

Broadband Procurement To Improve Efficiency and Effectiveness of Public Service Delivery

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Strategic Background

- The Government believes that rapid rollout and adoption of broadband across the UK is important to both its social and economic objectives
- Government target: “for the UK to have the most extensive and competitive broadband market in the G7 by 2005”



Procurement Background

- PM Blair commissioned OGC to consider whether more can be done to enable more effective broadband procurement
- Broadband Procurement Feasibility Study



Study Findings

- Substantial demand for current-generation broadband
- Investment in current-generation broadband will not be wasted; a strong case for an incremental approach
- Clear risk that developments in current-generation broadband technology may delay or negate the need for fibre
- A business case could not be made for a general policy of fibre rollout in advance of demand
- No systematic process for developing the capability of procurers and sharing best practice



Study Findings (continued)

- In some regional areas, aggregation appears to have proven successful
- In other cases Local Authorities are working with others to aggregate their procurement
- Joint procurement/aggregation does, however, present significant management challenges
- Bidding costs were considered high by suppliers, as terms and conditions vary widely and regional bodies rarely use framework contracts to procure broadband services



Recommendations

- The letting of central Framework Arrangements by OGC enabling public sector organisations to buy commodity broadband services more efficiently whilst ensuring value for money
- OGC & NHSIA should work together in procuring the successors to the Govt Secure Intranet & NHSNet, & should jointly contract for services where appropriate
- Establishment of a central broadband procurement team in OGC to provide advice & guidance to public sector organisations (and suppliers where appropriate)



Government Announcements – June 2002

- The OGC recommendations would be implemented
- The formation of the UK Broadband Task Force, which includes an OGC team to provide procurement assistance and a DTI team of regional broadband advisors



Framework Arrangements

- Being let by OGC for award of contracts in Spring 2003
- Will maximise broadband savings for the public sector as a whole
- Will accommodate suppliers who cannot offer nation-wide availability, but who offer good value in particular areas



Framework Arrangement Objectives

- Broadband connectivity via DSL, cable modem, FWA, satellite and similar or successor services together with ancillary offerings such as remote access, centrally hosted applications & security functionality. Also higher-speed services as typically provided by fibre connections
- It is intended that public sector users throughout the UK should be able to gain access to some form of high speed connectivity



Framework Arrangement Objectives (continued)

- Any UK public sector contracting organisation or any service provider acting on its behalf will be able to utilise the Frameworks
- The Frameworks will provide customers with a 'one-stop-shop' for the procurement of commodity broadband services & relieve them of the costs of managing their contract(s)
- Use of the Framework Arrangements not compulsory



UK Broadband Task Force

An OGC team, as part of the Task Force will:

- provide advice & guidance on procurement best practice & specific issues for purchasing authorities & suppliers
- provide a service desk and specialist ad-hoc enquiry point
- provide a 'news' facility highlighting initiatives, developments & procurement notices
- offer hands-on procurement support to purchasing authorities
- promote the use of the Framework Arrangements
- work with the DTI broadband team and major stakeholders so there is a coordinated central operation
- track & contribute to international broadband initiatives



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UK Broadband Task Force (continued)

Also includes a DTI team of regional broadband experts; each located in a particular region. They will:

- identify and promulgate best practice
- extend broadband availability, particularly in rural areas
- produce clear guidelines on what is permitted and what can be done in aggregating public sector demand
- produce a business case and business model for aggregation
- identify and overcome aggregation barriers
- launch a new aggregation scheme in every region
- ensure public sector aggregation schemes take account of achievable economic development benefits



Pilot Projects & Innovative Schemes

Examples include:

- Broadbanding Buckfastleigh – introducing Buckfastleigh in Devon to the benefits of broadband by linking up the school, health centre, town hall and library to broadband and establishing a community access centre
- East of England – establishing a brokerage system for bringing together potential customers and persuading telecoms providers to supply the market
- Results of pilots will be fed into the work to be carried out by the new Task Force



DTI Report - Broadband in Local Government

November 2002

Completion of planned investment in broadband services:

- by end 2002-03 (26%)
- within next 3 years (70%)

LAs are working closely together but not engaged with central Government to a large extent

LAs are looking to work with other parts of the local community

LAs currently seek advice on broadband primarily from private sector providers



Government Announcements – November 2002

Will invest over £1 billion towards providing key public services with broadband connectivity in 2003-2006. This includes:

- providing broadband internet access to every primary and secondary school
- connections made available for every GP surgery, hospital, primary care trust and health authority in the country
- higher bandwidth will be provided across the entire Criminal Justice System



UK's Approach to Broadband Procurement - Summary

- No general policy of fibre rollout in advance of demand
- Significant investment in broadband for major public services where demand has been identified
- Funding for selected pilot projects & innovative schemes
- Smart procurement practice



Useful References

- 2002 UK online Annual Report

www.e-envoy.gov.uk

- UK Broadband Task Force

www.broadband.gov.uk



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