to remain in place for the SWAN 2.0 framework agreement and regular benchmarking exercises are carried out by the provider under the terms of the framework agreement to ensure best value.

**4.5** It is recommended that the contract is awarded to British Telecommunications plc. The contract shall be for a period of six years at a value of £2,127,654.66 inclusive VAT and with any Value Added Services future orders up to an additional value of £690,000 inclusive VAT.

**4.6** British Telecommunications plc has committed to paying all staff as a minimum the real Living Wage (£10.90 per hour) and promotes Fair Working Practices

across their organisation. Further, the Council will follow the guidance and principles contained within the terms of the framework agreement with access to the following social benefits:

- A Digital Partnership Bursary Fund;
- 350 5G Small Cells - portable miniature base stations that require minimal power to operate which help enhance 5G coverage in the area;
- 22 Street Hubs – 5G Base stations providing 5G cellular connectivity; and
- 300 days/year volunteering to local community projects.

The social benefits will be discussed at the implementation meeting with British Telecommunications plc and actions to take these forward will be agreed.

## **5. People Implications**

**5.1** There are no people implications.

## **6. Financial and Procurement Implications**

**6.1** Financial costs in respect of this contract will be met from the approved Revenue and Capital of ICT Services.

**6.2** The capital and revenue elements for this procurement are variable dependant on options taken:

- Baseline requirements for WAN connectivity will see a minimum spend of £521,103 exclusive VAT capital and £875,176 exclusive VAT revenue and a maximum spend of £722,253 exclusive VAT capital and £1,408,106 exclusive VAT revenue over a six year period;
- Reduction in revenue savings by taking the enhanced options is countered by ensuring WAN connectivity to the Council's sites is future proofed and minimises further costs should additional bandwidth be required;
- The value of the contract represents a revenue saving of up to £1,123,000 exclusive VAT over the six year period based on current costs, dependant on line speed options taken. This overall value is split between managed WAN service valued at £1,396,279 exclusive VAT over six years and SASE services valued at £376,767 exclusive VAT over three years.

**6.3** The figures in the recommendations have been provided as inclusive of VAT in line with Scottish Government guidance. As the Council is able to recover VAT it may be of interest to note that the prices referred to in Paragraph 2.1(b) exclusive of VAT will be £1,773,045.55 and with any VAS future orders up to an additional value of £575,000 exclusive VAT over six years.

**6.4** This procurement exercise was conducted in accordance with the agreed Contract Strategy produced by the Corporate Procurement Unit in close consultation with ICT Services officers and the provisions of Contract Standing

Orders, the Financial Regulations and relevant Public Procurement Regulations.

**7. Risk Analysis**

**7.1** British Telecommunications plc has no known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Council.

**8. Equalities Impact Assessment (EIA)**

**8.1** An equalities screening was undertaken which determined a full equalities impact assessment was not required.

**9. Consultation**

**9.1** ICT Services, Finance Services and Legal Services have been consulted on the contents of this report.

**10. Strategic Assessment**

**10.1** Provision of Managed Wide Area Network Services – SWAN 2.0 will contribute to the delivery of the Council's strategic priorities:

- Our communities are resilient and thriving;
- Our environment promotes a greener future;
- Our economy is strong and flourishing

**Name:** Alan Douglas

**Designation:** Chief Officer – Regulatory and Regeneration

**Date:**

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**Background Papers:** Contract Strategy  
EIA Screening

**Wards Affected:** None