

**Report of: NMC Manager, ICT Services**

**Report to: Chief Officer ICT Services**

**Date: 10<sup>th</sup> July 2015**

**Subject: Report requesting authority to commence a procurement exercise for Data Centre Facilities Management**

Are specific electoral Wards affected?	No
If relevant, name(s) of Ward(s):	
Are there implications for equality and diversity and cohesion and integration?	No
Is the decision eligible for Call-In?	No
Does the report contain confidential or exempt information?	No
If relevant, Access to Information Procedure Rule number: Appendix number:	

**Summary of main issues**

1. The purpose of this report is to seek approval to commence a new procurement exercise for Data Centre Facilities Management.
2. The current contract waiver is due to expire at the end of April 2016, and the preceding contract has been in place for 3 years. The new contract will be for a period of 3 years with an option to extend for a further year.
3. This report is to evidence the reasons for the tender decision and gain an administrative decision for its award.

**4 Recommendations**

The Chief ICT Officer is recommended to approve the commencement of a procurement exercise in order to secure a contract for the support and maintenance of environmental facilities within LCC's Data Centres. The contract will start on the 1<sup>st</sup> May 2016 for an initial period of 3 years with the possibility to extend for a further 1 year.

## **1 Purpose of this report**

- 1.1 This report is to request permission to tender for a contract to provide support and maintenance of the facilities within all Council Data Centres . This contract is for an initial 3 years (plus the option of 1 years extension) and has an estimated value of £81000 per year, made up of fixed maintenance costs of approximately £46000 per year and reactive costs of approximately £35000 per year

## **2 Background information**

- 2.1 Leeds City Council (LCC) operates several data centres which provide IT Infrastructure to support all its IT systems. This infrastructure supports key services across the Council, such as Academy Revenues & Benefits, Orchard (housing IT system), SAP (payroll) and Adults and Children's Services
- 2.2 The current contract with INS Sudlow has been in place since May 2012, and expires on 30th April 2016.

## **3. Main issues**

- 3.1 All the infrastructure for the Council's IT systems sits within four Data Centres. It is essential that we have a contract in place supporting what is quite a complicated environment, and that any failure of environmental facilities within the Data Centres are investigated and rectified as quickly as possible.
- 3.2 The current contract expires on the 30<sup>th</sup> April 2016 and a replacement is required from 1<sup>st</sup> May 2016. This contract will provide a support for all four data centres, so that key services will continue to be provided to customers

## **4. Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 It is not considered that the content of this report or the recommendation made will have a significant impact on any particular ward or community.
- 4.1.2 It is not considered that consultation with our customers is required for this contract.

### **4.2 Council policies and City Priorities**

- 4.2.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such the contract for data centre facilities management will be procured in line with Leeds City Councils Projects, Programmes & Procurement Unit's policy and procedures.

#### **4.4 Resources and value for money**

- 4.4.1 Any contract entered into as a result of the procurement exercise will be used for the provision of maintenance and support of data centre environmental facilities. This forms an essential element in delivering key Leeds City Council IT services.
- 4.4.2 Any contract entered into as a result of the procurement exercise will be regularly reviewed by monitoring the terms of the contract to ensure continuing value for money.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The Chief Officer is authorised to make this decision to commence the procurement process.
- 4.5.2 Advice regarding any procurement exercise, including terms and conditions of contract/arrangement, will be obtained from the Leeds City Councils Projects, Programmes & Procurement Unit to ensure council governance is met, and fair competition is observed.
- 4.5.2 The value of spend on the contract (3 years plus 1 x 12 month extensions) is estimated at £243,000 (£324,000 if the additional 1 year is taken up). This is not subject to call in.

#### **4.6 Risk Management**

- 4.6.1 There is no particular risk in approving the commencement of a procurement exercise, though there would be significant risk to Leeds City Council's ability to provide IT systems to its customers, thus affecting Leeds residents, and also provide a high risk to the council financially, if a procurement exercise did not take place.

#### **5 Conclusions**

- 5.1 The procurement of a new contract to replace the current support and maintenance of environmental facilities within LCC's data centres is necessary and the process to procure this contract should begin shortly.

#### **6 Recommendations**

The Chief ICT Officer is recommended to approve the commencement of a procurement exercise in order to secure a contract for the support and maintenance of environmental facilities within LCC's Data Centres. The contract will start on the 1<sup>st</sup> May 2016 for an initial period of 3 years with the possibility to extend for a further 1 year.

#### **7 Background documents**

None