

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

**Reference Number:**

2046

**Author:**

Lisa Ward

**Department:**

Children and Families

**Contact:**

Colin Monckton

(Job Title: Head of Commissioning and Insight, Email: colin.monckton@nottinghamcity.gov.uk, Phone: 01158764832)

**Subject:**

New social care system infrastructure and hardware

**Total Value:**

£378,850 (Type: Capital and Revenue)

**Decision Being Taken:**

- 1) To go out to tender to procure hardware in order to implement the new Social Care System.
- 2) To delegate the award decision to the Corporate Director for Children and Adults.

**Reasons for the Decision(s)**

In order to implement the new social care system (Liquidlogic) in place of the existing system (CareFirst), new hardware and infrastructure is required which will be funded using the 4.197m budgeted for the project.

The total cost of the infrastructure and resources required to implement this is £378,850 over the 5 year term of the contract with Liquidlogic. The decision is required to approve the costs associated with setting up the infrastructure and hardware.

The Children & Adults department have recently tendered and awarded the contract for the replacement social care system to Liquidlogic. Work is now underway to plan the implementation of the system and one of the initial activities on the project is to agree the hosting of the solution - either internally on the Council infrastructure or externally within Liquidlogic's.

Following an assessment of the hosting options, the project steering board agreed on 8th June 15 to proceed with hosting the system internally and a decision is now required to authorise the purchase of the hardware and software required to set up the system on the Council infrastructure.

**Rationale for internal hosting:**

- There is no key corporate driver or strategy to outsource the hosting of core Council applications and NCC are currently investing over 2m in the IT infrastructure. The majority of Council applications are managed internally.
- Internally hosting the solution will provide more flexibility in terms of how data can be extracted and reporting from the new solution and how it is integrated with other applications within the Council network.
- Over the term of the current social care application contract, there has been minimal disruption to the business as a result of network and infrastructure failures, therefore the business consider the service and SLA's provided by the internal IT department are more than sufficient to meet their future needs for the new system

**Other Options Considered:**

Externally hosting the system with the supplier (Liquidlogic). This was considered as part of the options appraisal, but was rejected by the Project Steering Board for the following reasons:

- Reporting solution limited to Business Objectives which is costly and has limitations
- No backend access to the database which will limit reporting capabilities
- 50k more expensive over 5 year contract than internal hosting option

**Background Papers:**

Project Evolution - System Hosting Decision - 9 June 2015.

**Unpublished background papers:**

Project Evolution Hosting Decision 090615 V1.0.docx

**Published Works:**

None.

**Affected Wards:**

Citywide

**Colleague / Councillor Interests:**

**None.**

**Consultations:**

**Date: 18/06/2015**

**Ward Councillors: Alex Norris**

**Approved and supported the recommendations.**

**Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:**

**None.**

**Equality:**

**EIA not required. Reasons: There will be no changes to existing policies, procedures or impact on services**

**Social Value Considerations:**

**None.**

**Decision Type:**

**Portfolio Holder**

**Subject to Call In:**

**Yes**

**Call In Expiry date:**

**03/07/2015**

**Advice Sought:**

**Legal, Finance, Procurement, Human Resources, IT**

**Legal Advice:**

**There are no significant legal concerns with regard to the proposal. The contract for the system has been tendered and the documents are currently being finalised. Legal advice and support will be provided as required in respect of the tendering process for the required hardware.**

**Advice provided by Naomi Vass (Senior Solicitor) on 18/06/2015.**

**Finance Advice:**

On 11 March 2015 the Commissioning and Procurement Sub Committee agreed funding of £4.197m for Project Evolution. An amount of £0.252m was included for hosting of the system, £0.127m short of the cost above. The £4.179m included a number of provisional amounts as the final contract and processes to be integrated had not been determined. One of these sums related to integration with a citizen access system. It is felt that the whole of this will not be required and the balance required for hosting of £0.127m can be met from this provision.

As a result of the above, there will be no additional financial implications from this decision.

Advice provided by Ian Greatorex (Finance Business Partner) on 11/06/2015.

**Procurement Advice:**

This contract will be sourced via competitive tendering. This process complies with procurement and financial regulation

Advice provided by John Watson (Category Manager) on 15/06/2015.

**HR Advice:**

This decision appears to have no direct workforce implications as it refers to the purchase of hardware for Project Evolution. There are therefore no comments required in relation to the workforce.

Advice provided by Lynn Robinson (HR Business Partner) on 15/06/2015.

**IT Advice:**

As a part of the suppliers' responses to the invitation to tender for provision of a new social care case management system each was asked to provide a description of the hardware environment required to support their proposal. The costs included within this decision reflect the cost of providing the preferred supplier's recommended hardware environment. The hardware is compatible with that used by the Council, conforms with Corporate standards and is of a type widely used and so provides a degree of 'future proofing'.

Advice provided by Paul J. Burrows (Strategy Manager) on 16/06/2015.

**Signatures**

David Mellen (Portfolio Holder for Children's Services)

SIGNED and Dated: 25/06/2015

Alison Michalska (Corporate Director for Children and Adults)

SIGNED and Dated: 24/06/2015

## Project Evolution – System Hosting Decision 9<sup>th</sup> June 2015

### 1.0 Background

The Children & Adults department have recently tendered and awarded the contract for the replacement social care system to Liquidlogic. Work is now underway to plan the implementation of the system and one of the initial activities on the project is to agree the hosting of the solution – either internally on the Council infrastructure or externally within Liquidlogic's.

Following an assessment of the hosting options, the project steering board agreed on 8<sup>th</sup> June 15 to proceed with hosting the system internally and a DDM is now required to authorise the purchase of the hardware and software required to set up the system on the Council infrastructure.

Rationale for internal hosting:

- There is no key corporate driver or strategy to outsource the hosting of core Council applications and NCC are currently investing over 2m in the IT infrastructure. The majority of Council applications are managed internally.
- Internally hosting the solution will provide more flexibility in terms of how data can be extracted and reporting from the new solution and how it is integrated with other applications within the Council network.
- Over the term of the current social care application contract, there has been minimal disruption to the business as a result of network and infrastructure failures, therefore the business consider the service and SLA's provided by the internal IT department are more than sufficient to meet their future needs for the new system.

### 2.0 Hardware / software requirements

- Servers to host the live, test and development environments within the Loxley House data centre.
- Disaster recovery servers required at the Council's back up site.
- SQL environment required for the databases.
- Staffing to complete the installation work.

### 3.0 Costs

Item	Server	Cost
<b>Live</b>	9x Virtual App/Web Servers	£104,400.00
	1x Physical Reporting Server	£13,000.00
<b>Test and Dev</b>	1x Virtual App Server	£14,450
	1x Virtual Web Server	£11,600
	1x Reporting Server	£11,000
<b>DR</b>	9x App/Web Servers	£104,400
<b>SQL Costs</b>	All environments	£80,000
<b>Staffing</b>	Wintel Analyst 6 months	£20,000
	DBA + Infra Analyst 6 months	£20,000
<b>TOTAL COST</b>		<b>£378,850</b>

## 4.0 Timings

Item	Date
DDM draft released for comments	12.06.15
DDM comments completed	19.06.15
DDM constitutional services check	18.06.15
DDM issued to PH for approval	23.06.15
DDM PH approval	24.06.15
DDM cool off period	24.06.15 - 08.07.15
IT Recruitment	Now – End June
IT planning session – agree critical path, identify key risks and mitigations	w/c 15.06.15
Produce specification of requirements for hardware/software	26.06.15
Procurement / tender released	08.07.15
Tender responses and evaluation	24.07.15
Procurement complete / tender awarded	27.07.15
Order hardware	27.07.15
Resource in position	August 15
Hardware delivered	September 15
New SAN in place	October 15
Install and test hardware	October 15
Install and set up DR	November - February 15
Live, test and dev environments ready	November 15
DR solution ready	February 15

## 5.0 Risk assessment

Risk	Likelihood	Impact	Mitigation
<p><b>Risk:</b> IT are unable to deliver within the required timeframe.</p> <p><b>Impact:</b> 1<sup>st</sup> round of data migration is delayed and therefore implementation delayed. Additional costs incurred as a result.</p> <p><b>Cause:</b> Insufficient IT resource, internal procedures for spending approval and procurement of hardware all carry a lead time.</p>	H	H	<ul style="list-style-type: none"> <li>Recruit additional resource to support the project.</li> <li>IT and business agree a joint plan and are managed tightly to achieve plan.</li> <li>Senior leadership support required to meet tight timescales.</li> </ul>
<p><b>Risk:</b> Unable to recruit into temporary roles.</p> <p><b>Impact:</b> Milestone dates not achieved.</p> <p><b>Cause:</b> Role is required for 6 months and unlikely to attract candidates at salary offered.</p>	H	H	<ul style="list-style-type: none"> <li>Agency resource to be used if unable to source internally.</li> </ul>
<p><b>Risk:</b> Procurement process needs to be followed to procure the hardware.</p> <p><b>Impact:</b> Lead time of 4-8 weeks.</p> <p><b>Cause:</b> Internal procedure.</p>	M	M	<ul style="list-style-type: none"> <li>Procurement framework to be used to reduce lead time.</li> </ul>

## **6.0 Financial Observations**

On 11 March 2015 the Commissioning and Procurement Sub Committee agreed funding of £4.197m for Project Evolution. An amount of £0.252m was included for hosting of the system, £0.127m short of the cost above.

The £4.179m included a number of provisional amounts as the final contract and processes to be integrated had not been determined. One of these sums related to integration with a citizen access system. It is felt that the whole of this will not be required and the balance required for hosting of £0.127m can be met from this provision.

As a result of the above, there will be no additional financial implications from this decision.

## 7.0 Additional information for reference

Internally hosted	Externally hosted
Total cost = £378,850 over 5 year contract	Total cost = £425,000 over 5 year contract
<p>Pros</p> <ul style="list-style-type: none"> <li>Flexibility around business reporting solution</li> <li>Reduced cost of business intelligence solution</li> <li>Solution is managed within the Council infrastructure</li> <li>Integration with other solutions is assumed to be simpler as the majority of the other solutions are currently managed in the NCC environment</li> <li>Meets business up time and system maintenance requirements</li> </ul> <p>Cons</p> <ul style="list-style-type: none"> <li>Internal approval process will impede ability to set up system environments by the required date</li> <li>Go live date for phase 1 system implementation may be delayed</li> <li>Requires IT resource (2x FTE for 6 months). There is no resource available so additional resource will need to be recruited which will have a 6-8 week lead time</li> <li>Single point sensitivity – limited resources in IT will maintain the environments</li> <li>Infrastructure upgrades will result in system down time as the solution will be on a shared environment within the Council</li> <li>Key dependency on internal IT infrastructure upgrade projects completing on time</li> </ul>	<p>Pros</p> <ul style="list-style-type: none"> <li>Vanilla system will be installed quickly and therefore project will be able to achieve key milestones for configuration and test</li> <li>Improved resilience and disaster recovery</li> <li>Supplier accountable for system up time and compensation can be sought if system uptime SLA is breached</li> <li>Dedicated server and team maintaining environment</li> <li>No system down time as a result of infrastructure upgrades</li> <li>No IT recruitment required and minimal impact to IT resource</li> </ul> <p>Cons</p> <ul style="list-style-type: none"> <li>Reporting solution limited to Business Objectives which is costly and limits</li> <li>No backend access to the database which will limit reporting capabilities</li> <li>50k more expensive over 5 year contract than internal hosting option</li> </ul>

	Internally Hosted	Externally Hosted
Total cost – 5 years	<ul style="list-style-type: none"> <li>£338,850 hardware</li> <li>£40,000 Resource (2 x FTE for 6 months)</li> <li><b>= £378,850</b></li> <li>Report server / license costs - approx. <b>£195k</b> for Business Objects or <b>£70k</b> for SSRS plus resource requirements to develop the reporting hub.</li> </ul>	<ul style="list-style-type: none"> <li>£365,000 set up and annual costing</li> <li>£60,000 additional link</li> <li><b>= £425,000</b></li> <li>Business Objects server / license costs approx. <b>£195k</b></li> </ul> <p>This option also generates other non-cashable savings resulting from the remote operation of the client environment which would release capacity for internal teams.</p>
Availability	<ul style="list-style-type: none"> <li>99.5% up time target during office working hours.</li> </ul>	<ul style="list-style-type: none"> <li>99.5% up time target, 24/7, 365 days a year.</li> </ul>
Service standards	<ul style="list-style-type: none"> <li>There are no financial compensation arrangements should service standards not be met.</li> </ul>	<ul style="list-style-type: none"> <li>Financial compensation can be sought if availability and service targets are not met. 10% service credit gained in respect of the annual hosting fee for each percentage under the specified service level performance measure.</li> </ul>
Infrastructure upgrades	<ul style="list-style-type: none"> <li>NCC responsible for maintenance of the infrastructure, with support provided by a generic server support team.</li> </ul>	<ul style="list-style-type: none"> <li>Liquidlogic completes all upgrades to environments and provide a dedicated Liquid Logic server support team to maintain the server environment.</li> </ul>
Environment set up	<ul style="list-style-type: none"> <li>Environment can be ready for November 15 assuming no delays in procurement, this may not fit with the timeline required. Any delays will impact the implementation date.</li> </ul>	<ul style="list-style-type: none"> <li>Within 1 month of contract signing.</li> </ul>
Disaster recovery	<ul style="list-style-type: none"> <li>DR would be configured for the solution, but is an active/passive solution which would require manually re-configuring the event of a failure.</li> </ul>	<ul style="list-style-type: none"> <li>DR process will provide an active fail over solution in the event of a problem with the live system.</li> </ul>
Reporting solution	<ul style="list-style-type: none"> <li>Reporting team will be able to use SSRS for reporting and would not be limited to Business Objects which is more expensive.</li> </ul>	<ul style="list-style-type: none"> <li>Restricted to using Business Objects. BO reporting solution would be hosted locally. No backend access to the data, this will limit reporting capabilities. Impact analysis underway.</li> </ul>