

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

**MEETING: 23 FEBRUARY 2009**

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**SUBJECT: PROCUREMENT OF COMMUNICATION CIRCUITS**

**REPORT OF THE CHIEF FIRE OFFICER AND FINANCE OFFICER**

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**1 INTRODUCTION**

- 1.1 This report sets out for the information and approval by Members, the tendering arrangements in respect of replacement communication circuits and seeks Authority approval to proceed with the procurement.

**2 BACKGROUND**

- 2.1 Communication circuits form an essential part of the Authority's corporate communications network, providing essential services including Telephony and IT Services.
- 2.2 The current circuits were installed approximately five years ago and the contractual arrangements for their provision and maintenance are due to expire on 28 June 2009. It is necessary, therefore, for the Authority to enter into new contractual arrangements as soon as possible and, at the same time, take the opportunity to enhance the bandwidth capability required to meet the increased demand for applications.
- 2.4 Increased bandwidth will allow for a wider range of services to run across the network, provide increased resilience and allow a reduction in the number of IT servers required. This will in turn provide a more efficient means of working within the ICT department and will lead to efficiency savings from the reduced number of servers, maintenance and power usage.

**2 TENDERS**

- 3.1 A framework agreement organised by the Office of Government Commerce (OGC) for communication circuits is currently in existence and available for use by the Authority. Use of this framework is recommended as good procurement practice and provides a value for money solution without having to go through a full EU tendering process.
- 3.2 Invitations to tender in accordance with the framework were sent to all seven contractors included on the framework for a three year contract with the option to extend by a further twelve months.
- 3.3 Completed tenders were received from the following companies listed in alphabetical order:-

British Telecommunications PLC, Birmingham  
KCOM Group PLC, Hull

3.4 The values of the tenders received in ascending order, excluding VAT, for a four year period are set out below:-

£642,376.00  
£786,550.42

The costs are made up of both installation costs and annual rental which are shown year on year as follows:-

	Tender A	Tender B
Year 1	£191,971.00	£247,794.49
Years 2-4	£150,135.00 p.a.	£179,585.31 p.a.

#### **4 FINANCIAL IMPLICATIONS**

4.1 The Revenue Budget for 2009/2010, included elsewhere on today's agenda for member approval, provides for the Year 1 costs of this proposal. The Medium Term Financial Strategy includes provision for the ongoing impact into years 2 to 4.

#### **5 RISK MANAGEMENT IMPLICATIONS**

5.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control; the realisation of efficiencies; the most appropriate use of limited resources; and a comprehensive evaluation of the benefits. The risk to the Authority has been assessed as medium, utilising the standard risk matrix based on control measures being in place

#### **6 HEALTH AND SAFETY IMPLICATIONS**

6.1 There are no Health and Safety implications in respect of this report.

#### **7 EQUALITY AND FAIRNESS IMPLICATIONS**

7.1 There are no equality and fairness implications in respect of this report.

#### **8 RECOMMENDATION**

8.1 The Authority is requested to approve:

- i) To endorse the procurement procedure adopted and agree the acceptance of the most economically advantageous tender from KCOM PLC, Hull in the sum of £642,376.00 excluding VAT for the provision of communication circuits for a period of up to four years;
- ii) That revenue budget provision will be made for 2009/2010 and future years.

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#### **BACKGROUND PAPERS**

The undermentioned Background Papers refer to the subject matter of the above report:

***Creating the Safest Community***