



Proposed award of Network Managed Service contract (data & voice)

Committee **Strategy & Programmes**

Date of meeting 26 November 2021

Date of report 16 November 2021

Report by Director of Finance

1. Object of report

To recommend the Committee approve the award of a Managed Service contract for the support & maintenance of Strathclyde Partnership for Transport's corporate digital network (data & voice) to Insight Direct (UK) Limited.

2. Background

The digital network consists of all of the kit and services that provide the interconnects between SPT's digital systems and the users of these systems. The Managed Service outsources the monitoring, administration and troubleshooting of the network to a third party provider who will provide services from a centralised, remote location.

SPT currently has a Managed Service for maintenance and support of the digital network services and telephony infrastructure. At present this service is managed by Capita IT Services Limited. The contract between SPT and Capita IT Services Limited will end on 18 December 2021 and SPT is seeking to continue on an outsourced basis. Specifically, seeking to place a service contract with a suitable supplier who is able to provide support and maintenance service for SPT's existing fixed data (LAN, WAN and perimeter) and fixed telephony networks. SPT are seeking to have one contractor manage all elements of the service to reduce the risk of service gaps or overlaps.

One of the most significant drivers for continuing with an outsourcing model is to ensure a top-level defence against cyber-attacks. Continuing with a Managed Service contract will reduce the risk of unwanted downtime and mitigate the threat of a cyber-attack by ensuring the digital network is managed and maintained by a third party specialist in the field who is always up-to-date on the latest security measures across a range of sectors. The all-encompassing expertise of the Service Provider will mean that SPT is not restricted to the skills of our own staff in a crucial area and will allow the Digital team to better allocate internal resources to focus on core business activities, deliver strategic objectives and cyber resilience.

The security benefits to be derived from this are:

- Perpetual monitoring and system reports (24/7);
- Maintenance notifications and security alerts; and
- Proactive cyber threat prevention.

3. Outline of proposals

3.1 Scope of Supply

The following items are within scope of this requirement:

- Support and maintenance service for SPT's existing Local Area Network;
- Support and maintenance service for SPT's existing Wide Area Network, including Virtual Private Networks, firewall and Internet perimeter and associated services;
- A vulnerability scanning and penetration testing service for year 1 only (allowing SPT to develop a modern, comprehensive vulnerability scanning and penetration testing regime that is independent of the Voice and Network Managed Service contract);
- Support and maintenance service for SPT's existing fixed voice telephony (Analogue and Internet Protocol) and Unified Communications System;
- Proactive monitoring and alerting for SPT's networking and telephony systems;
- Provision of a Wide Area Network solution to SPT's outlying bus stations; and
- Working with SPT to develop on-going strategy, innovation and continuous improvement relating to the delivery of data and voice network services to SPT users.

3.2 Tender Assessment Process

A procurement exercise was executed via the Crown Commercial Services (CCS) Network Managed Services Framework in June 2021. The procurement exercise was deemed to have failed when no bids were received. Engagement with the ten organisations that had expressed an interest in bidding for the contract under this initial procurement exercise took place to determine the reasons for not bidding and establishing if they were able provide all the services that SPT required under this contract. From this exercise it was determined the following three organisations would be able to provide the services in full and were willing to submit a bid. They were invited to submit a bid for the requirement in line with the Negotiated Procedure under Regulation 33 of the PCS 2015 Regulations:

1. Capita IT Services Limited
2. BT plc
3. Insight Direct (UK) Limited

The term of this contract is for three years with an option to extend for one year plus one year at the sole discretion of SPT. The tender evaluation was based on a Most Economically Advantageous Tender (MEAT) basis with the technical weighting being 40% and the commercial weighting being 60%.

All three bidders were invited to tender with a closing date for ITT submission of 28th September 2021. On this date only one submission was received, from Insight Direct (UK) Limited.

As a sole bid, the evaluation panel reviewed the submission for technical compliance to the scope of requirements. From this evaluation there was a number of post tender clarification questions raised with Insight Direct (UK) Limited as well as a number discussed at a post tender clarification meeting and subsequent Preferred Bidder (PB) meeting. After the evaluation panel had satisfied themselves of the suitability of the technical submission, the Insight Direct (UK) Limited commercial submission was opened. There were a number of commercial clarifications satisfactorily carried out.

The cost of Insight Direct (UK) Limited's bid is £705,315.58. This is a 5.5% (0.6% less mobilisation) increase on the cost for the previous 3 years and includes one-off mobilisation costs of £41,183.33 that will be incurred by Insight in gearing up to deliver the contract from 15 December 2021.

4. Conclusions

In conclusion, Insight Direct (UK) Limited has submitted a technically compliant bid that will satisfy SPT's requirements for the next 3 years (with a 1 + 1 option). This contract will start on 15 December 2021.

5. Committee action

It is recommended that the Committee approves the award of a contract to Insight Direct (UK) Limited for a three-year term contract with a contract budget of £705,315.58 (excl. VAT).

6. Consequences

Policy consequences	<i>The proposal is in accordance with the Digital Strategy.</i>
Legal consequences	<i>Contract will be awarded subject to the conditions of contract contained within SPT's ITT together with agreed and permitted variations.</i>
Financial consequences	<i>The cost of this contract will be included within the 2022/2023 revenue budget and future financial years budgets.</i>
Personnel consequences	<i>None identified.</i>
Equalities consequences	<i>None identified.</i>
Risk consequences	<i>The Network Managed Service contract mitigates cyber risks by ensuring that the digital network and perimeter is supported by technical specialist in the cyber field.</i>

Name Neil Wylie
Title Director of Finance

Name Valerie Davidson
Title Acting Chief Executive

For further information, please contact *Cameron Telford, Digital Manager on 07458 064 239.*