Nottingham City Council Delegated Decision

Reference Number:	3424
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Department:	Strategy and Resources
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Subject:	Data Storage and Data Backup systems purchase

Key Decision (decision valued at more than £1million):	Yes
Key Decision (decision affects 2 or more wards):	Yes
Total Value:	£3,800,000 over 5 years. (Type: Capital and Revenue)
Decision Being Taken:	1.To delegate authority to the Head of IT Services to enter into 5 year contracts to provide I.T. storage and backup systems. 2.To approve testing the market for emerging storage and backup technologies. 3.To approve the expenditure of up to £3.8 million from the IT Efficiency Fund to fund the supply of the storage and backup services for the contract period

Reasons for the Decision(s)	The Nottingham City Council storage and backup platform underpin all digital locally hosted systems for Nottingham City and partner agencies. The ongoing maintenance and replacement of this system is critical to the availability and operation of all digital services.
	This uplift reflects a programmed investment in line with the IT capital programme.

REASONS FOR RECOMMENDATIONS <span style="font-size:10.0pt; font-family:"Arial",sans-serif;mso-fareast-language:EN-US">1. To comply with Financial Regulations relating to testing the market to demonstrate the best value for <span style="font-size:10.0pt; font-family:"Arial",sans-serif;mso-fareast-language:EN-US">money is being obtained. This allows evaluating the new technologies' stability and integration with other existing Council's computing systems. Therefore, there are some emerging technologies that we need to test through a Proof of Concept (POC) in the first quarter of 2019, to allow us to specify the competitive tender. Based on the outcome of the POC, we will procure the Backup system and the associated Backup storage for storing data in the first quarter of 2019. Backup storage is now running out and we are starting to experience backup failures. In July 2019, we will then procure the Storage for the Virtual Servers. The split of the cost will be determined by the POC. The procurement strategy is to award the contracts through CCS frameworks with various suppliers of the components of the Storage and Backup systems that offer the best value for the services. The POC will inform the best mix of on-premise and cloud systems..

1.2   2. The current contracts will end in August 2020. However, best practice requires 1-year backup sets is retained before the contract expiry, effectively requiring us to replace the Backup system by July 2019.

1.3   3. Due to the changing technologies, we can no longer upgrade beyond a specific software version. This means we can no longer backup any emerging technologies, such as Windows Server 2019. Additionally, as the existing systems age, they become not only technologically obsolete, but unreliable and expensive to maintain. Therefore, we need to urgently replace the Storage and Backup systems to allow the Council to be able to back up the emerging technologies.

1.4   4. The current systems are now running near full capacity because of increasing demands on Backup storage in the Council. When the current technology was implemented the Council backed up 11.5PB of data, this has now grown to 15.5PB due to additional systems being backed up such as RHE, Schools IT, NCH, etc. It is anticipated that demand will continue to grow as more rich data, e.g. copies of photographs, video and sound, are collected.

1.5   5. A hybrid Storage and Backup solution balances the risk of technology changes and additional capacity demands during the contract period.

Other Options Considered:	1. Do nothing. This option is not recommended because it does not address the current capacity issues, the end of life of the existing systems and being able to back up the emerging technologies. Taking this option would disrupt the operation and services and cost the Council money in remediation. 2. Full on-premise solution. This option is not recommended as it is believed greater value for money can be achieved through a competitive exercise that includes a component of the cloud solution that allows for capacity scaling and support for future technologies, such as Windows Server 2019. 3. Full cloud solution. This technology is not robust enough to make a leap because we still need to integrate with existing computer systems on-premise. Therefore, this option is not recommended from a risk perspective.
Background Papers:	None
Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	There are no Crime and Disorder implications directly associated with this decision.
Equality:	EIA not required. Reasons: (a) This report does not contain proposals for new or changed policies, services or functions. (b) Storage and Backup services provide data processing and backup functions and are not directly accessed by colleagues or citizens.
Social Value Considerations:	There are no social value considerations directly associated with this decision.
Any implications affecting IT:	Yes
Decision Type:	Leader's Key Decision

Subject to Call In:	Yes

Call In Expiry date:	01/03/2019

Advice Sought:	Legal, Finance, Procurement, IT

Legal Advice:

This report does not raise any significant legal issues as the proposed procurement procedure is to award the contract through a legally compliant CCS framework. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 28/12/2018.

Finance Advice:

The proposal seeks approval to spend up to £3.8m over the next 5 years for IT data storage and backup systems. The new backup system will be a hybrid of on-premise and cloud systems to best mitigate current IT storage and backup risk.

The full estimated £3.800m will be funded from the IT Efficiency Fund and phased across the following years:
2019/20 - £2.200m
2020/21 - £0.400m
2021/22 - £0.400m
2022/23 - £0.400m
2023/24 - £0.400m

The IT Efficiency Fund can currently accommodate this cost in full over the next 5 years, however, it needs to be noted that there are a number of IT projects in the pipeline (not yet committed) that will need to be funded from the IT Efficiency Fund at some point in the near future. IT will need to prioritise these and any future projects accordingly to ensure the IT Efficiency Fund does not over commit financially.

It is envisioned that there will be no additional on-going revenue costs as a result of this decision. The exact cost and value for money appraisal of this project will be known with greater accuracy following the market testing exercise and the tender exercise via the CSS framework.

Advice provided by Philip Gretton (Finance Analyst) on 17/01/2019.

IT Advice:

The IT Service supports the proposals contained within this delegated decision.
Current storage devices require replacement as they reach the end of their lives to prevent the higher cost associated with operating out of date equipment. The proposals included within the report allow migration to more modern data storage devices that will enable the Council to adopt a hybrid approach to the use of cloud storage facilities.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 03/01/2019.

Procurement Advice:	The report author has already engaged with procurement to ensure compliance with the Council's financial regulations and contract procedure rules to undertake a tender via a complaint CCS framework. Use of compliant third-party frameworks, such as those offered by CCS, is allowed under clause 3.8 of Contract Procedure Rules. Procurement supports the use of third-party frameworks in appropriate situations and where it can be demonstrated that they provide value for money. On this basis there are no procurement concerns with the approach. Advice provided by Mabs Karim (Procurement Officer) on 03/01/2019.

Signatures:	Jon Collins (Leader of the Council)
	SIGNED and Dated: 20/02/2019
	Candida Brudenell (Corporate Director for Strategy and Resources)
	SIGNED and Dated: 20/02/2019