

TO: EXECUTIVE DIRECTOR OF DELIVERY & EXECUTIVE MEMBER FOR CULTURE,
DELIVERY & PUBLIC PROTECTION

DATE: 13th January 2021

**CONTRACT AWARD FOR
THE CLOUD MIGRATION and CO-MANAGED SUPPORT**

Assistant Director: Customer Experience, Digital and ICT

1 Purpose of Report

- 1.1 The purpose of the report is to seek approval to enter a new arrangement for 4 years with an appointed Cloud Services Provider (CSP), to migrate agreed on-premise servers and business applications to the Microsoft Azure Cloud. The contract will commence with a Co-Managed support approach moving to Self-Managed model over the life of the contract.

2 Recommendation(s)

- 2.1 That the contract award for a Cloud Services Provider is awarded to Tenderer C.

3 Reasons for Recommendation(s)

- 3.1 The procurement has utilised the G-cloud framework RM1557.11, which is operated by Crown Commercial Services to identify potential suppliers and product offerings. The procurement process has identified that only one supplier on the framework offers the service that BFC requires to migrate to the Azure cloud environment, and it is therefore recommended to award the contract to Tenderer C.
- 3.2 During the evaluation, the longlist was reduced to two suppliers who appeared to offer the service we require. These both quoted based on providing a Fully Managed service, with the capability to offer three levels of support:
- **Fully Managed** is where the CSP delivers the build and configuration services within the Azure environment and provides the full-on-going support.
 - **Co-Managed** is where the CSP delivers the build and configuration services within the Azure environment and BFC IT team provides Infrastructure management, vulnerability and Operating System management, Anti-virus, system monitoring and patching.
 - **Self-Managed** - is where the CSP delivers the build and configuration services within the Azure environment but then only provides subscription, billing, and support escalation.
- 3.3 The procurement clarification process enabled BFC's requirements to be described more specifically. This was done via responses to questions and meetings with the tenderers. It became apparent that Tenderer B was unable to provide Co-Managed support and focussed their services fundamentally on Full-Managed or Self-Managed support. Tenderer B was offered the opportunity to design a "bespoke" Co-Managed support offering but their response still did not meet the Council's needs. This presented uncertainty in terms of potential price fluctuation and support levels provided over the term of the contract. Therefore, Tenderer C remained the only

viable supplier. We are therefore recommending that the contract is awarded to Tenderer C.

4 Alternative Options Considered

- 4.1 Refreshing the existing on-premise servers would require a significant capital and revenue investment and would therefore require at least 5 years to get a return in the investment. This expenditure would be additional to the investment already made in the Microsoft 365 applications platform, which is strategically positioned to provide Cloud Hosting capability and allow BFC to replace other business applications going forward.

5 Supporting Information

- 5.1 Please refer to the confidential Annex for breakdown of quality and pricing issues that were highlighted during evaluation.

6 Consultation and Other Considerations

Legal Advice

- 6.1 Borough Solicitor comments

“The G-Cloud 11 framework under which this service is being procured permits an initial term of up to 24 months extendable by up to a further 24 months. Whilst the cost of the cloud hosted service exceeds that of the existing local arrangements the overall proposal is consistent with the Council’s duty under Section 3 of the Local Government Act 1999 to achieve Best Value given the broader requirements of that duty having regard to effectiveness and quality which are reflected in the procurement plan.”

Financial Advice

- 6.2 Finance Director Comments

“Cloud hosting is calculated to be more expensive than the current arrangements where systems are hosted and supported in Bracknell. However, it is believed that there are potential measures the support supplier can undertake that could result in the annual cost of Cloud hosting being less than projected. There are also additional savings that could potentially be achieved as a result of further reviewing the staffing requirements.”

Other Consultation Responses

- 6.3 The evaluation team was drawn from IT and Procurement to ensure that there was satisfactory representation to perform an effective assessment.

Strategic Risk Management Issues

- 6.4 None identified although project risks were assessed.

Background Papers

Confidential Annexe

Contact for further information

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