

**To: Procurement Sub Committee**

**On: Wednesday 17<sup>th</sup> February 2016**

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**Report by:**

**Joint Report  
by  
The Chief Executive & Director of Finance and Resources**

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## **Contract Authorisation Report**

### **ICT Hosting Partner**

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#### **Summary**

- 1.1 The purpose of this paper is to seek the approval of the Procurement Sub Committee to award a contract for a ICT hosting Partner, reference RC/RC/103/16.
- 1.2 The procurement exercise was conducted in accordance with the above EU Threshold Open Procedure (Supplies and Services) and the Council's Standing Orders Relating to Contracts.
- 1.3 A contract strategy document has been approved by the Head of Policy and Commissioning and Head of Information and Communications Technology for a ICT hosting Partner.

#### **2. Recommendations**

- 2.1 It is recommended that the Procurement Sub Committee authorise:
  - 2.1.1 The Head of Corporate Governance to award the Contract for a ICT Hosting Partner, reference RC/RC/103/16, to Pulsant Limited.
  - 2.1.2 The value of the contract at £4,006,350.80 and £5,470,446.80 if the extension periods are utilised.
  - 2.1.3 The duration of contract to be 3 years with the council having the option to extend on two separate occasions for a further 12 months

### 3. Background

- 3.1 The Council has in place an ICT Transformation programme with a vision to fundamentally change the way ICT services are delivered within the Council. This will cover all aspects of the service – applications; end user support; networks and data centres.
- 3.2 The Council currently owns and manages two production Data Centres, in close geographic proximity. Over the next 2 years, the majority of all core services are due for maintenance renewals – see table below:-

Type	Maintenance Renewal Date
Application Virtualisation (Citrix)	31 March 2016
Server Virtualisation (Vmware)	31 March 2016
Solaris/Unix/Veritas (Sparc)	04 April 2018

- 3.3 In addition there are risks and issues that are becoming apparent due to the age of the Storage Array Network solution on which the majority of enterprise solutions are dependant.
- 3.4 Compliance with PSN requirements has introduced additional infrastructure components at significant cost and complexity which has a direct impact on users.
- 3.5 An options appraisal exercise was undertaken in relation to data centre services which concluded that there were no technical or financial reasons that would preclude the Council from moving towards a cloud hosted service model and a partnership with a hosting provider. Following from this an outline business case was collated to further investigate the financial implications of such a move. The outcome of this review supported the original options appraisal undertaken.
- 3.6 To allow for this support and partnership, a procurement exercise was undertaken as a Mini Competition under the Scottish Government's Hosting Services Framework (SP-14-004). This exercise was also conducted in accordance with Council's Standing Orders Relating to Contracts for below EU Threshold Open Procedure (Supplies and Services), Public Contracts (Scotland) Regulations 2012, as amended.
- 3.7 All eight (8) framework suppliers were invited to participate. At the deadline for tender submissions, 4pm on Thursday 26<sup>th</sup> November 2015, five (5) submissions were received.
- 3.8 Tender submissions were then evaluated against a set of award criteria which was based on a price / quality ratio of 20% / 80%. The scores relative to the award criteria of each tenderer are as follows:

<b>Supplier</b>	<b>Quality (80%)</b>	<b>Price (20%)</b>	<b>Total Score (100%)</b>
<b>Pulsant Limited</b>	52.76	14.58	<b>67.33</b>
<b>Iomart Group PLC t/a Iomart Hosting</b>	43.37	20.00	<b>63.37</b>
<b>Brightsolid Online Technology</b>	41.37	14.96	<b>56.34</b>
<b>Capita IT Enterprise Services</b>	41.37	9.96	<b>51.33</b>
<b>Onyx Group Limited</b>	23.81	19.77	<b>43.58</b>

3.9 It is recommended that the contract is awarded to Pulsant Limited, who based on evaluation, have provided the most economically advantageous tender.

3.10 Due to this being a new requirement and the unknown costs pertaining to this requirement the service will meet the full cost from their budget, with no savings achieved.

3.11 Pulsant Limited have committed to delivery of the following community benefits as a result of delivery of this contract:

- 1 x Modern Apprenticeship
- 1 x Graduate
- 1 x Trainee Position
- 20 x Work Experience Placements (16 + years of age)
- 2 x Career Events
- 1 x Business Mentoring SME's
- 1 x S/NVQ's or equivalent for Existing Employees
- 1 x S/NVQ's or equivalent for New Entrants
- 1 x Financial support for a community project
- 1 x Non financial support for a community project

## **Implications of the Report**

### **1. Financial**

Financial costs in respect of this Contract will be met from the Service's capital and revenue budget.

### **2. HR and Organisational Development**

None.

### **3. Community Planning**

None

**4. Legal**

The procurement exercise was tendered in accordance with Council's Standing Orders Relating to Contracts for below EU Threshold Open Procedure (Supplies and Services), Public Contracts (Scotland) Regulations 2012, as amended.

**5. Property**

None.

**6. Information Technology**

This procedure undertaken will ensure ongoing support for the Councils requirements in relation to Data Hosting

**7. Equality & Human Rights**

None

**8. Health and Safety**

None

**9. Procurement**

The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures..

**10. Risk**

None.

**11. Privacy Impact**

PIA Undertaken and completed, a Data Processor Agreement (DPA) will be agreed and formalised with the awarded supplier

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