

LONDON BOROUGH OF TOWER HAMLETS
MAYORAL DECISION PROFORMA

Mayoral Decision Log No: 007

Title: Contract recommendation for Virtual Desktop Infrastructure Servers

Is this a Key Decision: Yes

UNRESTRICTED

EXECUTIVE SUMMARY

This report has been produced in response to the Cabinet Meeting 11 May 2011 request to submit comprehensive reports (including an options appraisal) relating to contracting strategy/ contract award in respect of all contracts listed in the Appendix to the report, for the consideration of the Mayor/ Cabinet Member for Resources and also their subsequent consultation and agreement to the proposed contract award.

Full details of the decision sought, including reasons for the recommendations; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Assistant Chief Executive (Legal Services); implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.


DECISION

The Mayor is recommended to authorise that, subject to satisfactory references, the contract for delivery of Virtual Desktop Infrastructure Servers is awarded to ANS based on a 5 year contract at an annual cost of £149k.

APPROVALS

1. Corporate Director

I approve the attached report and recommendations above for submission to the Mayor.

Signed  Date 30/6/11
pp. Chris Wray

2. Chief Finance Officer

I have been consulted on the above recommendations and my comments are included in the attached report.

Signed  Date 30/6/11
pp. Chris Wray

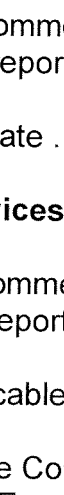
3. Assistant Chief Executive (Legal Services)

I have been consulted on the above recommendations and my comments are included in the attached report.

(For Key Decision only – delete as applicable)

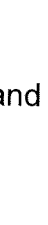
I confirm that this decision:-

- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  Date 1.7.11


4. Chief Executive

The recommendations above are consistent with the Council's agreed Budget and Policy Framework and will contribute to the achievement of the authority's Strategic Plan.

Signed  Date 5/7/2011

5. Mayor

I agree the recommendations above for the reasons set out in the attached report.

Signed  Date 13/7/11

Committee/Meeting: Mayoral approval	Date: 29.06.2011	Classification: Exempt	Report No:
Report of: Corporate Director for Resources Originating officer(s) Paul Ingram ICT Solutions Team Leader		Title: Contract recommendation for Virtual Desktop Infrastructure Servers for the Smarter Working Programme Wards Affected: N/A	

Lead Member	Cllr Alibor Choudhury for Resources
Community Plan Theme	N/A
Strategic Priority	Better Public Services

1. **SUMMARY**

This report has been produced in response to the Cabinet Meeting 16th May 2011 request to submit "comprehensive reports (including an options appraisal) relating to contracting strategy/ contract award in respect of all contracts listed in Appendix 1 to the report, for the consideration of the Mayor/ Cabinet Member for Resources and also their subsequent consultation and agreement to the proposed contract award."

2. **DECISIONS REQUIRED**

The mayor is recommended to authorise that, subject to satisfactory references, the contract for delivery of VDI server infrastructure is awarded to ANS based on a 5 year contract at an annual cost of £149k.

3. **REASONS FOR THE DECISION**

To achieve the objectives of the Smarter Working Programme, it is necessary to deliver an ICT solution that enables flexible working for Council officers and through the associated efficiencies, facilitates cost savings through property reductions. To achieve this, the Council is implementing a virtual desktop strategy that enables the required levels of flexible working.

This procurement provides the server capacity to deliver the required virtual desktops, without it, the core virtual desktop strategy will not work.

This procurement also provides server capacity to enable most of the Council's Windows servers to be virtualised again facilitating the Smarter working aim of reduction in property costs through leaving Anchorage House in 2012. Without this server capacity, additional physical servers will be required and the overall space required by ICT will be larger and create additional ongoing costs.

4. **ALTERNATIVE OPTIONS**

A number of alternative options were considered. The do nothing option is not viable as this will lead to the Council not being able to work in a sufficiently flexible manner to enable the required reductions in property costs. The different sourcing options and considerations are shown below:

External Server farm solution

External (Cloud based) servers were considered but there are major technical constraints that mean that the server solution needs to be co-located with the data storage farm. This is beyond the scope of the virtual desktop implementation.

Direct purchase (Recommended option)

This option is cost effective, ensures that the Council has adequate server capacity to meet its needs and can be delivered in time to support the technology implementation of Smarter Working and the subsequent departure from Anchorage House.

Procure as part of the future ICT partnering initiative

Time pressure to leave Anchorage House by the end of 2012 does not allow us to wait for this to take place.

The team did consider collaborative working with other Council's however given the work underway around the Future Sourcing of ICT it was decided that it would be better to implement a discrete solution that would easily transfer over to any new ICT Management arrangement. Further, the nature of the equipment is that it needs to be co located with the Council's data storage making a shared solution a complex undertaking.

5. BACKGROUND

The Council's current windows desktop is provided using Windows XP and office 2003 as the base products with other line of business applications accessed through a variety of client applications.

The Council needs to be able to provide access to its desktop in a far more flexible manner, enabling workers to work securely and cost effectively from any location. This is a key enabler for the Smarter Working programme and if it is not delivered, it will not be possible to take advantage of the Anchorage House lease breakpoint in 2013.

To achieve this, the Council will implement a virtual desktop infrastructure and server virtualisation strategy that enables the required secure flexible access.

A virtual desktop uses a terminal to access a windows desktop running on a server in the corporate data centre. The terminal can be a dedicated unit or it can be an existing PC (or other device) using a browser to connect to the virtual PC in the data centre.

The flexible secure access described above is a key driver, however there are other related drivers which support the business case for the proposed action:

- The existing solution has reached the end of its lifespan and needs to be refreshed, this is principally driven by the fact that windows XP is scheduled to cease support in 2013/14. Beyond that point, it will not be practical to maintain the Council's security accreditations.
- The Council's existing desktop PCs will require major upgrades to be able to upgrade their local copies of windows if VDI is not implemented.

6. PROCUREMENT APPROACH

ICT have progressed the procurement of server infrastructure equipment through the Council's procurement process. The procurement approach is set out below

Contract Strategy

As a result of time pressure to achieve the Smarter Working programme by the end of 2012, it was established that time was not available for a bespoke OJEU contracting approach.

The project team recommended instead that an OGC framework approach using a pre tendered framework would deliver a good outcome meeting the required project timescales, ensuring that a competitive and value for money deal is secured via competition and; maintaining compliance with the relevant UK and EU procurement laws.

The proposed procurement approach was accepted by the Tollgate Panel and subsequently by Competition Board.

Local Suppliers

The market for enterprise server equipment is highly competitive and has a number of major suppliers all selling via large partner organizations within regions. The partner organizations provide the local regional sales and technical resources to implement these complex infrastructures. None of the vendors likely to be able to provide a valid solution have a partner in the Borough.

Procurement Process

ICT have worked with Corporate Procurement and the Smarter Working team to tender for the Virtual Desktop Infrastructure Servers. The tender approach was agreed via the Tollgate 1 / Competition Board Process in February 2011. A Tender was put out to market using the OGC 721 Lot 2 framework in May 2011.

The OGC 721 Lot 2 framework has 13 potential bidders. The LBTH tender for Virtual Desktop Infrastructure Servers was open to all 13 potential bidders.

Bids were received from 6 of the 13 potential bidders at the close of competition. Clarification questions were sent to all bidders and the competition was closed at 1200 on 11th May 2011.

The bids were evaluated and a preferred solution established. This evaluation was then reviewed under the Tollgate 2 process and approved by the Tollgate Panel, Competition Planning Forum and Strategic Competition Board with agreement to award the contract subject to Mayoral approval.

Tender evaluation matrix

The tender evaluation matrix is attached as Appendix 1.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

The equipment to be procured within this contract is more space and energy efficient than equivalent conventional servers. Overall energy savings will be achieved through a phased implementation of thin terminal devices to replace the Council's existing PCs.

11. RISK MANAGEMENT IMPLICATIONS

This procurement is a key requirement to achieve the Council's Smarter Working objectives and associated savings. Without these servers, it will not be feasible to deliver the programme, this would lead to a loss of the programme savings.