



Award of Managed Network Service and MPLS Circuit Support

Date of meeting 14 December 2018

Date of report 4 December 2018

Report by Assistant Chief Executive

1. Object of report

To recommend the Partnership approve to award a contract for Managed Network service and MPLS circuit support to Capita for a period of 3 years.

2. Background

Strathclyde Partnership for Transport (SPT) currently has a managed service for maintenance and support for its network services and telephony infrastructure. This contract is due for renewal and SPT wishes to continue on an outsourced basis. The support required interfaces with all parts of SPT activities and customer interfaces and it is essential that any supplier can fully support SPT in day to day terms but also ensuring that SPT is protected in terms of cyber threats. Specifically, SPT is seeking to place a service contract with a suitable supplier who is able to provide the support and maintenance service for SPT's existing fixed data (LAN, WAN, Fibre Ring and Internet) and fixed telephony networks including customer contact centre voice technology.

The service currently provided in this field support significant elements of major projects across SPT at this stage including the Subway modernisation and the implementation of the new CCTV estate. The risk associated with a change of provider could result in an additional risk being introduced into the delivery of these programmes and therefore, at this stage, a decision had been taken to issue a Voluntary Ex Ante Transparency (VEAT) notice. This allows SPT to enter into direct negotiation with a service supplier in certain circumstances. SPT has sought to negotiate a three-year contract to allow sufficient time to complete the high profile and high risk projects, after which a full tendering exercise will be undertaken.

3. Outline of proposal

3.1 Scope of Supply

The following items are within scope of this requirement:

- Support and maintenance service for SPT's existing LAN (wireless and cabled).
- Support and maintenance service for SPT's existing WAN, including VPN, firewall and Internet infrastructure and associated services (e.g. external penetration testing and vulnerability scanning).
- Support and maintenance service for SPT's existing Cardholder Data environment (CDE), ensuring compliance with PCI DSS.

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- Support and maintenance service for SPT's existing network cabling (fibre and copper) including OTN network, Corporate Wi-Fi, CCTV and corporate WAN.
- Support and maintenance service for SPT's existing fixed voice telephony (analogue and IP) and Unified Communications System.
- Proactive monitoring and alerting for SPT networking and telephony systems.
- Provision of leased MPLS circuits to SPT outlying centres.
- Working with SPT to develop ongoing strategy, innovation and continuous improvement relating to the delivery of data and voice network services to SPT users.

3.2 Proposal assessment process

Given the risks highlighted earlier in the report, principally associated with the subway modernisation and a potential change of supplier at a key stage in the design of signalling and communications systems, it was decided to directly negotiate with our current supplier, for a cost for three years. A VEAT notice to this effect will be issued subject to partnership approving the contract.

In order to ensure robust pricing value was achieved, SPT entered into discussions with Capita once and prices were benchmarked against those from the previous tendered contract. The annual average cost of the current contract is £209,100. The proposed costs are presented in the table below:

SPT Managed Service	Year 1	Year 2	Year 3
Wide Area Network Connectivity	£24,052	£24,052	£24,052
Management of WAN	£3,800	£3,800	£3,800
Remote monitoring/alarm capture	£12,800	£12,800	£12,800
Management of Data/Voice Network	£22,000	£22,000	£22,000
Service Management/reporting	£6,000	£6,000	£6,000
Asset/Config/Change Management	£6,200	£6,200	£6,200
Fibre Network maintenance	£25,500	£25,500	£25,500
LAN, WAN & Security equipment support and maintenance	£36,000	£36,000	£36,000
Ongoing PCI Compliance costs	£56,800	£56,800	£56,800
IMACDs	£8,500	£8,500	£8,500
Third Party Support - Call Recording and Wallboard	£6,600	£6,600	£6,600
Network Consultancy	£9,600	£9,600	£9,600
Subway Modernisation Switches – Managed Service	-	£7,337	£7,337
Total Cost	£217,853	£225,189	£225,189

The Technical Consultancy and Subway Modernisation Switches elements are in addition to the previous contract. Due to the increased scope to include Network Consultancy and the uplift of Subway Modernisation Switches to the Managed Service costs are increased by 4%, however comparing like for like prices are a decrease of 0.4% on the previously paid rates.

4. Conclusion

The proposal assessment has shown that Capita has responded with an economically affordable tender, which provides a low risk option for supply for the Managed Network

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service and MPLS circuit support that SPT require during a period of significant progress on major projects.

5. Partnership action

The Partnership is recommended to approve the award of contract for the Managed Network service and MPLS circuit support to Capita for a period of 3 years, commencing January 2019 as outlined in 3.1 above, to a contract value of £668,231.00.

6. Consequences

Policy consequences	<i>None directly.</i>
Legal consequences	<i>VEAT notice requires to be prepared and issued.</i>
Financial consequences	<i>Costs are contained with current budget estimates.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>None directly.</i>
Risk consequences	<i>Consistency of supplier during the implementation of major projects minimises risk.</i>

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