REPORT TO	DATE OF MEETING	SOUTH RIBBLE BOROUGH COUNCIL *forward with South Ribble*
Cabinet	10 September 2014 *Report template revised June 2008*	

SUBJECT	PORTFOLIO	AUTHOR	ITEM
Corporate Personal Computers (PC) - Replacement	Cllr P Hamman	John Healey	4

1.0 SUMMARY AND LINK TO CORPORATE PRIORITIES

1.1 Information Technology (IT) is now used in every single aspect of Council work and is embedded throughout all services and supports service delivery to all residents; from collection of Council Tax through to collection of waste and maintenance of parks, IT is integral to the efficient and effective functioning of South Ribble Borough Council.

1.2 The computers used throughout the Council are "DELL desktop PCs" and are used to access all IT applications. Technology and its functionality is key to ensuring that the Council remains effective and efficient now and going forward.

2.0 RECOMMENDATIONS

That Cabinet approves the following:

2.1 To invoke paragraph 44.1 of the Contract Procedure Rules (CPR) to allow the waiving of the standard procurement process (as described in paragraph 11 of CPR) due to exceptional circumstances within the nature of the marketplace namely:

'the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Rules is justifiable'

To allow direct procurement of replacement desktop PCs from the existing (DELL) supplier for the reasons detailed in this report.

2.2 That the decision to procure DELL Desk Top PCs is delegated to be formally signed off by the Cabinet Member for Shared Service & Corporate Support and the Director of Business Transformation.

3.0 DETAILS AND REASONING

3.1 The Council owns 350 desktop PCs; they were purchased in 2005 at a cost of £220,000. At that time the decision was taken to purchase DELL Optiplex GX620 desktop PCs.

3.2 The desktop PCs form the front-end of our extremely complex IT Architecture; the back-end comprises Servers, Disk Configurations, SANs (Storage Area networks) NAS-boxes and numerous peripheral hardware. The end-to-end IT Architecture is DELL; from the front desktop PC to the back office servers.

3.3 This proposal is not seeking to replace or re-configure the end-to-end IT Architecture, but rather to simply replace the front-end PCs. To move away from our established, tried and tested DELL solution would import unnecessary risks and immediately compromise the standard maintenance agreements. These agreements that we have in place delivers end-to-end stability. A single supplier/provider for IT Architecture is the industry standard best practice that is designed to ensure ownership of any and all IT issues that may arise within that architecture.

3.4 In 2005 this Council purchased 350 DELL desktop PCs. The quality and reliability provided the confidence which allowed the Council to buy the PCs outright in 2010 at a hugely discounted cost of circa £20,000. The product, within the designed architecture, was sufficiently stable to allow IT to upgrade the PCs manually, extending the life by another 3 years. This saved in excess of £100,000 - almost 50% of the original cost.

3.5 While other organisations have been struggling with their desktop PC provision, SRBC's DELL Optiplex hardware purchased in 2005 has given SRBC 9 years of high performing, worry free computing. The (very) few issues that have occurred with the desktop PCs have been fixed within 24 hours by qualified service engineers attending the Civic Centre in accordance with the maintenance contract. After 9 years of excellent service delivery and to keep pace with the ever increasing demands of technology the Optiplex GX620s are now end-of-life and require replacing.

3.6 As part of the IT Work Programme, officers from IT have completed detailed investigations into new developments in desktop technologies. Virtual Desktop Infrastructure (VDI) was considered - this new desktop technology centralises the desktop PC on host servers and broadcasts a virtual desktop PC to a user's monitor. This methodology has been used in some Councils for several years; however reports confirm what our research uncovered that the VDI solution is too often beset with performance (including poor downtime) issues and complexity issues. We could not identify a Council that had less unplanned downtime than SRBC.

3.7 This Council was an early adopter of virtualisation (SAN - Storage Area Network) technology and has deployed this to our back-end IT Architecture. This delivered excellent value for money and has provided first class performance since go-live 5 years ago. However it was clear during our evaluation that front-end virtualisation environments were simply not as robust or as stable as a full desk-top PC. When suppliers and their engineers are unable to demonstrate in *live use* an adequate virtual desk-top experience, it was easy to conclude that the proposed option to replace our existing front-end desktop PCs is the preferred solution.

3.8 Continuing with a DELL Optiplex solution is a sensible approach given our end-to-end architecture and our 9 year positive experience. The latest Optiplex has been thoroughly evaluated by IT Services. The latest specification is:

- o Dell Optiplex 7020 Small Form Factor PC
- o Intel Core i5-4590 Quad Core processor 3.3GHz with on-board Graphics technology
- o 8X Slimline DVD+/-RW drive
- o 8GBytes 1600MHz DDR Memory
- o 128 GBytes SSD hard drive
- o Dell UltraSharp 61cm (24") LED VGA monitor
- o Office Professional 2013
- o 5Yr ProSupport and Next Business Day On-Site Service

3.9   The proposed DELL solution provides the greatest resilience and capacity, as demonstrated over many years. To shift provider of the front-end architecture imports a risk to the stability and performance of the network. Presently the end-to-end hardware solution is provided by DELL. In the event of any issues, one service call ensures a priority fix. Importing the risk of another provider dismantles the end-to-end maintenance agreement; many an IT environment has failed when different suppliers argue over fault responsibility - whilst in the meantime the network remains unavailable to both internal and external users.

3.10 Since the original procurement of the Desk Top PCs, the workforce has reduced, resulting in fewer PCs being required. The value of the procurement of the PCs is anticipated to be circa £150, 000.

4   PROCUREMENT

4.1   The procurement of the front-end desktop PCs should be seen in the context of our Procedure Rules. In this instance we are talking about high value procurement (paragraph 11 of CPR). In exceptional circumstances (such as this) our normal procurement process may be waived. In this context paragraph 44.1 of the CPR allows for such waiver where (amongst other things):

> "the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Rules is justifiable"

4.2   The rationale for the recommendation is that this Council continues with the existing supplier (DELL) for two very justifiable reasons:

(1)   To maintain the end-to-end IT Architecture with a single supplier/provider

(2)   To maintain the same (upgraded) desk-top PC front-end – again same supplier

During the initial 5 year contract, performance and stability has been first class. The product was sufficiently robust that we purchased them outright at the end of 5 years for a fraction of the cost. The additional financial savings that was secured exceeded £100,000; almost half the original cost. This demonstrated exceptional value for money. We would like to replicate that success without importing unnecessary risks.

4.3   To comply with CPR we would need to invoke para 44.1 which allows for the waiving of the relevant provisions of CPR (paragraph 11) in these circumstances.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	"The 2014/2015 Capital Programme includes a sum of £200,000 for the desktop replacement programme."

LEGAL	In this instance we are dealing with high value procurement as defined by the Council's CPR. Ordinarily for such procurement the requirements as set out in para 11 of CPR should be complied with. However, para 44(1) of CPR allows for waiver of normal procurement requirements in exceptional circumstances. The specific reason to rely on for justifying the waiver is:" "the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Rules is justifiable" The report sets out in detail why it is considered that a departure from the rules is justifiable – in particular see paragraph 4.2 of the report. The professional opinion of the IT Manager is unambiguous and provides sound business reasons for maintaining a single architecture provider. This position has been maintained throughout the last nine years; to change this configuration will simply add complexity and risk.

RISK	The risk currently sits with the existing PCs. They have had life extended by four years and it is imperative that they are replaced. The original design was to last five years. To mitigate the risk of failure to these PCs is to replace them.

THE IMPACT ON EQUALITY	None – the proposal offers no change to existing provision and access

OTHER (see below)	

			Efficiency Savings/Value for Money
	Implementing Electronic Government		