| Report To: | Cabinet |
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**Report To:** Cabinet

**Date of Meeting:** 25$^{th}$ June 2013

**Lead Member / Officer:** Lead Member for Education – Eryl Williams

**Report Author:** Head of Customers & Education Support

**Title:** Schools ICT Contract

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**1. What is the report about?**

This report seeks approval to award the Schools Admin and Curriculum ICT contract to GAIA Technologies

**2. What is the reason for making this report?**

There are 2 reasons for making this report:

- A decision is required to approve GAIA Technologies as the <u>mandatory</u> ICT provider for the Admin Network following the recent tender exercise to outsource the existing DCC service

- A decision is required to approve GAIA Technologies as the <u>optional</u> ICT provider for the Curriculum Network following the recent exercise to re-tender the expired DCC contract previously awarded to GAIA Technologies on behalf of some schools.

**3. What are the Recommendations?**

To approve the awarding of the contract to GAIA Technologies for both the Admin and Curriculum networks.

**4. Report details.**

<u>Admin Network</u>

The Schools Admin network is currently provided by Central ICT and it is proposed to award the contract to GAIA technologies. GAIA is the successful provider following the recent tender exercise. This is a mandatory contract that all schools must be part of as it is vital that the contract is delivered by one provider across all schools to maintain consistency between Schools and the County. The quality of the service has been the primary consideration throughout this process and providers were asked to consider the option of a fully managed service (hardware included) or a basic support service (no hardware included). They were also asked to consider a full TUPE transfer model and a LA retained staffing model. This has therefore created 4 options for consideration for the Admin network:

1. Fully Managed Service – LA managed staff
2. Support Service – LA managed staff
3. Fully Managed service – Full TUPE of staff
4. Support Service - Full TUPE of staff

The existing service with Central ICT is a support service only and based on the pricing schedule shown in Appendix 1 the new service with GAIA technologies is of greater quality at a reduced price. The pricing will still be subject to final verification of inventory on awarding of the contract but the unit costs will remain fixed as per the tender.

Curriculum

The School's Curriculum network is currently outsourced and managed locally by schools through their own contract negotiations with various providers. The DCC framework which was previously tendered in 2009 was due for renewal on 1st April 2013 and so a delegated decision was sought to approve a contract extension to 31st August 2013 to allow the new Curriculum contract to form part of the same tender as the Admin network. Some schools were out of the scope of this tender as they were not part of the original DCC contract for curriculum however they have the option to transfer onto the contract to allow one standard provider for both network if they feel the contract offers greater benefits than their existing contract.

This contract is therefore discretionary and schools are not obliged to move their curriculum contracts onto this network. It is not know at this point which schools will chose to move on to the new contract however it is currently estimated that we may have about 80% of our schools on a combined Admin and Curriculum contract with GAIA technologies. This will be a positive development in terms of quality of service as it is more effective to have one provider serving both networks.

The providers were asked to consider the option of a fully managed service (hardware included) or a basic support service (no hardware included) as well as a full TUPE transfer model and a LA retained staffing model. This therefore created the same 4 options as shown under the Admin network above.

**5.    How does the decision contribute to the Corporate Priorities?**

The decision will support the priority of Modernising Education and increasing attainment in schools through the use of sustainable and effective technology.

**6.    What will it cost and how will it affect other services?**

Admin

The table below shows the likely saving compared to the current Central ICT service for schools against each option identified.

*Option 2A – Fully Managed inc. TUPE* is the preferred option for Admin even though it has the least saving as it is believed this will give the greatest service and stability for schools

|  | Option 2 - Fully Managed **no TUPE** | Option 2 - Support Only **no TUPE** | Option 2A - Fully Managed **inc TUPE** | Option 2A - Support Only **inc TUPE** |
|---|---|---|---|---|
| Cost of existing SLA with Central ICT | £241,000 | £241,000 | £241,000 | £241,000 |
| Proposed cost of new SLA with Central ICT (option 5) | £142,000 | £142,000 | £142,000 | £142,000 |
| **Amount retained towards GAIA service** | **£99,000** | **£99,000** | **£99,000** | **£99,000** |
|  |  |  |  |  |
| New Contract Value (based on revised inventory) | £71,268 | £15,540 | £97,442 | £41,714 |
|  |  |  |  |  |
| **Saving under new contract** | **£27,732** | **£83,460** | **£1,558** | **£57,286** |

1. This includes websense licenses until 2015 at a cost of 53k. 2015 onwards this will transfer to GAIA and the cost will reduce to £40k generating a further saving of £14k for schools

## Curriculum

It is impossible to provide a like for like comparison between the existing service and new service for Curriculum as schools have negotiated an array of "add-ons" to their existing contracts with current provider so would have to consider the scope offered in the new service against the scope provided in their current service when making a decision on this network. The pricing schedule is based on a draft inventory and will be subject to change following a full audit of equipment at the school once the contract commences. Schools will have the option of adjusting their requirements to meet local needs. The unit values will however remain the same as per the pricing schedule so it gives schools the ability to calculate their charges against their own contracts where necessary

The full summary schedule for all options is included in Appendix 1. Please note that this is based purely on an unaudited inventory and will be subject to change and subject to individual negotiations for each schools dependant on local needs,

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as a confidential appendix to the report.**

See Appendix 2 (Confidential)

**8. What consultations have been carried out with Scrutiny and others?**

Consultation has taken place via the ICT working group. This was established to work with officers to ensure a robust process was undertaken to ensure the scope of the new service fully met the needs of schools.

Central ICT has also played an active role in supporting during this process.

**9. Chief Finance Officer Statement**

The financial implications of awarding the mandatory ICT Administration Network contract are small, resulting in a small saving on the current arrangements. The quality and stability of the service has been the primary consideration. The contract for the ICT Curriculum Network is optional and the agreed schedule will allow each school to make an informed decision.

## 10. What risks are there and is there anything we can do to reduce them?

| | Risk description | Owner | Impact consequence | Inherent Risk | Controls to manage risk | Residual risk | Further action |
|---|---|---|---|---|---|---|---|
| 1 | Not all schools may choose to use the provider for the curriculum network | Head of Customers & Education Support | Increased effort into managing the ICT service in schools and schools will have to use multiple providers for the different networks | B4 | Business and Finance Managers in place to act on the schools behalf and liaise between providers.<br><br>This was inherent in the existing service already but may be more of a risk with 2 external providers on both networks | C4 | None |
| 2 | Lack of ICT experience and knowledge in contract management within Education Service | Head of Customers & Education Support | Lack of understanding of the technical elements of the service and contract could lead to a supplier-driven service that does not target school needs | A4 | Head of Service and Planning and Resource Manager have taken this piece of work on as a priority. | C4 | Future staffing requirements for contract management support will be considered within Education Support |
| 3 | Variations to inventory quoted in the tender | Head of Customers & Education Support | Final charges may be subject to variation until inventory can be properly verified with each school | A4 | Admin inventory has been re-verified by Central ICT and curriculum inventory collected from schools directly where possible. | C4 | Provider will undertake full audit of inventory when contract is awarded to ensures charges are as accurate as possible |

## 11. Power to make the Decision

The School Standards and Framework Act and the Schools Funding Regulations Wales 2010 govern the decision making powers of schools but give LA's the power to intervene where necessary.