



**OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR THAMES VALLEY**

REQUEST FOR DECISION – PCC 2020 / 011

Title: Contract for the supply of Network and Telecommunications Services to Thames Valley Police and Hampshire Constabulary

The current four-force South Eastern Police Secure Network Services Agreement (SEPSNSA) was extended in March 2020 by Thames Valley Police and Hampshire Constabulary for British Telecommunications Plc to continue to provide the Forces with secure core communication services for Wide Area Network (WAN), Local Area Network (LAN) and Voice under a managed service.

During the discussions regarding the extension, BT was given an opportunity to make a proposal that would demonstrate significant financial benefits to the forces and remove the need for a costly upgrade of time expired hardware whilst providing certainty of continuity of services.

Full details are provided in Annex 1.

Recommendation:

The Police and Crime Commissioner is asked to award a contract in respect of the above mentioned Network and Voice Services to British Telecommunications (BT) Plc under direct award from RM3808.

The above contract is for an initial term of 60 months duration, with no extension options.

The total value of this contract is estimated at £25,195,037 for Thames Valley Police and Hampshire Constabulary over the five-year contract period with £21,310,000 being the committed revenue costs and the balance being discretionary capital spend that could be undertaken under this contract for SD-WAN services.

The contract will deliver cashable savings of £1.261m in Year 1 and a further £0.288m cashable savings in Year 2 relating to Network Services.

Non-cashable benefits for capital have been validated at a range between £1.75m and £4.5m over the five-year period. These numbers have been validated by the ICT Principal Accountant in the TVP Finance team and will be monitored over the life of the contract to ensure they are delivered.

	HC (£)	TVP (£)	Total (£)
Total Contract Value	11,665,302	13,529,735	25,195,037
Committed Revenue	9,866,530	11,443,470	21,310,000
Cashable Savings Year 1	542,000	719,000	1,261,000
Cashable Savings Year 2	124,000	164,000	288,000

The supplier meets all the requirements of the contract terms and conditions and specification and the offer demonstrates the Most Economically Advantageous Solution, as assessed against the 3rd party benchmarking.

Police and Crime Commissioner

I hereby approve the recommendation above.

**Signature****Date: 6 July 2020**

PART 1 – NON-CONFIDENTIAL

1 Introduction and Background

- 1.1 The current four-force South Eastern Police Secure Network Services Agreement (SEPSNSA) was extended in March 2020 by Thames Valley Police and Hampshire Constabulary for British Telecommunications (BT) Plc to continue to provide the Forces with secure core communication services for Wide Area Network (WAN), Local Area Network (LAN) and Voice under a managed service.
- 1.2 During the discussions regarding the extension, BT were given an opportunity to make a proposal that would demonstrate significant financial benefits to the forces and remove the need for a costly upgrade of time expired hardware whilst providing certainty of continuity of services.
- 1.3 Following on from the extension of the existing SEPSNSA contract, benchmarking was undertaken by two independent organisations (IMPROV-IT & The Police ICT Company) to verify if the SEPSNSA contract provided value for money. As a result of these exercises a decision was taken to provide a 'stretch' target savings objective to BT against current market costs. If BT could propose a package that delivered the required cost reductions it would demonstrate that the Force was achieving good value for money without the costs and risks associated from changing providers.
- 1.4 The proposal was submitted in April 2020 and, after some lengthy negotiations, it has been validated to provide savings in excess of the targets set as required to demonstrate offering value for money. The package to be delivered by BT also removes the required capital investment in TVP and Hampshire to upgrade the current hardware estate as well as removing the need to undertake a number of planned capital investment programmes over the next five years.
- 1.5 The agreement gives TVP and Hampshire the capability to manage their mobile communications service provision under the same agreement. It will also provide a better contractual structure to improve the contract management ability and governance arrangements required by both Forces.
- 1.6 Full details are provided in Annex 1

2 Issues for Consideration

- 2.1 TVP and Hampshire Constabulary are able to procure the Network and Voice services via the Crown Commercial Services RM3808 Network Services 2 Framework Agreement. This agreement allows the Forces to direct award under lots 1, 3 & 10 for the 'above mentioned' services. This framework agreement allows end-users to agree flexible contract lengths, choose suppliers such as BT who can provide multiple services across several lots and utilises the agreed Public Sector Contract (PSC) terms and conditions.

- 2.2 The contract also provides an option for TVP and Hampshire to migrate their mobile networks to BT in due course.

3 Financial Comments

- 3.1 Total projected revenue costs of £5.811m in 2020/21 (HC - £2.69m & TVP £3.12m)
- 3.2 Further Revenue spend of £2.16m (HC £1m, TVP £1.16m) identified as being required
- 3.3 Total projected capital costs of £2.6m (HC £1.2m & TVP £1.4m) in 2020-21
- 3.4 The estimated contract value over the life of the five-year contract is £25.195m, of which £21.31m is committed revenue. The remaining £3.885m is discretionary capital spend that could be undertaken under this contract on SD-WAN services
- 3.5 The contract provides cashable savings of £1.55m (HC - £717k, TVP - £832k). These are measured from contract commencement July 2020 so are realised across a number of financial years.
- 3.6 Non-cashable savings of between £1.75m and £4.5m will also be delivered over the 5-year contract period.

4 Legal Comments

- 4.1 TVP and Hampshire Constabulary have followed a legally compliant procurement process

5 Equality Comments

- 5.1 There are no implications with regard to equality and diversity.

6 Background Papers

- 6.1 Not applicable.

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Is the publication of this form to be deferred? No
If yes, for what reason? Until what date?
Is there a Part 2 form? Yes

ORIGINATING OFFICER DECLARATION (as appropriate):		
	Officer	Date reviewed
Head of Procurement	Richard Fowles	30.6.20
Financial Advice	Linda Waters	30.6.20

PCC STATUTORY OFFICERS' APPROVAL

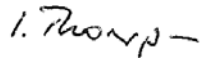
We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.



Chief Executive

Date: 6 July 2020



Chief Finance Officer

Date: 6 July 2020