

REPORT TO: CABINET

DATE: 20 JUNE 2019

TITLE: AWARD OF TELECOMS MANAGEMENT
CONTRACT AT HARLOW SCIENCE PARK

PORTFOLIO HOLDER: COUNCILLOR TONY DURCAN, PORTFOLIO
HOLDER FOR ECONOMIC GROWTH

LEAD OFFICER: ANDREW BRAMIDGE, PROJECT DIRECTOR –
ENTERPRISE ZONE AND INTERIM HEAD OF
PLANNING (01279) 446410

This is a Key Decision
It is on the Forward Plan as Decision Number I009897
Call-in Procedures may apply
This decision will affect Old Harlow Ward.

RECOMMENDED that:

- A** Cabinet approves the appointment of Bridge Fibre Limited to provide a telecoms management service to Harlow Council on the Harlow Science Park.
- B** The final terms and completion of the contract are delegated to the Head of Finance and Deputy to the Managing Director in consultation with the Portfolio Holders for Finance and for Economic Development.

REASON FOR DECISION

- A** The Council has installed telecoms infrastructure throughout the 27 acres of the Harlow Science Park that is within the Council's ownership. This infrastructure consists of a twin BT network as well as a six duct 'landlord's network' to enable the future provision of a wide range of fibre optic services. Given that the Council owns this network we have the ability to manage our own services and provide these to occupiers of the Science Park.
- B** To deliver such a service, the Council embarked on a procurement exercise to select a provider to supply, install and manage information and communications technology services to businesses on the Science Park on behalf of Harlow Council. It is intended that the service be operational from September 2019 upon completion of the first two buildings on the site. The contract will operate as a concessions service with a proportion of the income generated from the contract being provided to the Council. There will be no capital or revenue costs to the Council in the delivery of this service.

BACKGROUND

1. The contractor will be required to fund and provide:
 - a) Telephone and internet services to businesses on the Science Park.
 - b) Agreement of terms with fibre providers to the site.
 - c) Management of the relationship with BT in connection with the BT Openreach network on the site.
 - d) A central communications hub for the Science Park, to be located in the Nexus building, which will include back up power supply.
 - e) Cabling within buildings and installation of equipment such as routers.
 - f) A free wi-fi service across the Science Park.
 - g) Commitment to provide 99.99 per cent availability of internet services.
 - h) A sales and marketing strategy to secure subscribers to a Harlow Science Park service.
 - i) Provision of a 24 hour engineer response service.
 - j) A relationship with Kao Data to ensure the provision of data centre services to occupiers of the Science Park at advantageous rates.
 - k) An 'open book' accounting system to ensure financial transparency.
2. All costs associated with the delivery of the service are to be met by the contractor with the Council taking a share of the profits from the delivery of the service. However, it has never been expected that this will be a significant revenue generator for the Council. The key objective is to deliver a high quality service to the tenants of the Science Park that is controlled through the Council's management of the Park.
3. The tender documentation proposed a ten year operating period given the capital investment that will be required by the contractor and the fact that the Council will not be contributing to this.
4. The Council secured professional advice from our utilities contractors, Hilson Moran, on the design of the service specification prior to undertaking a competitive tendering exercise.

ISSUES/PROPOSALS

5. In February 2019 the Council commenced a procurement exercise to appoint a contractor to deliver this service with a closing date for receipt of tenders of 15

March 2019. Through this process, 15 expressions of interest were received from organisations who requested a full tender pack.

6. Ultimately however, only one full tender was received from Bridge Fibre Ltd. Following assessment of the tender it was found to be fully compliant with the Council's requirements.
7. Bridge Fibre are an established provider of telecoms services to Science and Business Parks across the UK. Based in Cambridge, they provide services to over 30 locations including Cambridge Science Park, Granta Park, Chesterford Research Park, Norwich Research Park and Bristol & Bath Science Park amongst others. As such they have a demonstrable track record of providing similar services to similar developments.
8. Bridge Fibre have accepted the Council's desire that the Council should not bear any capital or revenue costs associated with the delivery of this service. They have also proposed that the Council will receive a five per cent revenue share until such time as Bridge Fibre have recouped initial capital investment, following which the Council will receive a ten per cent share. This is consistent with the expectations that were set by the Council, following external advice, of an income share of between five per cent and ten per cent.
9. It is difficult to predict what this may translate to in terms of actual income as this will entirely depend upon the level of occupancy at the Harlow Science Park and the rate at which it is built out. It will also depend upon the success at which the contractor is able to sell services to occupiers, given that the occupiers will always have the option to contract for their own services via BT. However, it could mean an income of perhaps between £6,000 and £10,000 per annum for the Council.
10. An initial discussion has been held with Bridge Fibre to scope out the range of services to be offered. This will include the provision of one Gigabit broadband to each tenant on the Science Park, the development of a direct connection to Kao Data, a 'smart campus'/wireless roaming facility, support to the marketing of the Science Park by highlighting the high quality of IT infrastructure and also the exploration of potential provision of enhanced services to neighbouring residential areas.
11. It is therefore recommended that Bridge Fibre Ltd are appointed as the Council's preferred supplier of ICT services to the Harlow Science Park with the final contact details to be negotiated to enable a service commencement in September 2019.

IMPLICATIONS

Place (Includes Sustainability)

There are no specific planning implications for this contract award.

Author: Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning

Finance (Includes ICT)

As detailed within the report.

Author: Simon Freeman, Head of Finance and Deputy to the Managing Director

Housing

None specific.

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

As contained within the report.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

As set out in the report, contract provisions have been correctly followed.

Author: Simon Hill, Head of Governance

Appendices

None.

Background Papers

None.

Glossary of terms/abbreviations used

None.