

**MINUTES OF THE C2K PROJECT BOARD MEETING HELD AT C2K HEADQUARTERS
THURSDAY 2nd DECEMBER 2010**

Present:

Mr B Mulholland	WELB (Chair)
Mr P Mackey	WELB
Mr P Monaghan	St Oliver Plunkett Primary School
Mr J Wilkinson	Dromore High School
Mrs A Conaty	DE
Mr B FitzSimons	DE
Mr R Hanna	CCEA
Mr F Devenny	CCMS
Mr E McArdle	GTCNI

In Attendance:

Mr J Stewart	C2k Director
Mr J Ringland	C2k Contracts & Finance Manager, C2k
Ms M Kane	C2k Implementation Manager, C2k
Mr P Flanagan	PwC
Mrs G Hall	(Secretary)

Apologies:

Mr J Mullen	ETI
Mr G Byrne	ESA

845 MINUTES OF MEETING HELD ON 23RD SEPTEMBER 2010

The minutes of the last meeting were reviewed and agreed as accurate.

846 MATTERS ARISING

Minute 836

Strategic Outline Case (SOC) for Lot 6 replacement

The Director noted that, following some comments from members and DE, the SOC has been revised, largely in format for DFP purposes, and is now awaiting external approvals. It has already been endorsed by ESAIT. The Director noted that the current version is available for members' information in their secure area of the Intranet.

Minute 837

Replacement of Senior Managers

The Director advised that the two senior management posts are currently in the process of being filled and a Board-wide trawl has taken place.

The chair highlighted the necessity to fill these posts at present but pointed out that restructuring of C2k, as with the ELBs, may need to be looked at in the future.

Minute 840

DE/WELB Strategic Stocktake of C2k

The chair referred to the request from DE/WELB for a strategic Stocktake of C2k and noted that the full version of the Internal Audit review of C2k Governance arrangements is now on the secure website. The Director noted that he had written to members seeking support for attendance at meetings.

Minute 841

Storage of school data in the event of closure

The Director raised with Joint Legal Service the question regarding the ownership of data in the event of a school closing or merging. He has not, as yet, received formal feedback but will forward it to Chris Stewart when received. He advised that C2k has, in the interim, put in place secure storage arrangements for data from schools that close or merge.

Minute 842

Grey filtering

The Director explained that the "Grey Filtering" arrangement was a proposal to expand the option to schools, particularly Post primary schools, to take responsibility for allowing some sites which are currently filtered out, to be made available to staff, e.g. social networking sites, YouTube, etc. It was proposed that a small select list of additional sites would be made available to staff provided the school took on board the responsibility in terms of extending their acceptable use policy to staff. This proposal was passed on to DE to ensure they were content with this extension of the service. Mr FitzSimons advised that DE is awaiting the Minister's view on releasing the grey filtering option to schools.

847 PROCUREMENT UPDATES

▪ InCAS

Mr Ringland reminded members that at the last meeting of the Project Board, the position was that an interim three month extension had been put in place to give CCEA the opportunity to satisfy itself that there were no significant issues with the software release, to conduct trialling and to obtain assurances from CEM regarding the rigour of QA and testing procedures. Although this process had had a satisfactory outcome, CEM had indicated that it did not consider that there was sufficient time and resource on their part to conclude the contractual discussions to establish a Services Agreement. With agreement from DE and CCEA, C2k had put in place a further three month extension to allow for contractual and commercial discussions, already well advanced, to be concluded. In discussion with DE and CCEA, C2k had inserted conditions in the further interim extension such that payment would be made at the end of the term and that in the event of early termination due to a significant error, payment would be on a pro rata basis up to the termination date.

Mr Ringland reported on the status of ongoing discussions between C2k, CCEA and CEM with a view to putting a services agreement in place from January 2011 until January 2012. He reminded members that CEM had indicated costs in excess of £700,000 but that there had since been some progress during discussions with CEM on areas such as data security and audit and the emerging position was that a services agreement addressing DE recommendations and CCEA requirements may now be closer to £400,000. Mr Ringland noted that he had given an initial indication to DE that this may now be the position and that DE approval, in principle, to proceed on this basis would be sought. He had shared a draft position paper with CCEA and if CCEA are content, it will be forwarded as a joint C2k/CCEA paper to DE with a view to obtaining the go ahead to proceed to conclude the contract based on the position set out in the paper.

Mr Hanna concurred with this summary and reported that CCEA may only have a small number of minor comments to allow for some developments which he hoped would not add significantly to the cost. He noted that CCEA will shortly be responding to Mr Ringland's paper.

- **EN(ni)**

The Director asked members to sign their confidentiality statement relating to the procurement and pass them to the secretary.

Project Assurance Team (PAT)

Mr Ringland reminded members that the Project Assurance Team (PAT) had been established by the Project Board under the chairmanship of Mr Mackey and had met on Tuesday, in advance of the Project Board meeting to review the status of and process around the evaluation of proposals in view of its assurance role on behalf of the Project Board.

Mr Mackey stated that it was a very useful meeting which looked at the procurement process overall and stages to date, including a detailed presentation on the evaluation of the Outline Solutions received from bidders, as well as the associated risk register. He advised that the PAT also looked at the sequencing of meetings in terms of key stages of the ongoing process.

The chair noted that the Project Assurance Team update would remain a regular agenda item where a meeting had taken place in advance of the Project Board meeting.

Presentation on the Outline Proposal Evaluation

Mr Ringland began by reminding members of the EN(ni) procurement stages:

- Contract notice publication (OJEU);
- Pre-qualification Stage – where successful applicants had been identified to be taken through to the Dialogue Stage;
- Dialogue Stage (currently underway) – Mr Ringland noted that this is the most protracted stage, the first phase of which is to evaluate Outline Solutions and a short-list up to three bidders to be invited into the detailed stage. The evaluation and recommendation regarding the short-listing was the main purpose of the presentation to the Project Board meeting. Final Tender Stage – following formal closure of the Dialogue Stage;
- Contract Award – following selection of preferred bidder and receipt of requisite external approvals.

Mr Ringland explained that the overall purpose of the Dialogue Stage was to assess bidders' solution proposals to meet the Authority's stated requirements, to assess indicative costs and to discuss contract terms and conditions in advance of invitation to submit final tenders. He went on to explain the evaluation processes of Phase 1 and Phase 2 of the Dialogue Stage in more detail and informed members of the membership of the core solution evaluation team, namely:

- Mary Kane (C2k)
- Tim Matchett (C2k)
- Averil Morrow (SELB CASS)
- Peter Flanagan (PwC)

Mr Ringland reminded members of the overall evaluation methodology in terms of the main evaluation criteria which included the technical, implementation/transition and service support aspects and the detailed sub-criteria which sat under these main criteria and by which proposals within the bidders' outline solutions would be evaluated. The financial and legal aspects would be pursued during the detailed dialogue stage but not evaluated/scored until the Final Tender Stage.

Mr Ringland handed over to Mr Flanagan to expand on the evaluation criteria and weightings used, the outcome of the evaluation process and the moderated scores agreed by the evaluation panel. Mr Flanagan also presented an overview of the key features of each of the outline solutions. Mr Ringland explained that the final scores were reached by a moderation process by which evaluation panel members agreed consensus evaluation positions and scores, as opposed to individual scores being averaged.

Some discussion followed on the particulars of the bidders' proposals.

The chair asked for clarity regarding 'bandwidth as required' as stated in the Overview of Outline Solutions. Mr Flanagan explained that this was the bandwidth as required to meet core requirements. Mr Ringland noted that the successful bidder would be required to provide a strategy for broadband provision over the term of the contract as opposed to contracting for a fixed level.

The chair asked if Cloud technology was built into the future of the contract. Mr Ringland noted that outline solutions had identified an intention on the part of bidders to explore the potential for use of cloud-type services and advised that a flexible hybrid approach may need to be considered to balance cost advantage with constraints around sensitivity of data. The chair noted that it was reassuring for the Project Board that future thinking around technology solutions would be built into the contract.

Mr Hanna raised the point that the scores seemed quite low overall. Ms Kane stated that as the submissions were Outline Solutions only at this stage, and bearing in mind that a page restriction had been imposed, there tended to be insufficient detail to award the higher scores from the scoring matrix. However, the evaluation panel was confident that the proposals showed clear evidence of innovative approaches to meeting the requirements in areas such as centralised architecture and services, cloud technology and software as a service. She stated that the next stage was to invite detailed proposals where the evaluation panel would expect to see proposals fleshed out and more definitive in all areas. She assured members that the remaining bidders had provided proposals showing sufficient evidence of capability to meet the Authority's demanding requirements. Mr Mackey noted that a balance would have to be achieved between leading edge technology/innovation and the avoidance of undue risk around areas such as reliance on a major development aspect. He also referred to the need for flexibility to be built into the contract to enable leverage of new technologies as they emerge. Mr Ringland confirmed that these considerations were central to the approach being taken in the procurement and the chair welcomed this.

Mr Flanagan then presented the evaluation team's shortlisting recommendation to the Project Board, based on their agreed scoring. The recommendation was that Dell, having received the lowest score and being significantly behind the third placed bidder, should not be included in the shortlist and that the three shortlisted bidders, namely Fujitsu, HP and Northgate, should be invited into the detailed dialogue stage.

Members unanimously approved the shortlisting recommendation.

In terms of the programme moving forward, Mr Hanna asked if the contract would be structured so that contracts would not expire at various stages and would include clear break points. Mr Ringland stated that within EN(ni), at least three existing contracts will be consolidated into one, therefore, rolling contracts with different renewal dates will be avoided. He reminded members that the SoC for the replacement of Lot 6 also raised the possibility of the ongoing primary LAN requirements being assimilated into EN(ni) and this would be explored in detail in the OBC.

Mr Hanna questioned if funding would be available long term for the contract. Mr Ringland stated that this would ultimately be a matter for DE and reminded members that DE and DFP had approved the OBC. The intention is that the affordability assessment in the Appointment Business Case will identify the cost for the core service as derived from the preferred bidder's pricing and will also set out a number of costed optional services and it will be a matter for DE and DFP to confirm the funding to be available. The Director stated that there was ongoing engagement with DE through Mrs Conaty to identify as soon as possible any funding issues or constraints which may impact on the affordability of the service.

With regard to the OGC model of ICT contract drafting, Mrs Conaty queried if the legal dialogue process was subject to negotiations. Mr Ringland stated that the OGC standard drafting was a starting position but would be revised to reflect the particular requirements of the service and that this process was already underway. He assured Mrs Conaty that all key terms and conditions would be agreed in advance of receipt of final tenders and would not be subject to post tender negotiation.

Mr Ringland then outlined the next steps. He advised that Invitation To Continue Dialogue letters will be issued to the three successful bidders tomorrow as well as an 'unsuccessful' letter to the deselected bidder. Invitations to Submit Detailed Solutions will be issued on 14th December and initial dialogue meetings will take place between 10th and 21st January. The date for submission of detailed solutions will be 4th February with evaluation of those proposals during the remainder of February. Invitations to submit final tenders are scheduled for early April, with a view to identifying the selected bidder in early July. This would allow from July to the end of November to obtain the requisite external approval of Appointment Business Case and Full Business Case.

Mr FitzSimons asked if the Appointment Business Case (ABC) and the Full Business Case (FBC) were one and the same process. The Director stated that DFP now required both and C2k were assuming that this was the case for EN(ni), although would welcome DE's confirmation of this. The Director stated that the key issue is the point at which notification of the preferred bidder can be made and the approvals process now requires that this does not take place until the ABC has been approved. He noted that although it is now a two stage approval process, the second stage, the FBC, should be a relatively straightforward piece of work as the procurement process, VFM and affordability assessments are addressed in the ABC.

The chair asked if the Final Business Case would require approval at Project Board in July. He felt that June may be a better time for Project Board member availability. Mr Ringland stated that the target was that the recommendation on the preferred bidder would be brought to the Project Board in early July.

The chair asked if a feedback session would be provided to unsuccessful bidders deselected from the process. Mr Ringland stated that a full written debrief will be issued to unsuccessful bidders, identifying the strengths and weaknesses contributing to the scoring.

The chair stressed that the information presented, including the scoring, was strictly confidential.

Mr Flanagan left the meeting at this point.

Mr Ringland circulated the Risk Register for the EN(ni) procurement which had been reviewed in detail at the PAT meeting and proposed that it would be an agenda item for

subsequent Project Board meetings.

- **Lot 3 extension**

The Director advised that a Business Case to extend contract arrangements with Northgate, which was submitted to DE, has been approved and passed on to DFP. Some clarification queries have been received from DFP which the Director hoped to respond to shortly. This should allow for approval from DFP to proceed with the extension with Northgate. The Director explained that Northgate is continuing to provide an interim service to schools on a best endeavours basis at present with no committed costs attached. Therefore, he hoped to obtain early DFP approval to allow for a formal contract extension to be put in place with Northgate as soon as possible.

- **Lot 6 replacement**

The Director stated that the SOC for the replacement of the Lot 6 service had been updated to address comments from DE preparatory to submission to DFP, and is available in the members' secure area of the C2k Intranet. It is with DE for final review and is close to being submitted to DFP. Mrs Conaty confirmed that was her understanding.

Mr Ringland explained that the Lot 6 initial 5 year term of the contract expires in November 2011 and, although there is a 2 year extension option, the SOC seeks authority to proceed to detailed evaluation of alternative options in the OBC.

848 HIGHLIGHT REPORT

A copy of the C2k Highlight Report had been circulated for members' information. The Director provided a further update to members on the following:

MIS

The Director reported that the Census Returns were completed in a record time this year. This was as a result of the fact that eSchools was in operation over the last year and schools have been more actively maintaining their MIS systems on the back of the weekly returns they get from eSchools.

849 USER SATISFACTION SURVEY

The User Satisfaction Surveys were circulated to members and are available on the secure area of the Intranet for members. The Director reminded members that the survey, on request of the Project Board, had been confined to the contractual benchmark aspects as part of the payment and service credit regimes in the Lot 6, Lot 3 and Lot 5 contracts and that all other questions had been removed from the survey. The survey responses enable C2k to calculate the actual satisfaction index for the service provision as against the established benchmark. He pointed out that the route for a survey of the broader services and needs of users has been established through C2k Exchange to deliver information from users for the EN(ni) SOR and also through Stakeholder Groups.

The Director reported that the findings were as expected and broadly positive in terms of the levels of quality of service and satisfaction with the service providers. He noted that issues that schools were raising were around Bandwidth not being sufficient, more flexibility being required by schools to connect additional devices or to add more software and the perceived high costs of the Catalogue service. The Director stated that these issues will be addressed through the EN(ni) solution.

Mr Ringland confirmed that the expected satisfaction index had been exceeded in the case of all three contracts and that no service credits were due. He undertook to provide the underlying calculations should members request this.

Mr McArdle pointed to the catalogue prices for managed devices, compared to purchasing through other routes available to schools. Ms Kane was of the view that schools appreciated the level of maintenance and responsiveness secured from the managed service pricing. Mr Devenny agreed with this and stated that schools should be made more aware of this in comparing with other purchases.

Mr Hanna noted that flexibility was a key issue for schools with regard to their hardware.

Mr Wilkinson questioned if the survey was to address strategic issues and commented that there were certain issues arising out of the reports which directly impact on how schools use the service. He was of the view that there are lessons to be learnt and issues that need to be addressed and he questioned how schools' concerns can be embraced. Ms Kane noted that within the constraints of the survey, C2k tried to assess strategic and school issues in terms of how the service could be improved. She gave examples of improving the service through refresh of access devices last year and improved access to the internet through bandwidth optimisation, both of which had been identified in previous surveys.

Mr Monaghan was of the view that circulation of the survey should be broadened to include teachers.

The chair concluded that the survey was very useful.

850 FINANCE REPORT

Quarterly update

Mr Ringland noted that the Projected Expenditure Report had been circulated to members. He noted that normally this was based on the position presented to the last WELB Finance Committee but bearing in mind that the last report to the Finance Committee reported the position up to the end of August, he took the view to present a more up to date assessment and had therefore included an additional column showing the latest position as well as what had been presented to WELB.

Mr Ringland reported that taking into account the cost around the Lot 3 extension, he still expects to be within budget.

There were no questions or comments from members.

Change Control Report

Mr Ringland tabled the updated Change Control Report for consideration and comment. Mr Ringland drew members' attention to Lot 3 Career Software which was over £50,000, explaining that this was an annual subscription relating to a licensing agreement entered into some time ago on recommendation from the ELB Careers Advisers. He advised that as a renewal of an existing arrangement for another year, this should not require separate approval. Members were content to proceed on this basis.

851 AOB

Assembly invitation

Mrs Conaty reported that she had received a proposal from the Assembly to provide to C2k access to live streaming of Assembly debates for use by schools, through the Video on Demand service. Mrs Conaty undertook to provide C2k contact details to the Assembly Education Office and the Director confirmed that C2k would be happy to deploy the service.

Biometrics

The chair highlighted an issue about the use of Biometrics (finger prints and iris scanning) in schools. He noted that a number of Post primary schools in the WELB area use Biometrics for Library access, schools meals, attendance, etc, but this is managed by the school directly with the provider, usually on a separate system, as Biometrics is not part of the core C2k provision. He stated that there is a set of guidelines provided by the software suppliers directly to the school to which they should adhere.

852 DATE OF NEXT MEETING

The next meeting will take place on Thursday 27th January 2011 at 2.00pm in Ashfield.

The meeting concluded at 4.45pm.