

Trust Board Meeting

29 November 2018

Paper Title:	Network Contract
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Paper Author:	Tim Rycroft, Chief Information Officer/Associate Director of IT
Agenda Item:	12
Presented For:	Approval

Executive Summary:

This paper seeks approval to invest £657,078 in a contract for five years with Redcentric as the preferred network provider to deliver the next generation network services to BDCFT.

Strategic Case

- The current secure wide area network (WAN) contract with Virgin Media (VM) expires at the end of April 2019, following a five-year term.
- The end of the NHS N3 contract and a required migrate to the new Health & Social Care Network (HSCN)
- The current network capacity not meeting our immediate and future requirements

Options Appraisal

This paper presents two options for the procurement of a new network contract. The first option is to remain with the incumbent supplier, Virgin Media and re-procure via the established RM1045 framework. The second option is to procure via the Yorkshire & Humber Public Sector Network v2 framework (YHPSN), the preferred supplier being Redcentric.

The technical design/solution provided by both companies is very similar, the main difference being one is built on a Virgin solution (Virgin Media) the other (Redcentric) is multi-vendor and operates across a mixture of BT, Virgin and other available providers. The proposed design enables sufficient capacity to meet BDCFT's current needs and is scalable and flexible enough to respond to our future needs and changes expected.

Financial Case

Following an AGH Solutions-led procurement process, costs have been received from both suppliers who present similar pricing, the exception being that Redcentric require an initial one-off implementation charge of £49k and a 2.1 % levy payable to YHPSN as part of our ongoing membership. In addition, NHS Digital will provide a level of devolved funding to those organisations who can commit to Redcentric by the end of November. The total amount available to BDCFT at this time is £23k, which can be used to offset the costs associated with Redcentric or Virgin.

Recommendations:
<p>That the Board:</p> <ul style="list-style-type: none"> • Approves the recommendation to proceed with Redcentric via the Yorkshire & Humber Public Sector Network Framework (YHPSN) • The rationale for this recommendation can be found at section 5 of this report

Governance/Audit Trail:

Meetings where this item has previously been discussed (please mark with an X):						
Audit Committee		Quality & Safety Committee		Remuneration Committee	Finance, Business & Investment Committee	X
Executive Management Team	X	Directors		Chair of Committee Meetings	Mental Health Legislation Committee	
Council of Governors						

This report supports the achievement of the following strategic aims of the Trust: (please mark those that apply with an X):	
Quality and Workforce: to provide high quality, evidence-based services delivered by a diverse, motivated and engaged workforce	X
Integration and Partnerships: to be influential in the development and delivery of new models of care locally and more widely across West Yorkshire and Harrogate STP	X
Sustainability and Growth: to maintain our financial viability whilst actively seeking appropriate new business opportunities	X

This report supports the achievement of the following Regulatory Requirements: (please mark those that apply with an X):	
Safe: People who use our services are protected from abuse and avoidable harm	
Caring: Staff involve people who use our services and treat them with compassion, kindness, dignity and respect	
Responsive: Services are organised to meet the needs of people who use our services	X
Effective: Care, treatment and support achieves good outcomes, helps to maintain quality of life people who use our services and is based on the best available evidence.	
Well Led: The leadership, management and governance of the organisation make sure it's providing high-quality care that is based around individual needs, encourages learning and innovation, and promotes an open and fair culture.	
NHSI Single Oversight Framework	
Equality Impact Assessment :	
Not applicable	

Publication under Freedom of Information Act

This paper is exempt from publication under Section 43 of the Freedom of Information Act, as it contains information which is commercially sensitive.

Bradford District Care Foundation Trust

Wide Area Network (WAN) / Health & Social Care Network (HSCN)

1. Background and Context

The BDCFT wide area network (WAN) is currently provided by Virgin Media (VM) and covers 31 individual sites across the Bradford, Kirklees and Craven District. The contract is due to expire at the end of April 2019, following a five-year fixed term. The Trust must now procure a new contract to ensure that business continuity is provided and that the necessary improvements to the network are in place as soon as possible due to the increasing pressure on frontline services that depend on a high level of network availability.

In addition to our wide area network replacement, there is also a need to replace the outgoing NHS N3 connections and migrate to the new Health and Social Care Network service (HSCN). This is a national mandate for all NHS organisations to migrate due to the end of the national contract for N3 network services.

For clarity, the component parts of the new proposed contract include:

- a)** (MIA) Managed Internet Access (email, Office 365, Internet Services)
- b)** (HSCN) Access into the new Health and Social Care Network, replaces N3
- c)** (WAN/LAN) Private access between all BDCFT sites (Wide Area Network 31 sites)
- d)** Access to Govroam, Eduroam, NHS Wi-Fi

2. Economic Case

BDCFT has two options to consider, the first is to remain with the incumbent supplier, Virgin Media and procure via the established RM1045 framework. The other option is to procure via the Yorkshire and Humber Public Sector Network framework and commission a service from Redcentric, who are the new preferred supplier.

What is the YHPSN Framework?

The YHPSN framework was launched in 2010 to underpin the creation of a unified data communications network across Yorkshire and Humber – one public estate. Its aim was to connect local public services over a single infrastructure so that YHPSN could start to realise the vision to Standardise, Simplify and Share, improving efficiencies and driving out costs.

The YHPSN recently redefined the next generation framework agreement by including Health and Social Care. This was backed by NHS Digital and Crown Commercial Services at a cost of over £1m and, following a robust and rigorous procurement process, the preferred supplier for network services was awarded to Redcentric, replacing Virgin

Media as the outgoing supplier, who withdrew from the process following a dispute in relation to the KPIs required.

Whilst YHPSN members are actively encouraged to make a commitment to the YHPSN framework, each organisation has the independent right to explore alternative options available to them. In our case, Virgin Media have presented a proposal to secure their services as the incumbent supplier to BDCFT.

It is therefore important to consider the advantages and disadvantages of each approach and proposal. This case aims to present a perspective from a financial and value-added perspective with each option and concludes with a recommendation for final consideration.

Local Considerations

Although this contract is aimed at serving the needs of BDCFT, consideration of partner organisations must be observed due to the existing arrangements and future levels of integrated working envisaged across Bradford and Airedale.

The Trust's primary network relationship is with the CCG, where we run a number of services at CCG-owned sites. In this instance we connect to the CCG-owned network so staff can connect to BDCFT network services. At this time, the CCG's network contract will run for a further two years; this is supplied by Virgin Media.

The CCG have not indicated whether they will stay with the incumbent provider, or consider Redcentric, or another provider on the market. The only indication offered is that they would consider price as a key factor in their decision making. The associated risk with respective organisations choosing different providers may cause some accessibility constraints, although this is only classified as a risk and not an issue. Redcentric have identified that a bridging solution would be required, which forms part of their service offer and contract.

In terms of AGH and BTHFT, their WAN requirements are less of an issue due the small number of sites occupied in comparison to that of BDCFT and the CCG. The acute focus will be centered on HSCN connections, which has no direct implication on a BDCFT provider decision.

Regional Considerations

The Yorkshire and Humber has recently been successful in becoming one of six Local Health and Care Record Exemplar (**LHCRE**) with the remit to create an integrated health and care record across Yorkshire and Humber.

The adoption of a YHPSN accredited and preferred network (Redcentric) will ultimately contribute to the success and effectiveness of this objective and vision for the future.

3. Options

The following section aims to provide an overview of the benefits associated with each provider. The list is not exhaustive and the applied statements cannot be validated in all cases.

What Do We Know?

Our experience of Virgin Media over the past few years has been mixed. There have been two recent exceptions of note which were:

1. The telephony outage in September, for which the supplier has taken responsibility, (cutting the line in the first place and the resolution time of over 24 hours) and
2. Process/time spent in resolving the connectivity issue at 10 BDCFT sites which took months to resolve.

Conversely, the availability of the WAN in the last six months has been high, with an availability of over 99.5% which is in line with industry standards. Their response time has also been very reactive when issues have occurred, in most cases within the six-hour Service Level Agreement for issue resolution.

In terms of Redcentric, we have no operational or service experience of them, but they have a number of customers across Healthcare (NHS Digital) Public Services, Insurance, Legal and Retail. The only credibility that can be applied is that the entire procurement process via NHS Digital and Crown Commercial Services has been rigorous and stringent in its approach and Redcentric will have had to clearly demonstrate their ability to deliver networked services at scale and within the timescale parameters stipulated.

Redcentric performance is contractually set to have a fix time for resolution of 4 to 8 hours depending of the severity, or by the end of the next working day if there is a low severity incident. BDCFT has no means of confirming if these timescales can be met. However, these are included in the contract schedules for Redcentric, and penalties would need to be paid if these are not achieved.

Contract Terms and Flexibilities

Flexibility is a key necessity for BDCFT over the coming months and years and it is imperative that the preferred supplier provides a degree of service and contract flexibility that can respond to our changing business needs.

In response, both provider contracts would enable some flexibility in the change of connectivity links at no cost, and other terms are favourable to estate rationalisation as long as our rental costs remain constant.

In their commitment, Virgin Media would allow up to 15% of our estate to be reduced with no direct impact on the Trust. This level is 7.5% for Redcentric as part of the contractual arrangements, with gradual cost implications up to 15% of our estate. Above these thresholds, gradual charges up to full payment for the lines being disconnected would be required.

Costs have been provided by the suppliers based on a 5-year period to compare technical solutions; however, there may be an option to engage with the suppliers for a shorter period of time with the option to extend, which may increase the annual rental cost as well as installation cost.

Virgin Media Proposal

Virgin Media (VM) are the incumbent provider and are therefore in a strong position to make the necessary changes and enhancements required with minimal risk. This is due to the majority of the required infrastructure already being in place.

The VM proposal includes a full solution design resolving our infrastructure shortcomings, in particular internet access and resiliency (**see Appendix 2** for their proposal and the technical details of the proposed solution).

Their proposal also includes a reduction in the lease cost of the existing lines and a proposal for additional improved lines that are currently insufficient to support our existing needs or prospective medium term

Quality Benefits of Progressing with Virgin Media

The following value statements have been provided by Virgin Media as part of their proposal;

1. Deliver a low-risk transition to a new contract as a costly and disruptive full network replacement programme is not required.
2. Upgrade of bandwidths will be delivered with minimum disruption to day-to-day operations ensuring business continuity
3. 20+ years' experience in delivering secure infrastructure for many mission-critical Public Sector organisations thus providing BDCFT the assurances of a partner that understands the critical demands of a health trust and the ability to drive digital innovation and best practices within the sector
4. Strong Bradford-based engineering presence plus extensive VMB network reach in the region, delivering best value and service through direct access to carrier network and local expertise.
5. Improve service delivery of stakeholder applications and services - enable health and social care organisations to access shared services and information from anywhere, at any time.
6. Offer improved value for money - reduce operating costs and provide a modern next generation network to improve performance and service.
7. Maximise the original investment made in the existing network hardware unless the current specification does not support the upgraded bandwidths

8. Minimum cost of change as no investment in transition, project management or risk management resource is required.
9. To deliver a HSCN-compliant regional intelligent network which offers continuity, resilience and security. PSN, HSCN and Internet Services will be delivered on IPVPN infrastructure reducing duplication and cost. VMB has secured Stage 2 compliance certification on the Health and Social Care Network and is ready to deliver today.
10. Ease of procurement – NSF Direct Award for Lot 1 Connectivity Service. 57% of public sector services contracts at VMB are procured through NSF Direct Award.

Redcentric Proposal

Redcentric's proposal is very much aligned to the Virgin Media proposal and addresses our infrastructure shortcomings in particular around access to the internet, and resiliency (see **Appendix 3** for their proposal and the technical details of the proposed solution).

The Redcentric proposal contains associated costs for installation (c£50k), which include a reduction in the lease cost of the existing lines, a proposal for additional lines and increased specification to existing lines that are insufficient to support our current or prospective medium-term needs.

Quality Benefits of Progressing with Redcentric

1. Redcentric awarded via a regional procurement process and supported longer term by NHS Digital – system-wide financial benefits would be longer term.
2. Collaborative approach across public sector organisations.
3. The network is completely multi-vendor, multi-service and multi-customer - if everyone gets onto that network everything can be shared and everyone can save.
4. Signing the Call-Off process invokes a number of SLAs around order provisioning so Redcentric are committed to deliver within specific timescales before the order has been placed.
5. Redcentric will order circuits, design implementation and confirm delivery dates before the contract is signed.
6. Redcentric offer a fully managed network 24/7, 365 days a year, regardless of the support level that the organisation is on.
7. The Enhanced SLAs were designed around health organisations, so they are the best on offer in the market.
8. Redcentric proactively manage their own performance and are contractually obliged to report it and advise when they have not met service levels. In addition they

automatically pay service credits so these do not have to be chased up. Network stats and performance monitoring will be available through the Portal.

9. Innovations are released into the framework for partners to take opportunities.
10. The service wrap has no hidden charges e.g. change requests and an inclusive account team and project manager.
11. Redcentric are obliged to accept an order for anything on the Framework.
12. If Redcentric fail to deliver a solution, they are contractually obliged to find one that is fit for purpose until resolved.
13. Contract support is provided by the central Transition Resource Team (TRT) who are the overarching authority monitoring the performance that is delivered on the contract.

4. Implications / Considerations

Redcentric

Redcentric are a multivendor service provider who mostly use BT for the provision of networked services. They do have a commercial relationship with Virgin, but this is not as embedded as that with BT. If the recommendation to proceed with Redcentric is agreed, a level of onsite engineering work would be required to ensure that services are transferred from Virgin to BT at some of our sites.

This may introduce a level of risk in terms of switching from one provide to another. Redcentric have evidenced this in their proposal and have already made provisional plans with Virgin to mitigate any associated risk.

The contract with Redcentric includes a one-off implementation cost of £50k. This is in addition to the service charges applied resulting in a budgetary pressure in year one, which can be capitalised.

Although Redcentric are an established service provider across public services they are an unknown quantity with regard to BDCFT. What we do know is that the YHPSN have conducted a rigorous procurement process to ensure that risk is mitigated and managed via the strict contractual terms that Redcentric have agreed to. Any dispute will be managed via the TRT on behalf of any organisation who has a requirement to escalate issues or concerns.

The TRT has reported that 34 partners have entered into a Call-Off and 35 designs in various stages of completion and agreement. This means that, in terms of actual signed orders, no organisation has yet committed to Redcentric. The TRT, NHSD and Redcentric have been working to assist partners across the line and there are a few reasons why organisations are carefully considering their decision to proceed:

- a) There are complex dependencies within organisations when dealing with a number of premises and future plans and priorities. Partners have requested reassurance that there is flexibility within the contract to change sites, rationalise and add/remove services – *BDCFT have received assurances that a degree of flexibility is embedded within the contract.*
- b) Partners have been asking about the ‘Service Wrap’ and the Service Levels which makes the Redcentric offer different from incumbent renewal offers – *These are evidenced in the 14 point list under the Redcentric benefits*
- c) There has been some rather uncompetitive behaviour from some suppliers that withdrew from the tender because they did not want to offer what Redcentric are offering in terms of service levels. This has meant that they have slashed down prices for renewals; this has caused issues where the gap between costs is harder to justify internally - *Virgin as the incumbent provider presented a reduced offer*

Virgin Media

To procure a service from Virgin Media we would use the RM1045 framework which is not an issue in itself, but in comparison to the new framework terms available via the YHPSN framework it looks less favourable and restricted. A framework analysis see **Appendix 4** demonstrates the key differences involved.

Where Redcentric provide a strict 90-day timeframe to enable all services, Virgin have not indicated any timescales associated with implementation of the new service. Virgin will instead provide a project manager to work with BDCFT. The potential risk is dealing with the unknown and ensuring that the assigned project manager is working with Informatics full time to ensure that the schedule of works is completed within a timely manner.

Virgin Media is providing free installation for new links included within the proposal. If any additional new lines are required within the length of the contract this would be subject to negotiations with the supplier; prices are not known.

These prices are clearly stipulated upfront with Redcentric, as required as part of the award of the contract between YHPSN and Redcentric.

5. Legal and Constitutional

The procurement process has been facilitated by AGH Solutions and assurances have been provided in terms of our procurement option.

6. Financial Case

Table 1: cost summary of each of the proposal

	Virgin Media	Redcentric	Cost comparison (Redcentric being higher costs)
Gross 5 year contract value	£533,080	£634,985	£101,905
5 year discount	£0	(£25,399)	(£25,399)
Net 5 year contract value	£533,080	£609,586	£76,506
*Non recurrent set up fees	£0	£47,492	£47,492
Total costs over contract term	£533,080	£657,078	£123,998

*Note – the non-recurrent set up costs could be considered for capitalisation, however would require depreciating over the life of the contract.

The financial comparison between the two options is shown below, when comparing against budget available in 2018/19. Financial savings would be realised of £106,460k over the life of the contract for Virgin and £29,954 for Redcentric (excluding set up).

	Virgin Media	Redcentric	Cost comparison (Redcentric being higher costs)
Current Budget	£127,908	£127,908	£0
Annual Contract Value	£106,616	£126,997	£20,381
Annual cost saving/ (pressure)	£21,292	£911	(£20,381)
Payment discount available (quarterly in advance)	£0	(£5,080)	(£5,080)
Revised annual saving/ (pressure)	£21,292	£5,991	(£15,301)
Annual saving/ (pressure) over 5 year contract	£106,460	£29,954	(£76,506)

Monthly in arrears	£0	(£1,905)	1.50%
Monthly in advance	£0	(£2,540)	2.00%
Quarterly in advance	£0	(£5,080)	4.00%
Annually in advance	£0	(£12,700)	10.00%

7. Timescales/Milestones

In order to maintain continuity of service whilst a decision is under review, the Virgin Media contract has been extended until the end of April 2019. The period until the new contract is implemented will mean that the Trust continues to operate at current contracted levels/bandwidths and costs.

The implementation timescales with Redcentric are time-bound and clear at signature of the contract with the maximum delivery time for new lines of 90 calendar days.

The implementation timescale with Virgin Media would need further refinement with a Virgin Project Manager assigned post-signature of the contract. This approach to delivery would be iterative and therefore subject to unclear delivery timescales (of the new lines and access to required bandwidth enhancements).

Contract award is required by end of January 2019 (at the very latest) to allow for a minimum 3-months handover to a new supplier.

Appendix 1: List of sites and expected changes

8. Recommendation

Following an analysis of the strategic, economic commercial and financial implications against the two suppliers, Virgin and Redcentric, The Chief Information Officer recommends that the Board consider awarding the contract to Redcentric. The key points for consideration are:

- 1) Redcentric are a vendor agnostic service provider and are therefore able to provide greater choice, flexibility and resilience in the delivery of services across our estate.
- 2) A fully OJEU compliant procurement run by NHS Digital and the YHPSN Partnership
- 3) A fully managed service with active monitoring in terms of capacity and demand
- 4) Clear and transparent contract terms of service delivery and costs
- 5) Redcentric proactively manage their own performance and are contractually obliged to report it to us and to inform us if they have not met service levels; they will also automatically pay service credits.
- 6) If Redcentric fail to deliver a solution they are contractually obliged to find a solution fit for purpose until resolved
- 7) Escalation of serious or repeat failures to the a central overarching authority
- 8) A framework that can deliver outcomes for the broader strategies, such as LHCRE, STP/ICS, Place, People and Cloud.

Appendix 1: List of sites and expected changes

Site Address	Postcode	Access Technology	New / Existing / Upgrade	Existing Bandwidth	New Bandwidth Requirement
Cultural Fusion, 125 Thornton Rd, Bradford	BD1 2EP	Fiber	Upgrade	10Mb	40/100Mb
Woodward Court, Kirklees Rd, Bradford	BD15 7YT	FTTC	Existing	ADSL2+	
Somerset Hs, Manor lane, Shipley, Bradford	BD18 3BP	Fibre	Existing	100/100Mb	
New Mill, Victoria Rd, Saltaire, Bradford	BD18 3LD	Fibre	Upgrade	100Mb	200 / 1GB
Hillbrook, Mayfield Rd, Spring Gardens Lane, Keighley	BD20 6LD	Fibre	Upgrade	10Mb	40/100Mb
Airedale Centre for Mental Health (ACMH), Skipton Rd, Steeton, Keighley	BD20 6TD	Fibre	Upgrade	1Gb	1Gb/1Gb
Ingrow Centre, 200 South St, Keighley	BD21 1BB	Fibre	Upgrade	10Mb	40/100Mb
The Oaks, Oakworth Road, Keighley	BD21 1QB	Fibre	Upgrade	10Mb	40/100Mb
Henry St, 25/27 Henry St, Keighley	BD21 3DR	Fibre	Upgrade	10Mb	40/100Mb
Meridian House, Alston Retail Park, Bradford Rd, Keighley	BD21 4AD	Fibre	Existing	100/100Mb	
Skipton General Hospital, Keighley Rd, Skipton	BD23 2RJ	Fibre	Upgrade	10Mb	40/100Mb
Hillside Bridge, 4 Butler St West, Bradford	BD3 0BS	Fibre	Existing	100/100Mb	
St Martins, 10/14 St Martins Ave, Bradford	BD7 1LN	Fibre	Upgrade	10Mb	40/100Mb
St Martins, 10/14 St Martins Ave, Bradford (2 offices)	BD7 1LN	Fibre	Upgrade	10Mb	40/100Mb
Horton Park, 99 Horton Park Avenue, Bradford	BD7 3EG	Fibre	Existing	100/100Mb	
Waddiloves, 44 Queens Rd, Mannigham, Bradford	BD8 7BT	Fibre	Upgrade	10Mb	40/100Mb
Manningham Clinic Lumb Lane, Bradford	BD8 7SY	Fibre	Upgrade	10Mb	40/100Mb
Westbourne Green, 26 Heaton Rd, Bradford	BD8 8RA	Fibre	Existing	100/100Mb	
Cemetery Rd, Four Lanes Business Park, Cemetery Rd, Bradford	BD8 9RZ	Fibre	Upgrade	10Mb	100/100Mb
Lynfield Mount Hospital, Heights Lane, Bradford	BD9 6DP	Fibre	Upgrade	1Gb	1Gb/1Gb
Bibby Distribution, Tuscany Way, Wakefield Europort, Normanton	WF6 2UA	Fibre	Existing	ADSL2+	
York House	WF2 7JE	Fibre	New		40/100
Silkwood Park	WF5 9TJ	Fibre	New		40/100
Cedars Business ctr	WF9 4PU	Fibre	New		40/100
Tuscany Way	WF6 2UA	Fibre	New		100/100
Ashgrove, England Lane, Knottingley	WF11 0JA	Fibre	New		40/100
Bradford Royal Infirmary, Duckworth Lane, BRADFORD, BD9 6RJ	BD9 6RJ	Fibre	New		40/100
Airedale Mental Health Unit, Skipton Road, Steeton, BD20 6PD Lynfield Mount Hospital, Heights Lane, Bradford BD9 6DP	BD20 6PD BD9 6DP	Point to point	Existing	1Gb	
Airedale Centre for Mental Health (ACMH), Skipton Rd, Steeton, Keighley	BD20 6TD	Fibre	Existing	100Mb	1Gb
Lynfield Mount Hospital, Heights Lane, Bradford	BD9 6DP	Fibre	Existing	100Mb	1Gb

Appendix 2: Virgin Proposal / Supporting Documentation	   Virgin Board Network BDCT_VMB_Presenta Bradford District Paper November 201tion_v1.0_100918.pCare Trust_IPVPN Proj
Appendix 3: Redcentric proposal / Supporting Documentation	   YHPSN - Bradford BN3 Service YHPSN-Chair's District Care FoundatOffering_NOT ISSUEIPresentation and Circ

Appendix 4: Framework Analysis

Key Feature/Benefits	YHPSN2	RM1045*
Guaranteed Order Acceptance for any UK location	✓	✗
SLA for Quotations	✓	✗
All costs provided before final commitment (Inc. ECC's)	✓	✗
Maximum Costs for Services Set at framework level	✓	✗
Ability to use any telco/provider to deliver services	✓	✗
Committed Delivery time for Framework Catalogue Items, Including alternative if implementation is delayed	✓	✗
Service Credits due reported by supplier	✓	✗
Multiple Contract Lengths and Payment Terms available per customer/call off	✓	✗
Ability to flex bandwidth at peak times (elections or winter pressures)	✓	✗
Defined charges for early cancellation of services including zero	✓	✗
Access to TRT for escalation of issues to supplier i.e. One Voice	✓	✗
Commitment to Innovation over Framework & Call Off lifetime	✓	✗
Architect and Project Management included in account team	✓	✗