

Division(s): All

CABINET – 21 MAY 2013

PROCUREMENT OF BETTER BROADBAND FOR OXFORDSHIRE

Report by Director for Environment and Economy

Introduction

1. In conjunction with the national programme Broadband Delivery UK, Oxfordshire County Council has been pursuing an investment in the digital infrastructure across the county.
2. Faster broadband is vital to Oxfordshire's economy and will transform the life, work and play of all businesses and residents. It will boost business efficiency, streamline access to the council's numerous customer services and enrich leisure and social time. Almost everybody will benefit from this major investment.
3. There are a number of strategic benefits this programme hopes to achieve such as:
 - Unlocking Oxfordshire's high-tech, high-value economy
 - Opening up the world to Oxfordshire's Small and Medium Enterprise (SME) community
 - Enabling our communities and transforming the opportunities of our young people
 - Opening up our public services for our citizens
4. The County Council's role in this programme is to provide a mechanism for investment in improving the infrastructure. This will be accomplished through coordinating national, local authority and community investment, leading on the procurement, as well as leading on partnership and engagement with communities and partners. The 'investment' will be with a private sector partner on an outcome basis (improved digital infrastructure for a number of premises). At the end of the process, the Council will not accrue an asset.

Exempt Information

5. This report contains information in the Annex that relates to a competitive procurement process and is commercially sensitive. The public should therefore be excluded during consideration of the Annex because their discussion in public would be likely to lead to the disclosure to members of the public present of information in the following categories prescribed by Part 1 of Schedule 12A to the Local Government Act 1972 (as amended): paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information). Since it is considered that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that

disclosure would distort the proper competitive dialogue process of the transaction and the Council's standing generally in relation to such transactions in future, to the detriment of the Council's ability properly to discharge its fiduciary and other duties as a public authority.

Commissioning and procurement

6. In order to secure a contract with a telecommunications company for the investment, the council has undertaken a competitive dialogue process. Launched October of 2012, negotiations have progressed to an advanced stage and the council is currently awaiting the detail of a proposed solution.

Timeline for Procurement

7. Dates for procurement milestones:
 - a. Pre-Qualification Questionnaire 2nd August 2012
 - b. Dialogue duration 12 November 2012 – ongoing
 - c. Invitation to Submit Final Tender May 2013
 - d. Contract award (expected) Summer 2013

Funding allocation

8. The total for the contract in public funding is £13.86m of which £9.8m comes from OCC and £4.06m contributed by the national programme. A further £0.2m of OCC capital funds are to be set aside as a contingency.

Timeframe for Delivery

9. The issue of broadband connectivity is a growing and urgent concern for those suffering from poor broadband speeds or coverage (estimated to be approximately 30% of premises across Oxfordshire). The business case for stage two capital approval is developed and unlikely to change in a substantial way. The ability to award the contract as soon as it is available enables the timely implementation of the infrastructure improvements.
10. In addition, there are deadlines associated with the grant funding which must be spent no later than December 2015. The proposed delivery schedule and financial payment structure necessitates that the contract and grant reimbursement begin as quickly as possible so as not to jeopardise full grant utilisation.

RECOMMENDATION

11. **The Cabinet is RECOMMENDED to**
 - (a) endorse the progress to date and the Stage 2 Business Case; and
 - (b) delegate to the Chief Finance Officer and Director for Environment & Economy in consultation with the Leader the authority to approve the detailed project appraisal.

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Director of Environment and Economy

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