

Delegated Decision Report

Decision below £250k



Subject:	On-Premise Server and Storage Hardware for Spindles
Decision maker: Senior Officer	Shelley Kipling, Acting Chief Executive
Decision maker: Cabinet Member	Cllr Abdul Jabbar
Decision date:	19.12.2024
Report author:	Andrea Spencer
Ward (s):	No impact on council wards. Internal impact on ICT and internal services: consultation not required

Reason for decision

Approval is required to purchase and install a Dell server and storage hardware to maintain the Council's business ICT systems that cannot migrate to Microsoft Azure. The hardware will be installed and operated from Primary Communications Room 1 in the Spindles offices.

Several of the Council's current systems are unsuitable for migration to the Microsoft Azure cloud, primarily due to the age of the applications or a lack of support from third-party suppliers. Given these limitations, continuing to provide an on-premise solution for these systems has been deemed more cost-effective until replacement becomes viable and affordable.

Additionally, the proposed Dell hardware solution is scalable. Should the Council's ongoing annual cloud optimisation reviews identify that moving certain systems back on-premise offers a cost or performance advantage, this scalable hardware solution will accommodate such systems efficiently. This ensures that the Council can remain flexible in future decisions, balancing cloud and on-premise resources based on evolving needs.

The proposed hardware is a streamlined version of the outdated and soon-to-be-unsupported equipment currently used in the data centre. Migrating these systems to the new hardware in the Spindles Comms Room will avoid delays in exiting the Civic Centre while ensuring continuous service for systems that cannot be migrated.

Once the proposed hardware has been installed, ICT services hosted on the Civic Centre hardware will be migrated to the Spindles PCR 1 using internal ICT resources at a cost of £20,000.00.

Recommendation(s): Procure and install new Dell hardware for the Council's on-premise business ICT systems and migration of Civic Centre Services.

Total budget required is **£89, 494.83.**

- Hardware costs: £69,494.83
- ICT Resource Costs: £20,000.00

Background

The Council is migrating its ICT systems to the Microsoft Azure cloud as part of its exit from the Civic Centre's data centre. However, some of the Council's legacy systems are unsuitable for cloud migration due to technical limitations, the age of the applications, or unsupported software from third-party vendors. These systems are still critical to the Council's operations and replacing them with modern cloud-compatible solutions is neither financially nor logistically feasible.

Given this, the most cost-effective solution is to procure scalable Dell hardware to host these systems on-site. This scalable approach allows the Council to maintain flexibility, as the proposed hardware solution can accommodate any future cloud optimisation reviews that demonstrate benefits in moving systems back on-premise—whether for cost efficiency or performance improvements.

The new Dell hardware will be installed in the Spindles offices to facilitate the planned shutdown of the Civic Centre's data centre without disrupting the functionality of these legacy systems. It also offers a more modern, energy-efficient, and reliable infrastructure than the end-of-life/support hardware currently in place.

Rationale for Investment

The investment is necessary for the following reasons:

1. **Business Continuity:** Many of the Council's critical business systems cannot currently migrate to the cloud. By upgrading to new, scalable hardware, we ensure these systems continue running without disruption. Additionally, the scalable nature of the proposed solution allows for flexibility should future evaluations suggest that other systems would benefit from being moved back on-premise.
2. **Future-Proofing:** The scalable Dell hardware solution enables the Council to adjust its infrastructure in response to cloud optimisation reviews. If moving certain systems back to on-premise proves more cost-effective or performance-enhancing

in the future, the new hardware will provide the capacity and capability to handle these systems.

Alternative option(s) to be considered.

1. Do nothing

By not replacing the ageing hardware, the Council would face significant risks of system failures as the current infrastructure reaches the end of its life. This could lead to service outages, increased maintenance costs, and a delayed exit from the Civic Centre. Inaction would also limit the Council's ability to meet its strategic goals for modernising its ICT systems and could ultimately result in higher long-term costs.

Consultation

Consultation was not required for this decision. No relevant Cabinet Members have declared any conflicts of interest.

Risks

Several risks have been identified should the recommended option not be approved:

- 1. Service Disruption:** If the ageing hardware in the current data centre is not replaced, there is a high likelihood of system failure, which could lead to significant service interruptions. These systems are vital to the Council's operations, and downtime would harm service delivery to residents.
- 2. Increased Costs:** Without the necessary investment in new hardware, the Council would be required to spend more on maintaining the outdated equipment, which is no longer cost-effective. Additionally, extending the life of this legacy infrastructure would delay the Council's exit from the Civic Centre, incurring further costs.
- 3. Operational Delays:** Failing to procure and install the new hardware would delay the migration of services to the Spindles offices and prevent the timely decommissioning of the Civic Centre's data centre. This would impact the Council's broader strategy for consolidating and optimising its ICT infrastructure.

By procuring and installing new Dell hardware, the Council can mitigate these risks and ensure that its critical business systems continue to operate without interruption while aligning with its long-term ICT strategy.

Implications

Financial	<p><u>Capital Implications</u></p> <p>The proposed scheme represents capital expenditure and will be a charge against the Information Technology (IT) capital programme.</p> <p>The estimate cost of extending the scheme will be £89,495.</p> <p>Provision exists within the capital programme against which this scheme will be a charge.</p> <p>The expenditure will be phased as follows</p> <table border="1" data-bbox="592 934 1404 1186"> <thead> <tr> <th></th> <th>2024/ 2025 £'000</th> <th>2025/ 2026 £'000</th> <th>Total £'000</th> </tr> </thead> <tbody> <tr> <td>Hardware</td> <td>69.5</td> <td>-</td> <td>69.5</td> </tr> <tr> <td>ICT Resource</td> <td>14.0</td> <td>6.0</td> <td>20.0</td> </tr> <tr> <td>TOTAL</td> <td>83.5</td> <td>6.0</td> <td>89.5</td> </tr> </tbody> </table> <p>In the event of utilisation of borrowing, the additional annual borrowing charges based on the minimum provision in respect of debt redemption will be approximately £20,700. (Jit Kara - Senior Accountant)</p> <p><u>Revenue Implications</u></p> <p>There are no revenue implications. (Matthew Kearns - Finance Manager)</p>		2024/ 2025 £'000	2025/ 2026 £'000	Total £'000	Hardware	69.5	-	69.5	ICT Resource	14.0	6.0	20.0	TOTAL	83.5	6.0	89.5
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Legal	<p>Rule 4 of the Council's Contract Procedure Rules governs commissioning activity based on contract value. Rule 4 permits orders to be placed under a procurement compliant framework agreement that is already in existence.</p> <p>The CPU identified the NHS SBS Digital Workplace Solutions Framework (ref SBS / 19 / AB / WAB / 9411) as a fit for purpose</p>																

	<p>solution. The framework agreement commenced on 10.08/2020 and will expire on 09/08/2025.</p> <p>As required by the NHS SBS agreement, a mini competition was conducted with all eligible suppliers to identify the most economically advantageous offer. CDW Limited has been identified as the preferred supplier.</p> <p>Provided the mini competition has been completed in accordance with the requirements of the overarching framework agreement and provided a call-off contract is put in place in the prescribed form subject to the call-off terms and conditions, this will be a compliant route to market and a compliant contractual arrangement for the required Dell hardware.</p> <p>Legal Services should be contacted to ensure the call-off contract, if approved, is correctly drafted.</p> <p>Sarah Orrell – Commercial & Procurement Solicitor</p>
<p>Equality impact including implications for Children and Young People</p>	<p>N/A (James Mulvaney, Policy Manager)</p>
<p>Other –</p>	<p>Commercial Procurement Unit has conducted a mini competition via the NHS SBS Digital Workplace Solutions Framework ref SBS / 19 / AB / WAB / 9411, start date 10.08/2020 end date 09/08/2025, based on 90% pricing and 10% quality. 3 bids were received with 1 having to be rejected as an abnormally low bid. The preferred supplier is CDW who scored a maximum of 100%, the total cost of the Dell Hardware is £69,494.83.</p> <p>Commercial Procurement request approval to proceed to award the Contract to CDW via the NHS Framework. There are also some further IT Consumables required to assist with the implementation of the Dell Hardware, quote has been submitted from IT network partner, TNP for a total of £2940, as per the Council's Contract Procedure rules only 1 quote is required as this is under the £10,000 threshold.</p> <p>Senga Henstock – ICT Senior Buyer 18/10/2024</p>
<p>Co-operative Implications</p>	<p>N/A (James Mulvaney, Policy Manager)</p>

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?	Yes
Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?	Yes
Are any of the recommendations within this report contrary to the Policy Framework of the Council?	No

Background Papers under Section 100D of the Local Government Act 1972

There are no background papers for this report.

Report author sign-off	Andrea Spencer
Role	Head of Infrastructure
Date of sign-off	14/10/2024

Approval	
Officer approval sign-off	 Shelley Kipling
Role	Acting Chief Executive
Date of sign-off	19.12.2024

Approval	
Member(s) approval sign-off	

Role	Cabinet Member for Value for Money
Date of sign-off	20 th December 24