

Borough of Hammersmith & Fulham LEADER'S URGENCY REPORT APRIL 2019		 h&f hammersmith & fulham
laaS FILESHARE STORAGE AND SERVICE WRAP March 2019		
Report of the Leader of the Council – councillor Stephen Cowan		
Open Report with exempt appendix Appendix A is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information		
Classification - For Decision Key Decision: Yes		
Consultation N/A		
Wards Affected: All		
Accountable Director: Hitesh Jolapara, Strategic Director of Finance & Governance		
Report Author: Veronica Barella, Chief Information Officer, IT Services		Contact Details: Tel: 020 8753 2927 E-mail: veronica.barella@lbhf.gov.uk
Reasons for Urgency: The current contract with the incumbent for key infrastructure services, including Infrastructure as a Service (laaS) managed file storage and support services, is due to expire on 30 th April 2019. The current contract via the G-Cloud framework was agreed for a 6-month period from 1 st November 2018. From 1 st May 2019 a new contract needs to be in place until the infrastructure is decommissioned, therefore an extension is being sought with the incumbent who require 1 month's written notice. A decision needs to be taken to award an extension of the current contract that cannot wait for the next Cabinet meeting.		
<u>Date by which decision is required:</u> ASAP		

AUTHORISED BY:

The Leader has signed this report

DATE: 10 April 2019

1. EXECUTIVE SUMMARY

- 1.1. The current contract for the provision of key infrastructure to Hammersmith & Fulham which includes Infrastructure as a Service (IaaS) managed foundation services and file storage (the "IaaS Contract), expires on 30 April 2019.
- 1.2. It is proposed that the IaaS Contract is extended by a period of 6 months to co-terminate with the end of the separate VDI contract held with the incumbent which expires on 31 October 2019.
- 1.3. The IaaS service is required to ensure service continuity while the services it delivers are migrated to the new desktop service and SharePoint Online in line with the Council's strategy.
- 1.4. The service wrap, which includes IaaS support services, business continuity and service management, is also required. It could not be procured via G-Cloud, and so the service wrap was retained through a Change Control Notice to the council's existing LOT 2 contract with the incumbent. This contract extends until 31 October 2021 and provides for all the services included in the service wrap. The IaaS service wrap will also be required until 31 October 2019. It currently ends on 30 April 2019 and a new CCN will be required to cover period up to 31 October 2019.
- 1.5. The cost of dual running both the IaaS infrastructure and service support items has been contained within the operational budget for 18/19 due to the cost of the IaaS contract via G-Cloud being cheaper than the previous contract.
- 1.6. The contract for IaaS infrastructure and service support can be cancelled at any time with one month's notice and the Service Wrap items can be terminated at any time with three months' notice on most items. This would enable an earlier reduction in costs should we be in a position to migrate individual components to the new services earlier than the end of October 2019.

2. RECOMMENDATIONS

- 2.1 To approve the extension of the IaaS contract with the incumbent, from the Crown Commercial Services G-Cloud 10 framework, (*as specified in clause 1.5 above*) until 31 October 2019.
- 2.2 To approve a new Change Control Notice (CCN) to retain the service support provision from the incumbent, from the existing operational budget.

3 REASONS FOR DECISION

- 3.1 The Fileshare migration project is a workstream of the Tech-tonic programme covering the migration of the Fileshares from IaaS storage to SharePoint Online. There is over 13 TB of data to migrate. The council's strategy is to move this data to SharePoint Online so that it is available for better collaborative working.

- 3.2 Performance of SharePoint Online via the current virtual desktop infrastructure (white boxes) is very slow and impractical to use and therefore the migration of the file shares needs to happen at the point that teams receive their new mobile devices.
- 3.3 The migration of file shares to SharePoint Online is tied in with the rollout of Windows 10 and the new mobile devices being delivered as part of the Tech- tonic programme. The programme has experienced delays with some of the technical components which has had a knock-on effect on the Fileshare migration project, and the project is not in a position to commence the migration of team data until officers have received their new mobile devices. This means that the file share migration will not meet the original go-live date of 30 April 2019.
- 3.4 As part of the Tech-tonic programme, all the IaaS foundation services will be migrated to the new desktop service. The timing for the migration is tied into the number of user accounts that are migrated as there is a balance required to ensure foundation services are migrated as soon as practicable without impacting performance for the users. When 50% of accounts are migrated, we will reach a tipping point where the foundation services, such as the authentication service, can be migrated and decommissioned.
- 3.5 The CCS G-Cloud contract with the incumbent has a minimum term of one month and can be terminated with one month's notice without incurring a penalty, as per the T&Cs of the framework (*as specified in clause 1.5 above*). This provides easier termination of the contract in line with our migration plans.
- 3.6 The service wrap items have a notice period of 3 months to terminate, and the service management item has a notice period of 5 months to terminate.

4 PROPOSAL AND ISSUES

- 4.1 The proposal outlined above supports the council's strategy to deliver the Tech-tonic programme with mobile devices and collaborative agile working.
- 4.2 The key issue is around the dependency of the Fileshare migration on the Tech-tonic programme to deliver devices to the business, reducing the demand and usage of the VDI based Cisco white boxes and moving services off the IaaS storage facility within an agreed timescale.

5 OPTIONS AND ANALYSIS OF OPTIONS

- 5.1 No other options are being considered as the requirement is to ensure service continuity during this transition period to new suppliers.

6 CONSULTATION

- 6.1 The report relates to backend infrastructure and no consultation has taken place with other services.

7 EQUALITY IMPLICATIONS

- 7.1 It is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Equalities Act 2010, from the procurement of this contract.
- 7.2 Implications verified by: Fawad Bhatti, Social Inclusion Policy Manager, tel. 07500 103617.

8 LEGAL IMPLICATIONS

- 8.1 This report is requesting amendments to two contracts the incumbent: the “Lot 2” contract and the “G-Cloud” contract. It is proposed that the Lot 2 contract is varied to continue provision of the service wrap, and it is proposed that the G-Cloud contract is extended by 6 months. The legal implications of these actions are outlined below.

8.2 Lot 2 Contract

Legal services have not been provided with a copy of the existing Lot 2 contract and so have not been able to advise on the variation provisions within that contract. However, any contract may be varied if all parties agree on the variation. As such, provided the incumbent is content to proceed with the plans as outlined in this report, then a new Change Control Note (CCN) may be issued to continue provision of the service wrap.

- 8.3 However, any variation of a public contract must be mindful of any restrictions under regulation 72 of the Public Contracts Regulations 2015. This regulation sets out six safe harbours. If the variation to the existing contract does not satisfy one of these safe harbours, then the council could be at risk of a procurement challenge from another organisation who would prefer the council went out to tender for these services, which would give other organisations the opportunity to compete for the contract.
- 8.4 Given (1) the short-term nature of the contract, and (2) the fact that the council is planning on using Office 365 and SharePoint Online as its long-term solution, there is unlikely to be a great deal of interest from the market for this short-term services contract to support the separate IaaS storage call-off contract from the G-Cloud 10 framework. As such, the procurement risk is low.

8.5 G-Cloud Contract

Under the G-Cloud contract the council may extend that contract for two periods of up to 12 months each. Therefore, the proposed extension of this contract until 31 October 2019 is within its terms and there is no procurement risk.

- 8.6 Implications completed by: Hector Denfield, Associate with Sharpe Pritchard LLP on secondment to the Council: hdenfield@sharpepritchard.co.uk

9 FINANCIAL IMPLICATIONS

- 9.1 Approval was given in the cabinet paper of 5th March 2018, "IT transition phase 4 assuring service continuity – desktop strategy and solution options", to fund the cost of an extension to the IaaS contract from the Corporate Technology and IT Reserve to enable parallel running while the services are migrated to the new services.
- 9.2 A further Leader's Urgency Report in October 2018, "IaaS fileshare storage procurement", outlined the procurement from the G-cloud 10 framework for hosting services and extension of the existing contract with the incumbent for service wrap provision up to the end of April 2019.
- 9.3 The lower cost of the IaaS hosting contract on G-Cloud has helped contain the cost of double-running within the operational budget in 2018/19 as services start to be moved.
- 9.4 The reduction in annual running costs once migration has been completed will contribute towards the existing saving target in 2019/20.
- 9.5 *Implications completed by: Andre Mark, Finance Business Partner – Business Partner and Corporate Projects, 020 8753 6729.*
- 9.6 *Implications verified by Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.*

10 BUSINESS IMPLICATIONS

- 10.1 No implications for local businesses.
- 10.2 *Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.*

11 COMMERCIAL IMPLICATIONS

- 11.1 The report recommends a solution, by way of a formal contractual arrangement, that seeks to ensure continuity of service. It is proposed that the Council access the Crown Commercial Services G-Cloud 10 framework and extend the council's access agreement by 6 months for IaaS hosting (baseline services), until 31 October 2019. Also, to modify the contract with the incumbent for service support (Lot 2). The author has provided an explanation to support the recommended options within the body of the report.
- 11.2 Lot 2
In accordance with Contract Standing Orders the service area needs to ensure that the modifications/variations do not constitute a substantial change materially

different in character from the original contracts and doesn't extend the scope of them.

The author is seeking to rely on H&F CSO's 20.3 which provides for variations to either a Regulated or Unregulated contract that equates to a proposed change in value of +/-10%.

11.3 *Implications completed by: Joanna Angelides, Procurement Consultant, Tel: 02028 753 2586*

12 IT IMPLICATIONS

12.1 The proposal provides assurance to the council and delivers service continuity for foundation services and file shares during the six-month period between the end of the current IaaS contract in May 2019, and the migration to SharePoint Online which will be completed by end of October 2019, at which point the IaaS service can be terminated.

12.2 *Implications completed by: Veronica Barella, Chief Information Officer, tel. 020 8753 2927.*

13 RISK MANAGEMENT

13.1 Proposals to award a short-term extension to the contract are in accordance with management of our corporate business resilience and commercial and procurement risk considerations. Risk management plays an integral role in avoiding or reducing risk and in controlling residual risks associated with any decommissioning process. Accordingly, mitigation of these risks is being undertaken to ensure continuity of service during the decommissioning period and the subsequent implementation of the new system.

13.2 *Implications verified by: Michael Sloniowski, Risk Manager 020 8753 2587*

14 BACKGROUND PAPERS USED IN PREPARING THIS REPORT

14.1 IaaS FILESHARE STORAGE PROCUREMENT, OCTOBER 2018

LIST OF APPENDICES **Exempt APPENDIX A**