

Notice of KEY Executive Decision

Subject Heading:	Contract with a supplier to deliver the SIP funded Invest in Fibre project.
Cabinet Member:	Councillor Graham Williamson, Cabinet Member for Development and Regeneration
SLT Lead:	Neil Stubbings, Regeneration Programme Director
Report Author and contact details:	Daniel Moore Tel: 01708 432 761 E: daniel.moore@havering.gov.uk
Policy context:	Havering Corporate Plan:
Financial summary:	The project is funded through the Strategic Investment Pot (£800K) and MHCLG (£222K).
Reason decision is Key	Indicate grounds for decision being Key: (a) Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	21 st February 2022

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Relevant OSC:	Places
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input checked="" type="checkbox"/>

Place an X in the [] as appropriate

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Director of Regeneration is requested to approve:

1. Making a works contract with ITS Technology Group intended to start in June 2022 for a term of 20 years with a 10 year break clause at a cost of £1,022,000 following a tendering exercise and mini competition from framework 5139 for ducting, gigabit managed services and infrastructure services to deliver the Invest In Fibre project.

AUTHORITY UNDER WHICH DECISION IS MADE

(2) Part 3.3 of the Constitution which delegates power to SLT Directors:

Contract powers

- (b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

Havering is a member of the Local London Partnership (LLP) which was awarded £7.7m of SIP funding to improve digital connectivity throughout the sub region. Each local authority that comprises the partnership was allocated £0.8m, and further funding of £0.222m through MHCLG, which will be used by Havering to upgrade public sector sites in Rainham and the wider borough. The upgrading of these sites will allow for the hosting of technologies including dark fibre which would enable existing and new internet service providers to offer high speed services.

The project entails full fibre upgrades to public sector sites that will anchor fibre investment by the commercial sector. It will include the introduction of fibre through existing ducting in the Rainham area of the borough and the upgrading of public sector sites throughout Havering. This will allow businesses the opportunity to access fibre which will enhance their connectivity and improve their economic performance. As the project involves the use of public sector sites a commitment from Havering's ICT service to manage and maintain the digital network has been agreed. This will include a financial commitment from ICT over the life time of the contract, which is 20 years, with a 10 year break clause.

Havering has entered into a contract with Bexley who are the lead partner on behalf of LLP and the responsible authority for compliance, monitoring and reporting of progress against individual projects. The agreement has been divided into three lots where clients (partners) can appoint suppliers who could provide one or more of the following: ducting (Lot 1), gigabit capable services (Lot 2) or infrastructure services (Lot 3). Havering has called off from Lot 3 of the framework and will appoint a supplier to deliver infrastructure services.

Following the publication of an Invitation to Tender for the opportunity, three suppliers from the procurement framework submitted applications which were evaluated on a best price quality ratio of 60% cost and 40% quality. Following the evaluation of the suppliers' responses the

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organisation that scored highest was ITS Technology Group. Havering will now contract with ITS Technology Group to deliver the project.

Supplier scores

	ITS	Supplier 2	Supplier 3
Quality (weighted score out of 60%)	41.2%	47%	34.4%
Cost (weighted score out of 40%)	40.0%	23.6%	24.4%
Total	81.2%	70.6%	58.8%

OTHER OPTIONS CONSIDERED AND REJECTED

Further to meetings and consultations within the Local London Partnership it was decided that the best option was to establish a multi-supplier framework to future proof network connectivity requirements through the installation of ducting, gigabit capable managed service or infrastructure services. The creation of this type of framework allowed the partnership to work with and identify suppliers that could offer connectivity solutions to the different circumstances of the individual boroughs that comprise the partnership.

Previous consultations with fibre providers had offered potential options including the installation of fibre directly into the premises of businesses throughout Havering. This option was rejected as it was deemed to contravene state aid rules.

PRE-DECISION CONSULTATION

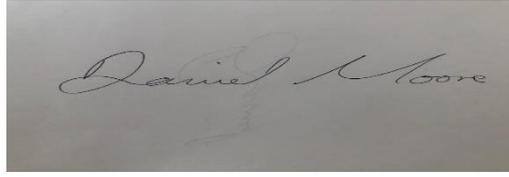
The meetings and consultations through the LLP determined that a demand existed for improving access to fast fibre connections to industrial estates/commercial centres where it can be demonstrated that it supports key economic growth priorities. The project entails the upgrading of public sector assets to host better digital technologies which will provide points of presence in these industrial areas and allow businesses to access new digital infrastructure.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Daniel Moore

Designation: Special Projects Officer

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A rectangular box containing a handwritten signature in cursive script that reads "Daniel Moore".

Signature:

Date: 11th July 2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Council is a member of the Local London Partnership which submitted a bid to the Strategic Investment Pot to improve digital connectivity of public sector sites throughout the Local London area. Through the upgrading of public sector sites it will anchor investment by the commercial sector which will enable businesses to access digital fibre and improve their connectivity. For that purpose, the Council is making a decision to upgrade public sector sites to enable existing and new internet service providers to offer high speed services.
2. The Council has the power to make a contract for these works through section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, or through its general power of competence under section 1 of the Localism Act 2011 to do anything that individuals generally may do. There are limitations on the general power of competence, but the limitations do not apply to this decision.
3. Framework 5139 requires tenders to be evaluated against weightings between 40% and 60% for both price and quality. To comply with this requirement, the applications were evaluated on a best price quality ratio of 40% cost and 60% quality through Contract Procedure Rule 18.5(i) which states "a contract can only be awarded other than on 70% cost and 30% quality, if the best procurement route is through an existing framework agreement that does not allow tender evaluation on a 70/30 basis".
4. For the reasons set out above, the Council can make the contract.

FINANCIAL IMPLICATIONS AND RISKS

The project is funded through the Strategic Investment Pot and MHCLG and the contract will be worth £1,022,000. ITS will contract with Havering Council and the Council will be responsible for monitoring and managing the contract. The project is externally funded however as part of the evaluation process all applicants had to submit financial details that related to expenditure on the project over a 20 year period. This expenditure relates to a financial commitment from ICT Services, within Havering, to manage and maintain the network over this period.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

N/A

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

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The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The project aims to improve connectivity for businesses and improve the digital infrastructure of public sector sites within the Rainham area of Havering. This will have a positive impact by improving productivity and leading to greater commercial benefits for businesses. Improved connectivity will lead to greater investment as the Rainham strategic industrial location (SIL) becomes more attractive to businesses requiring high speed broadband services.

As existing businesses improve their productivity and new businesses locate to the Rainham SIL it will increase employment opportunities for Havering residents, which will have a positive impact on health and wellbeing. As a stipulation of the funding requires an upgrade of public sector sites to incorporate new digital infrastructure it will improve how public services are delivered to residents.

The project will be delivered in conjunction with the London Riverside Business Improvement District (LRBID) and installation will be planned to minimise disruption to the public. Any disruption following the introduction of new infrastructure will be conveyed and coordinated to the businesses through the LRBID.

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ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

As part of the tendering process ITS were specifically required to submit evidence stipulating how they will undertake this project in a manner that minimises any impact on climate change and the environment. They are fully accredited under ISO 14001 and are committed to the disposal of electronic equipment in line with the WEEE Directive including working with the manufactures where appropriate.

The contract that will be signed between the Council and ITS states that the supplier (ITS) should perform its obligations with a commitment to conserve resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

BACKGROUND PAPERS

Key Executive Decision to agree to the grant agreement for receipt of SIP funding and call off from a multi supplier framework to deliver the SIP funded invest in fibre project.

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____