

Nottingham City Council Delegated Decision



Reference Number:	3109
Author:	Tony Roman
Department:	Strategy and Resources
Contact:	Tony Roman (Job Title: Schools IT Manager, Email: tony.roman@nottinghamcity.gov.uk, Phone: 01159150900)
Subject:	Energy Saving Software
Total Value:	£62,303.10 over 3 years (Type: Revenue)
Decision Being Taken:	To grant dispensation from Contract Procedure Rule 5.1.2, in accordance with Financial Regulation 3.29, to award a contract for the supply of energy management software to SSE, which will allow the IT Service to obtain 100% visibility of all connected ICT devices and its energy footprint across the Council for cost saving purposes.

Reasons for the Decision(s)

The IT Service recently conducted a trial of energy management software for a period of 2 months. The software over the term of the trial discovered 14,000 devices and identified over 4000 devices that were left in a powered on state overnight and at weekends.

The software, through a central dashboard, can apply power policies that switch off equipment that does not need to remain on at night and/or at the weekend and calculate the savings.

The table below shows the ROI based on a 3 year subscription model which excludes critical network infrastructure equipment

COSTS

Year 1

Year 2

Year 3

Subscription Licence Cost

£19,601.10

£19,601.10

£19,601.10

One Off Installation Costs

£3,500.00

£0.00

£0.00

Total

£23,101.10

£19,601.10

£19,601.10

Cumulative Costs

£23,101.10

£42,702.20

£62,303.30

SAVINGS

Year 1

Year 2

Year 3

Energy Savings (out of hours)

£40,230.00

£40,230.00

£40,230.00

Energy Savings (in hours)

£7,498.76

£7,498.76

£7,498.76

Total Savings

£47,728.76

£47,728.76

£47,728.76

Cumulative Savings

£47,728.76

£95,457.53

£143,186.29

REAL CASH SAVING

£24,627.66

£52,755.33

£80,882.99

This is the only piece of software on the market at this time that is fully compatible with the equipment across the Council. Cisco, the company that produce this software have announced it will be end of life in 3 years time and will no longer be accepting orders after Friday 16 February 2018. The software will be replaced by Cisco but it's unlikely an announcement will be made in the next 2 years.

The supplier of the Cisco energy saving software, SSE, was identified through a competitive process to supply the product on a trial basis. SSE were the only bidder in that competitive process leading to the recommendation to make the award to them without further competition.

Procurement will be made from revenue with savings recovering costs.

Other Options Considered: Not purchasing the software was rejected as the IT Service will be unable to generate the identified level of energy savings for the Council's ICT equipment in the identified period

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Dispensation from Financial Regulations: Yes

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: There are no crime and disorder implications associated with this decision.

Equality: EIA not required. Reasons: An EIA is not required as the recommendations relate to energy management and have no direct impact on citizens, colleagues, Councillors or partners.

Social Value Considerations: N/A

Major Implications for IT: Yes

Decision Type: Portfolio Holder

Subject to Call In: No
The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Councillor Brian Parbutt

Consultation Date: 14/03/2018

To enable the software to be purchased before it is removed from sale, as it will still be supported for a 3 year term, and the replacement product does not yet have a release date.

Advice Sought:

Legal, Finance, Procurement, IT

Legal Advice:

The proposal as set out in this report does not present any legal concerns. Due to the value of the arrangement the Council may dispense from the requirement to carry out a tender process for operational issues.

Prior to the end of the 3 year period there must be consideration and advice taken as to procurement requirements for any future software.

Advice provided by Naomi Vass (Senior Solicitor) on 16/02/2018.

Finance Advice:

This decision seeks approval for the purchase of energy saving software for a period of 3 years from 01st April 2018.

The total cost of this decision is £62k. There are existing provisions for this spend within IT revenue budgets, as incorporated within the Medium Term Financial Plan.

Based on a software pilot and regular monitoring undertaken by the IT Service, the cost of the software will be fully covered by savings generated from software use and there is also an expected energy saving of over £20k, £20k of which was established as a budget saving as part of the 2018/19 budget process.

This decision seeks dispensation from Contract Procedure Rules (5.1.2) in accordance with Financial Regulations 3.29, and considering the reasons detailed by the report author, is deemed appropriate in these circumstances.

Value for money will be pursued in the medium to long term through an ongoing review of the software and via specific tendering / procurement exercises in the future.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 16/02/2018.

Procurement Advice:

The proposal is a request for a dispensation from contract procedure rule 5.1.2. The dispensation is requested with the intention of generating savings for the Council as a result of reduced energy consumption. Cisco have confirmed that this is currently the only software available that is compatible. Subsequently, the IT department conducted a competitive quote process to source a suitable supplier. Given the reasons for this dispensation and the associated value which falls below OJEU thresholds, there are no significant procurement concerns. Due to the value of the decision, it would be advisable to re-test the market after 2 years. Any future procurement in relation to this project should be tendered and the Procurement Team will support this process. Advice provided by Lauren Wheatcroft (Procurement Officer) on 16/02/2018.

IT Advice:

The IT Service supports the recommendations made in this delegated decision.
 The full implementation of energy management software will enable the Council to manage energy consumption of ICT devices attached to the Council's voice and data network. The ability to automatically power down and power up devices in response to actual requirements, particularly outside of normal working hours, will generate financial and energy savings contributing to both financial and green objectives. The proposed software is a Cisco product and is compatible with the technology used in the Council's voice and data network. The software has been trialled to demonstrate its suitability.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 16/02/2018.

Signatures

Toby Neal (Portfolio Holder for Community & Customer Services)
SIGNED and Dated: 14/03/2018
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 13/03/2018
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 16/02/2018
Chief Finance Officer's Comments: