

<p>SHADOW EXECUTIVE</p>

<p>28 OCTOBER 2008</p>

SUBJECT	<p>Award of Tender for ICT Storage Area Network <i>(This report seeks authority to award a tender for the provision of a Storage Area Network in support of the creation of the new ICT infrastructure for Central Bedfordshire Council)</i></p>
REPORT OF	<p>Director of Corporate Resources <i>Contact Officer: Robert Wood (Tel: 01462 611609)</i></p>

IMPLICATIONS

SUSTAINABILITY	N/A
FINANCIAL	Will be drawn down from the approved ICT Transition budget, but does exceed delegated financial approval limit of the Interim Chief Executive.
LEGAL	N/A
PERSONNEL/EQUAL OPPORTUNITIES	N/A
COMMUNITY DEV/SAFETY	N/A
TRADES UNION	N/A
HUMAN RIGHTS	N/A
KEY ISSUE	Yes
BUDGET/POLICY FRAMEWORK	No

<p>OTHER DOCUMENTS RELEVANT TO REPORT</p>
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<p>Appendix A – Tender evaluation spreadsheet</p>

<p>RECOMMENDATION(S):</p>

1. that the Shadow Executive consider this report and the tender evaluation scoring which is attached as Appendix A
2. that the Shadow Executive approves the award of the tender to procure the Storage Area Network to Supplier 1 at a whole life (5 year) cost of £627,969.

<p><i>Reason for Recommendation:</i></p>	<p><i>The procurement of a new Storage Area Network necessary to implement the ICT infrastructure for Central Bedfordshire Council is in line with the approved ICT Programme PID which states: 'Whilst ensuring that stability in operations remains throughout and risk is suitably contained, the concept behind ICT for CB will be to create a new fit for purpose infrastructure'</i></p>
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Background

1. This is one of two related tenders (Further Competitions) that have been run using the Office of Government Commerce (OGC) Catalist Invitation to Quote (ITQ) system, the other one being for procurement of blade servers. All ITQs are run under umbrella OGC framework agreements. The whole process is completely web based and managed by the OGC. Any supplier queries are answered via the OGC website. This ensures that the Council gets best value for money from tender responders who all have to abide by the same OGC framework agreement. As the ITQ is strictly managed and controlled by the OGC it also makes the whole process transparent and compliant.
2. The Storage Area Network (SAN) is an integral part of the new ICT infrastructure and is a mandatory requirement not only for operational service delivery, but it also forms part of the Business continuity capability that we are designing in from day one.
3. On receipt of the tender responses a period of due diligence on our part was carried out to resolve any queries. Equally important, each solution, although broadly similar because of the dictates of the requirement, will contain or omit certain items, costs and functionality which we needed to tease out to make sure we are comparing like with like. Seventeen suppliers were invited to quote via the OGC Catalist ITQ system. Five suppliers responded to the tender. Three different vendors SAN equipment were proposed, all of them offering broadly the same functionality but delivering it, and naming it differently. The due diligence highlighted a number of anomalies in some responses that narrowed it down to three viable solutions. Of these one, although appearing technically superior, was in the region of £200k more than the cheapest option, and was ruled out by that fact. The remaining two were close in both cost and functionality but of these, one had only specified three years maintenance on the majority of its equipment, rather than the five years stipulated, and did not contain any training details.
4. Each solution was marked in two parts.

The first part, which accounts for 70% of the total score, is whole life cost. In this particular instance this cost is for the total acquisition costs, including any installation, configuration and training plus five years maintenance. Although this raises the total up front price of the procurement it does allow us to leverage economies of scale with suppliers to ultimately reduce the five-year cost. Each solution that is within 50% of the lowest price is awarded a basic price score of 30%, plus a further relative price score of 40% based on it's price. This is a fixed calculation that ensures a base empirical score is attributed prior to the final scoring of the fitness for purpose.

The second part involves two senior ICT officers carrying out the fitness for purpose part of the scoring independently. These scores are averaged and added to the whole life cost scores for each solution. The solution with the highest score is the winner. Based on this evaluation Supplier 1 is the winner of the tender. Appendix A, attached, lists all of the scoring.

<i>Background Papers:</i>	Approved ICT Programme PID CBC ICT transition overview for OPB
<i>Location of Papers:</i>	LGR EDRMS database
<i>File Reference:</i>	EDRMS document No. 265 and 2530 respectively