

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

**Reference Number:**

2470

**Author:**

Steven Brookes

**Department:**

Resources

**Contact:**

Luke Johnson

(Job Title: IT Infrastructure Manager, Email: luke.johnson@nottinghamcity.gov.uk, Phone: 07971232070)

**Subject:**

IT Infrastructure database system upgrade

**Total Value:**

£138,150 3 year cost - estimated. (Type: Capital and Revenue)

**Decision Being Taken:**

- 1) To approve the purchase and installation of two 'Power 8 AIX' computer servers, and to dispense with Financial Regulations (under Contract Procedure rules 5.1.2), to ensure IT Services can continue to support the Housing; Revenues & Benefits; Social Care and Education applications.
- 2) To delegate authority to the Head of IT to enter into contract with the most advantageous tenderer.

**Reasons for the Decision(s)**

£78,800-Hardware; £9,400 3 year Support & Maintenance (option to extend for 2years) ; £49,950 - install & migration.£138,150 3year cost - estimated.

NCC's current AIX Servers were installed 9 years ago and are at the end of their expected life. The 'IBM Power6 595' Processors on which our current systems are based were withdrawn from the market by IBM systems 5 years ago, they are out of standard supplier support and replacement parts are increasingly difficult and so expensive to obtain.

The extended support purchased for our current AIX Servers is increasingly expensive. Current support costs are £76,000 p.a.

NCC are running at processing capacity for our large database systems. IT Services have received some significant reports about slow response rates from some of our large database business systems. This is, in part, due to the performance of the current AIX database processors. E.g. Castle - Corporate Document Management, NCH - Northgate Housing, NRB - Northgate Revenues & Benefits.

We are currently unable to take full advantage of the latest Storage Area Network technologies recently installed alongside our current Database Server technologies.

Disaster Recovery improvements are not currently possible until we move to a newer version of our database system.

**Other Options Considered:**

1. Retain the existing infrastructure. This option was rejected as the current servers are no longer supported by the supplier. There is an increasing risk that in the event of a significant failure of these systems IT Services will be unable to restore our essential large corporate applications within a reasonable time-frame.
2. Purchase additional extended 3rd party support. This option was rejected, as the current extended support costs are becoming too high to realistically maintain. £76,000 p.a.
3. Move the database systems onto Microsoft's SQL database platform and away from the previously favoured Oracle based database system. This is the stated aim in IT's 2015-19 Strategy Document "...commit to a Microsoft core application platform." The size and complexity of this aim cannot be realised within a suitable time-frame.

**Background Papers:**

None.

**Published Works:**

None.

**Affected Wards:**

Citywide

**Colleague / Councillor Interests:**

None.

<b>Dispensation from Financial Regulations:</b>	<b>Yes</b>
<b>Consultations:</b>	<b>Those not consulted are not directly affected by the decision.</b>
<b>Crime and Disorder Implications:</b>	<b>There are no known Crime and Disorder implications for this purchase decision.</b>
<b>Equality:</b>	<b>EIA not required. Reasons: There are no known equality impact implications for this purchase decision.</b>
<b>Social Value Considerations:</b>	<b>The purchase of such computer systems is usually completed through a licensed re-seller.</b>
<b>Major Implications for IT:</b>	<b>Yes</b>
<b>Decision Type:</b>	<b>Portfolio Holder</b>
<b>Subject to Call In:</b>	<b>Yes</b>
<b>Call In Expiry date:</b>	<b>26/05/2016</b>
<b>Advice Sought:</b>	<b>Legal, Finance, Procurement, IT</b>
<b>Legal Advice:</b>	<b>The proposals set out in the report raise no significant legal issues and are supported. Advice provided by Malcolm Townroe (Legal Services Manager) on 05/02/2016.</b>

**Finance Advice:**

The value of the decision (£138,150) comprises the purchase of 2 servers at a total cost of £78,800, associated installation and migration costs totalling £49,950 and maintenance costs estimated at £1,570 per server per annum for 3 years. The cost of the servers, their installation and associated migration costs will be treated as capital expenditure. The Capital Programme will be amended to include total capital costs of £128,750. The total capital cost will be met from IT Efficiency Fund in 2016/17. The balance on the fund is £6.410m as at 31 March 2016, with a small uncommitted balance estimated at 31 March 2019 after this expenditure has been incurred. The associated revenue costs are estimated to be £3,140 per annum and will be met from the existing IT Revenue budget. Value for money, in terms of cost, will be obtained by establishing a compliant value for money contract as per the Procurement Advice (below). Broader value will be secured by maintaining service continuity and mitigating the risk of financial loss, arising either from service disruption or the need for additional external support, should the existing servers fail. IT has identified an increasing risk to service continuity if failure of the existing servers threatens the restoration of core corporate applications.

Advice provided by C I Sharpe (Finance Analyst) on 29/03/2016.

**Procurement Advice:**

The Procurement Team will support the tendering exercise to ensure that a fully compliant value for money contract is let for this purchase.

Advice provided by Paul Ritchie (Procurement Category Manager) on 20/01/2016.

**IT Advice:**

The IT Service supports this proposal.

The AIX technology environment is required to operate a number of the Council's key application systems that cannot be provided on a Microsoft environment. The proposal made within this delegated decision is to acquire a more up-to-date server infrastructure to provide this. The new servers will offer a higher level of performance at a lower cost.

Advice provided by Paul J. Burrows (Strategy Manager) on 21/01/2016.

**Signatures**

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 18/05/2016
Ian Curryer (Chief Executive)
SIGNED and Dated: 17/05/2016
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 29/04/2016
Chief Finance Officer's Comments: