

Report Reference Officer Decision to Agree New IT Managed Network Service Contract For Sheltered Accommodation Properties Co-Terminating with the Existing Council IT Managed Network Service Support Contract

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Executive Summary:

This report details the decision to enter into a new IT Managed Network Services contract for the Council's Sheltered Accommodation properties under the same terms as the current/ existing Network Managed Service Contract with Intergence Systems Limited.

The new 3 year GCloud13 Lot 1 framework contract will terminate on 30 November 2026 or can be extended to co-terminate with the existing corporate Network Managed contract on 25 February 2027.

Primarily the IT Managed Network Services contract represents value-for-money. However, in this instance with the Council's sheltered Accommodation premises housing some of our most vulnerable residents reliability, network connectivity and business continuity of service are key factors. Similarly, cyber security is a key factor in awarding the contract.

The Intergence price of £33,283 per annum are aggregated contract costs including some £18,000 hardware capital costs plus licensing costs for a range of third party network monitoring systems/ tools.

When compared with other GCloud13 framework 'Lot 1 Cloud Support' published rates. Intergence price of £33,283 per annum appear 'mid-point' in a pricing comparison table with a solution cost variance of minus £2,657 per annum minimum estimated solution price and £59,717 per annum maximum estimated solution price. These figures include the sheltered accommodation solution £18,000 hardware/ licensing costs.

Additionally, Tendring District Council has been working with Cambridgeshire-based Intergence Systems Limited for the past seven years and their knowledge and expertise support the council's complex blend of critical systems and supporting infrastructure, in turn providing the high levels of business continuity and resilience that the council relies upon to deliver services to residents.

Intergence hold government level Security Clearance (SC) at Project, Design and Support Levels (Security Clearance conforms to BS7858). The company also has the following Security Governance and Risk Certifications: ISO:27001, ISO:9001, Cyber Essentials.

As expanded upon within the original February 2022 report, the costs are supplemented by the range of 'value-add' and free training/ development and knowledge-exchange resource services provided where other more commercially aggressive companies demanded payment.

The procurement route is a direct award through the UK G-Cloud framework (Lot 1) is in accordance with the Council's Budget and Policy framework.

Background:

In February 2022 the Council renewed its Managed Network Service contract with Intergence Systems Limited for a further 3 years, plus options to extend the contract by up to two further years – a 3 +1 +1 contract. At that time the contract renewal was based upon, value-for-money, business continuity and the professional services relationship established over the previous three years.

During the contract lifecycle the Council has benefited from Intergence' support and specialist resources to radically evolve the council's digital estate to the flexible, resilient and remote working infrastructure that we utilise today. Transformational works include: migrating 90% of our estate to the Microsoft Azure platform, implementing a new and resilient WiFi, continued rollout of replacement updated network hardware and data transport mechanisms, migrating our telephony estate from Microsoft (MS) Skype for Business to MS Teams, delivery of resilient and secure remote working capabilities.

In addition to providing specialist expert resourcing and support, from a perspective of the 'official' and 'official sensitive' data that we hold in guardianship on behalf of our residents and customers to deliver the range of local authority duties and services the council has to engage with a partner whom they can trust implicitly.

Giving a partner the levels of security access necessary to support our infrastructure is effectively giving Intergence "the keys to the kingdom" - albeit with the appropriate levels of monitoring and reporting.

During our contractual relationship over the past six years, Intergence have proven repeatedly: their professional competence and capabilities, depth of knowledge/ expertise, independent 'agnostic' IT system appraisal/ advice.

Key to the strength and value of this contract has been Intergence' agility and willingness to respond quickly in support of our changing requirements, the 'added value' that they provide in terms of pre-agreed and 'ad hoc' and free staff support and transfer of skills.

In summary, as a trusted technology support partner, Intergence have proven and continue to prove: their technical specialist expertise and capabilities, their business agility and support capabilities (during very demanding times), their willingness to work alongside council IT resources sharing knowledge/ information and assisting the development of new skill-sets. In addition, their fees and charges are comparable with IT industry market rates arguably supplemented by the range of 'value-add' and free services they provide where other more commercially aggressive companies would have demanded payment.

This short report and officer decision proposes that the Council enter into a new IT Managed Network Services contract for the Council's Sheltered Accommodation properties under the same terms as the current/ existing Network Managed Service Contract with Intergence Systems Limited.

Reasons for the decision:

The continuation of the Managed Network Support contract will offer many benefits, including:

1. **Value for Money, Business Continuity & Value-Add** – continuation of the managed service ensures all the extra services and monitoring is kept with one supplier within the

GCloud framework Cloud Lot 1 thus ensuring value for money, continuity of service plus a range of 'value-add' free services.

2. **A new contract effectively 'extending' the Council support contract to include Sheltered accommodation properties** – the new contract with Intergence will enable the service and support of all our critical systems across our entire corporate service estate.
3. **Resilience enhancements** – The services and the knowledge and expertise provided by Intergence ensure the Council has a highly resilient, modern and enabling infrastructure.
4. **Cyber Protection and Support** – As part of and as an extension to the managed service contract, Intergence provide cybersecurity specialist skills and support. Alongside the council's IT and cyber team, Intergence provide resources, processes and technology to continuously monitor/ improve our cybersecurity and response to cybersecurity incidents.
5. **Single Point of Support** – The managed service contract covers a complex mix of technologies and systems all supported by one provider. These include: Wide Area Network (WAN), Local Area Network (LAN), Wi-Fi.
6. **Proven Knowledge and Expertise** – working with the said company for a number of years and on a number of high-level projects (as previously outlined) has proven Intergence knowledge and expertise in the field.
7. **Security, Governance and Risk** – Intergence have Government level Security clearance (SC) staff at Project, Design and Support Levels (Security Clearance conforms to BS7858). The company also has the following Security Governance and Risk Certifications: ISO:27001, ISO:9001, Cyber Essentials

All of the above factors sign-posted officer thinking that awarding a new contract to 'supplement' the existing GCloud contract with Intergence Systems Ltd is the correct decision - crucially, delivering this contractual service element within budget during difficult financial circumstances with a highly knowledgeable and trusted partner. This in turn gives confidence and trust in professional competence and confidence in delivering the required technical reliability and resilience this key service requires.

A key qualitative consideration has been given to the very significant and real strategic cyber security risks surrounding the renewal of this contract, together with the potential for catastrophic Council reputational loss should we suffer a large loss of data or cybersecurity breach.

Financial Summary:

The new 3 year GCloud contract will terminate on 30 November 2026 or can be extended pro-rata to co-terminate with the original February 2022 contract (3 years +1 year +1 year) in February 2027.

The three year contract price is £33,283 per annum totalling £99,985 or £2,777.36 per month pro rata. The necessary budget has been identified via a separate decision made by the Leader.

These aggregated contract costs include both hardware and licensing costs for a range of third party network monitoring systems/ tools.

Legal:

This proposed investment is in accordance with the Council's Budget and Policy framework. The procurement route will be through the UK government G-Cloud framework (Lot 1) Framework Agreement (RM1557.13) which is fully compliant with the Council's Procurement Procedure Rules.

Value For Money Assessment (Based Upon Gcloud13 Lot 1 Published Pricing):

GCloud13 Lot 1: Cloud Hosting	Published Solution Development & Implementation Day Rate	Sheltered Accommodation Solution Hardware/ Licensing Costs	Contract Price Equates to 14 days Configuration/ Support	Total Solution Price Based Upon GCloud13 Lot 1 Published Figures
Contractor 1	£26,667 to £75,000	£18,000	N/A	£44,667 to £93,000
Contractor 2	£945 to £1,350	£18,000	£13,230 to £18,900	£31,230 to £36,900
Contractor 3	£700 to £1,550	£18,000	£9,800 to £21,700	£27,800 to £39,700
Intergence Systems Limited	1,100	£18,000	15,283	£33,283
Contractor 5	£1,050	£18,000	£14,700	£32,700
Contractor 6	£650 to £1,025	£18,000	£9,100 to £14,350	£27,100 to £32,350
Contractor 7	£902	£18,000	£12,626	£30,626
			Min Cost Variance	-£2,657
			Max Cost Variance	£59,717

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