

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>4 DECEMBER 2017</b></p>	
<p><b>IT TRANSITION PHASE 4 ASSURING SERVICE CONTINUITY – DESKTOP SUPPORT PROCUREMENT OPTIONS</b></p>	
<p><b>Report of the Cabinet Member for Finance - Councillor Max Schmid</b></p>	
<p><b>Open report</b> A separate report on the exempt part of the Cabinet agenda provides financial and legal information.</p>	
<p><b>Classification - For Decision / For Information/For Scrutiny Review &amp; Comment</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: (All Wards); All</b></p>	
<p><b>Accountable Executive Director:</b> Veronica Barella, Interim Chief Information Officer</p>	
<p>Report Author: Adam Nyman, Transition Manager, IT services</p>	<p>Contact Details: Tel: 020 8753 4833</p>

## 1. EXECUTIVE SUMMARY

- 1.1. The council needs a new desktop service to replace its current solution which expires in October 2018.
- 1.2. The current desktop service supports thin clients (aka virtual desktops, white boxes); thick clients (desktops and laptops capable of working offline); and Bring Your Own Devices (BYOD).
- 1.3. A new virtual desktop service is being designed to replace the current end of life solution.
- 1.4. This paper proposes how the council can evaluate three procurement options for the desktop hosting and support strategy for both the thin client and thick client estate.

## 2. RECOMMENDATIONS

- 2.1 To approve the procurement strategy for the desktop and hosting support service.

- 2.2 To delegate to the Strategic Finance Director, in consultation with the Cabinet Member for Finance, the contract award based on the options evaluation relating to the desktop hosting and support running costs.

### **3. REASONS FOR DECISION**

- 3.1. The council needs a desktop strategy which supports its ambition for agile working, delivers savings and replaces its current end of life desktop solution.
- 3.2. A decision is needed in December 2017 in order to develop and implement the new desktop service by October 2018. Any implementation is likely to take at least 9 months from decision. Failure to meet that deadline could have adverse impacts to council services.

### **4. PROPOSAL AND ISSUES**

#### **Background**

- 4.1. The council last updated its desktop service in 2011 with the deployment of the current Smart Desktop service, also known as the Virtual Desktop Infrastructure or VDI, which operates through thin client devices such as Cisco “white boxes” or Wyse laptops. This solution runs in a data centre and no data is held locally on the device.
- 4.2. The contract the council held with HFBP for the provision of the service ended in October 2016. A short-term arrangement was made with BT, and Agilisys as their sub-contractor, using an existing framework. This allowed the current desktop service to continue to assure service continuity. This ends in October 2018.
- 4.3. In a previous Leader’s Urgency paper entitled “IT transition phase 4 assuring service continuity – adoption of a desktop strategy, a procurement strategy, and the supporting business case”, Cabinet approved the desktop strategy, the outline business case for one-off investment in 2017 for the new infrastructure with a further one-off investment in 2020/21, and the procurement approach.
- 4.4. Cabinet also agreed to a delegated report for information relating to the award of the design of desktop contract in July 2017 to the Strategic Director of Finance, in consultation with the Cabinet Member for Finance.
- 4.5. The contract awarded under the Crown Commercial Services Technology Services Framework contract RM1058 to Phoenix Software Ltd (Phoenix) who are currently designing a new VDI desktop service for the council. It should be noted the contract with Phoenix is for the desktop design only and does not include desktop platform hosting and support.
- 4.6. In addition to the virtual desktop supporting thin clients, the council also has a thick client desktop estate. This is supported through a range of services such as application packaging, anti-virus, encryption and policy settings, which are enabled through a set of desktop foundation services. These are currently part of the services provided by BT, with their subcontractor Agilisys, which need to be replaced.

- 4.7. A key part of the desktop services provided by BT with Agilisys are the Microsoft Exchange on-premise messaging services, which provide connectivity to Office 365, as well as secure email where government partners have yet to implement Office 365 secure email. The final component of the current desktop services is the unstructured file storage which contains ad-hoc files such as Word documents and Excel spreadsheets.
- 4.8. The current desktop service is based on Windows 7, in both thin client and thick client forms. Extended support from Microsoft for Windows 7 ends in 2020, at which point continued use of Windows 7 presents Public Service Network (PSN) compliance issues.

### **Proposal**

- 4.9. IT Services has worked extensively with SmartWorking II and business services in developing the desktop strategy. The SmartWorking II programme is intended to transform how people work by supporting agile working and enabling employees to work more effectively both within council buildings and around the borough.
- 4.10. The council needs to decide how to support the range of infrastructure and services required to support thin and thick client desktops. IT propose to
1. undertake a procurement to determine the most cost-effective solution for and desktop support services with the objective of delivering major cost reductions in annual charges;
  2. design the required infrastructure to support thin and thick clients, based on the core VDI currently being designed;
  3. design the required Microsoft Exchange Services required;
  4. assess the options for unstructured file storage;
  5. use the resulting architecture as the design brief to procure desktop support foundation services hosting arrangements through the existing BT data centre contract. BT would use their resilient data centres to host and support the new VDI desktop and non VDI thick client desktop support foundation services and;
  6. upgrade all relevant devices from Windows 7 to Windows 10.
- 4.11. This approach is intended to provide a common platform for LBHF to share applications and services, with further expandability for other online services, facilitating potential sharing with other councils. The approach will also enable the council to vacate legacy supplier data centres, and remove two sets of network links, which also contributes to savings.
- 4.12. The approach also meets the business requirements and design principles developed jointly with SmartWorking II. Key is the requirement to increase flexible working of staff and encourage uptake of the new technologies. SmartWorking II will lead, with IT Services supporting, on the inevitable culture change needed to ensure this new service is fully embedded.
- 4.13. The council will benefit from a modern, improved desktop service, permitting increased density of accommodation usage, future-proofed services, and a further significant increase in mobile working. This service will enable faster

and more flexible access to line of business applications to enable staff to work more responsively in a wider range of locations and provide residents with easier, more reliable ways to interact with the council.

## 5. OPTIONS AND ANALYSIS OF OPTIONS

5.1. The council is considering the following options for desktop support services based on the desktop support foundation services hosted in the BT data centre:

- **Option 1:** IT let a contract with BT under current Framework Agreement “ICT Services” procured by Westminster City Council in 2014, under Lot 1: Distributed Computing, Contract Notice: 2013/S 066-110653 for a desktop support service.
- **Option 2:** IT undertake a mini competition using the Crown Commercial Services (CCS) framework, Technology Services 2, Contract ID: RM3804, Lot 3: Operational Services. CCS has extensive IT framework agreements and public bodies are encouraged to call-off from them. Procuring using these frameworks is a recognised method for achieving a swift outcome and a good solution and is fully compliant with EU procurement regulations.
- **Option 3:** The in-house IT team deliver the desktop support service, with recruitment needed for specialist desktop knowledge as the current IT team do not have the required skill set to support a desktop platform.

5.2. Following the procurement, IT will be in a position to choose between these options and therefore determine the ongoing revenue costs required to deliver the desktop service.

5.3. The draft high level timeline is below

Cabinet approves desktop hosting and support strategy	December 2017
IT evaluate the 3 procurement options	November to February 2018
IT and SmartWorking II deploy desktop proof of concept pilot and have it approved by users	December 2017 to February 2018
IT procures, via CCS or an existing framework, a supplier to manage the end-to-end desktop support service	February 2018
Delegated approval report for contract award	February 2018
Supplier builds new infrastructure for the desktop platform	June 2018
IT with supplier has the new support model for EUC desktop in place	June 2018
IT rolls out new VDI desktop platform based on Windows 7 to assure service continuity	July 2018 to October 2018
IT rolls out new desktop platform across thin and thick clients based on Windows 10	September 2018 to December 2018
BT contract with Agilisys terminates	October 2018

## **6. CONSULTATION**

- 6.1. The report has been presented to IT transition programme board, IT Portfolio and senior leadership teams.
- 6.2. Verified by: Veronica Barella, CIO, IT services, 0208 753 2927

## **7. EQUALITY IMPLICATIONS**

- 7.1. The proof of concept or pilot stage and subsequent testing would elicit any issues with any solution proposed.

## **8. LEGAL IMPLICATIONS**

- 8.1. There are no legal implications for the recommendations related to the proposed IT strategy, the funding and delegation.
- 8.2. Any procurement for the desktop services hosting and support services would need to be in compliance with the Public Contracts Regulations 2015 as amended. The use of frameworks for procurement would, subject to validity of such framework for the proposed procurement, comply with the Council's obligations under the Public Contracts Regulations 2015 as amended.
- 8.3. Implications completed by: Babul Mukherjee, Senior Solicitor (Contracts), Shared Legal Services, Tel 02073603410

## **9. FINANCIAL IMPLICATIONS**

- 9.1. These are set out in the exempt part of the Cabinet agenda.
- 9.2. A separate report, relating to the contract award and support running costs will be presented to the Strategic Finance Director, in consultation with the Cabinet Member for Finance.
- 9.3. Verified by: Andrew Lord, Head of Strategic Planning and Monitoring, 0208 753 2531

## **10. IMPLICATIONS FOR BUSINESS**

- 10.1. None

## **11. COMMERCIAL IMPLICATIONS**

- 11.1. The contracts quoted in option 1 and 2 are existing procurement frameworks.
- 11.2. Option 1: Framework Agreement "ICT Services" procured by Westminster City Council in 2014, under Lot 1: Distributed Computing, Contract Notice: 2013/S 066-110653.
- 11.3. Option 2 would call off from: Crown Commercial Services (CCS) framework, Technology Services 2, Contract ID: RM3804, Lot 3: Operational Services.

- 11.4. The value of the contract is estimated to be above the threshold for services (currently £164,176). Both framework agreements have been let in accordance with statutory requirements. The call off complies with the Public Regulations 2015 and the Council's Contracts Standing Orders. Consequently, no further Contract Notice will be published in either OJEU/Tenders Electronics Daily (TED) nor in the UK's Contracts Finder as only the suppliers on the framework/lot will be invited to bid for this contract, according to the frameworks' rules.
- 11.5. The Council will ensure the process is fully compliant with the principles of openness and transparency. A Contract Award notice will be published in Contracts Finder once the contract is awarded and an entry made in the Council's Contracts Register.
- 11.6. There are no procurement implications for Option 3.
- 11.7. Verified by: Andra Ulianov, Procurement Consultant, Telephone 0208 753 2284.

## **12. IT STRATEGY IMPLICATIONS**

- 12.1. The report is aligned with the current IT strategy and vision of converging software and infrastructure, whilst enabling better collaboration and productivity amongst staff.
- 12.2. Verified by: Ciara Shimidzu, Head of Information, Strategy, and Projects, IT, 0208 753 3895.

## **13. RISK MANAGEMENT**

- 13.1. A timely decision is essential or legal and procurement impact, staffing impact and service failure are all more likely. These would impact negatively, if realised, on the following risks; managing in year and medium-term budgets; market testing and achieving the best possible services at lowest possible cost to the local taxpayer; Service Resilience; decision making and the consequential impact on the reputation of services.
- 13.2. As the current wireless provision is not suitable for the new desktop service, it must be upgraded in line with desktop timescales.
- 13.3. If any proposed desktop solution does not include a clear accountable party for the end to end service any solution with multiple suppliers/components will have a significant risk of failure as a lack of clear accountabilities and responsibilities potentially leading to gaps in service provision, incident, and problem management, etc.
- 13.4. If IT cannot replace temporary IT staff in key project positions quickly enough with permanent staff or if the council loses key staff, then there would be no IT staff with the right experience to share and knowledge transfer.

13.5. Overall the risk is that if the council cannot deliver the new desktop on time, the desktop service solution will need to be either extended which means strategy by default or the council will have no service after October 2018, a high resilience risk to the council. The timely award of the contract will facilitate successful delivery of a project which will take a minimum period of a year to be successfully implemented.

13.6. Further comments are set out in the exempt part of the Cabinet agenda.

13.7. Verified by: Michael Sloniowski, Shared Services Risk Manager, 0208 753 2587

#### **14. OTHER IMPLICATION PARAGRAPHS**

14.1. Property, business intelligence, health and wellbeing, Section 106 and PREVENT implications have been considered and are not relevant.

### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
	None		