



Officer Decision Report

Author/Lead Officer of Report:
Jon Rayner
ICT Service Delivery Manager

Tel: 07368 435121

Report to: *Tony Kirkham, Director of Finance & Commercial Services .*

Date of Decision: *18/01/2023*

Subject: *Call Off Contract –Core Infrastructure Managed Service*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: -				

Purpose of Report:

The purpose of this report is to seek approval for a new 3-year contract, with the option to extend by 1 year (3+1), with an estimated value £1,460,000 over 4 years for the Core Infrastructure Managed Service, which shall include the following Services:

- Managed Cloud Service, including:
 - Cloud Consumption
 - Managed Azure Site Recovery Service
 - Managed Azure Backup
 - Managed Detection & Response Professional Service
 - Fortigate Appliance Managed Service

The proposed contract will also provide for the renewal of various support maintenance agreements and licences which support the core infrastructure above:

- Managed Infrastructure Support (HCI)
- Additional Node / Server & VMware License
- Cisco Nexus Licenses
- NetApp 3rd Party Support
- Gold Maintenance Netscaler support

Lastly, for the proposed contract will also include provision for professional services to implement Sentinel security monitoring services.

We have been using ANS as the incumbent provider for over 3 years, providing essential managed services for our core infrastructure including (not exhaustive) the design, implementation and support of our cloud footprint, Microsoft Azure and our remote access infrastructure, Always on VPN.

The proposed contract is intended to commence on 20 January 2023.

Funding for these services is available via the BCIS Infrastructure budget.

Recommendations:

It is recommended that the Director of Finance & Commercial Services approves the commissioning, procurement strategy and award of a 3 year contract with an option to extend by 1 year (3+1) services contract, with an estimated value of value £1,460,000 over 4 years through the CCS' G-cloud 13 Framework to deliver the Council's Core Infrastructure Managed Service.

Background Papers:

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance & Commercial Services: Kayleigh Inman Senior Finance Manager and Paul Rayton, Procurement and Supply Chain Manager
		Legal: Richard Marik, Commercial Lawyer
		Equalities & Consultation: Ed Sexton, Senior Equalities and Engagement Officer
		Climate: Jessica Rick, Sustainability Programme Officer
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	SLB member who approved submission:	<i>Tony Kirkham, Director of Finance & Commercial Services</i>
3	Relevant Policy Committee	<i>N/A, Officer Decision</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Jon Rayner	Job Title: ICT Service Delivery Manager
	Date: 18/01/2023	

1. PROPOSAL

- 1.1 This report seeks approval of the commissioning, procurement strategy and award of a 4-year (3+1) services contract, with an estimated value of £1,460,000 over 4 years through the CCS' G-cloud 13 Framework to deliver the Council's Core Infrastructure ANS Managed Service requirements

BACKGROUND

- 1.2 ANS has provided the following core services for the Council over the past 5 years under a service contract with the Council:

- Managed Fortinet Azure Virtual Firewall
- Main Cloud Contract & Managed Antivirus
- Managed Intune, Always on VPN And Multi Factor Authentication (MFA)

- 1.3 ANS's services also includes the licencing and support of the various components to deliver the above services which include:

- Gold Maintenance for Citrix; Netscaler 3rd party support
- Additional Node warranty & Support
- Managed Infrastructure (HCI)warranties including VMWare & Cisco
- VMWare Licences
- Cisco Nexus Licences
- NetApp Storage Support and Licences

- 1.4 The ANS Managed Service has performed well during the past 5 years with excellent relationships and had delivered a significant element of the Tech2020 project speedily and efficiently.

- 1.5 The current 3 year contract (which has been extended to the maximum period of 5 years) is coming to an end on the 19th January 2023.

PROPOSAL

- 1.6 Work has been conducted to rationalise these services with the following strategy, all of which were not possible before now:

- At the inception of the current contract, our technology required a huge upheaval, covered in the Tech2020 project. While many of the services provided in the original contract are still valid, there are many that have now been superseded, as such are able to be dropped or consolidated into the new proposal.
- Following on from Tech2020 and the insourcing of the Capita staff, training and upskilling of all staff has been undertaken to align with the new technologies. This has enabled the Sheffield

City Council ICT Service to bring inhouse certain services, thus negating the need to outsource to ANS.

- Cost is obviously a huge challenge within Sheffield City Council at the present time, as such any renewal/ re-negotiation will inevitable have cost as a driving factor, this proposal is no exception, and a cost saving can be achieved on the acceptance of this proposal.

1.7 The proposal for the new contract is to continue to deliver core infrastructure above but with tweaks to the various components that make up the services. As such, it is proposed that the new contract will provide the following managed services:

- Managed Cloud Service, including:
 - Cloud Consumption
 - Managed Azure Site Recovery Service
 - Managed Azure Backup
 - Managed Detection & Response Professional Service
- Fortigate Appliance Managed Service

Managed Service covering Cloud Consumption

1.8 This is our Microsoft Azure platform. When utilising Microsoft Azure the service will manage the resources required to effectively run the infrastructure in the cloud. It will include Compute, network & storage resources, but in addition will also include metering and/ or monitoring to ensure that we only pay for resources that are needed.

Managed Azure Site Recovery Service

1.9 This provides Sheffield City Council with our Disaster Recovery solution for Azure. Azure Site Recovery offers ease of deployment, cost effectiveness, and dependability. Deploy replication, failover, and recovery processes through Site Recovery will help keep our applications running during planned and unplanned outages.

Managed Azure Backup

1.10 This provides Sheffield City Council with our Azure backup solution. The Azure Backup service provides simple, secure, and cost-effective solutions to back up our data and recover it from the Microsoft Azure cloud.

Managed Detection & Response Professional Service

1.11 This provides Sheffield City Council with a scalable, cloud native solution that provides Security Information and Event Management (SIEM).

- 1.12 Microsoft Sentinel delivers intelligent security analytics and threat intelligence across the enterprise. With Microsoft Sentinel, we get a single solution for attack detection, threat visibility, proactive hunting, and threat response. It is our bird's-eye view across the enterprise alleviating the stress of increasingly sophisticated attacks, increasing volumes of alerts, and long resolution time frames.

Fortigate Appliance Managed Service

- 1.13 This provides Sheffield City Council with a fully managed service for our Fortigate appliances. These appliances are a critical component of network access to all of our internal infrastructure.

- 1.14 The proposed contract will also include the following licencing and support for the various components to deliver the above services:

- Managed Infrastructure Support (HCI)
- Additional Node / Server & VMware License
- Cisco Nexus Licenses
- NetApp 3rd Party Support
- Gold Maintenance Netscaler support

- 1.15 The annual software licence renewal as will aim to bring the renewal dates for the Managed Service and the Software Maintenance into line to simplify the renewal procedure and so that any changes to provision can be done in parallel with no periods of redundancy which will incur unnecessary costs to the Council. The annual licence renewal includes all the software licenses used on the various components of the infrastructure within the Managed Service.

- 1.16 The proposed contract will also include Professional Services required to implement Microsoft Sentinel. This is the implementation to deliver the solution into a BAU Managed Detection & Response Professional Service.

Savings

- 1.17 This proposal will continue to deliver core infrastructure but with tweaks to the various components that make up the services. In addition to the tweaks, there are substantial savings to be made by adhering to the strategy mentioned above:

- Insourcing the Anti-Virus Management
- Insourcing Patching Management
- Reduction in Azure consumption
- Replacement of Azure RDS with Always on VPN

		Year 1	Year 2	Year 3	Year 4 (+1)
Current	Managed Service	£630,099	£630,099	£630,099	£630,099
	Support Services	£336,714	£0	£0	£0
	Professional Service	£0	£0	£0	£0
		£966,813	£630,099	£630,099	£630,099

Proposed	Managed Service	£306,572	£306,572	£306,572	£306,572
	Support Services	£214,174	£0	£0	£0
	Professional Services	£20,000	£0	£0	£0
		£540,746	£306,572	£306,572	£306,572

Savings	Managed Service	£323,527	£323,527	£323,527	£323,527
	Support Services	£122,540	£0	£0	£0
	Professional Services	-£20,000	£0	£0	£0
		£426,067	£323,527	£323,527	£323,527

Procurement

1.18 The current 3 year contract (which has been extended to the maximum period of 5 years) is coming to an end on the 19th January 2023 and the proposal is to enter into a new 4 year contract (3+1) to meet the Council's requirements for core infrastructure services and ensure key and business critical functions can continue uninterrupted. It is proposed that the Council will call-off from the Crown Commercial Services' (CCS) G-cloud 13 framework for a service contract, with a term of 4 years (3+1) and an estimated value of £1,460,000.

1.19 The recommended route to market is to utilise (call-off) Crown Commercial Services G-cloud 13 framework - an online catalogue where public sector customers can buy cloud-based computing services such as hosting, software, and cloud support for the Managed Service. The framework is in line with PCR and is set-up for local authorities to call-off from.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 ANS Cloud Services are a key element of our core ICT infrastructure across the Council to work towards the Council's strategic aims by, providing stable, reliable and efficient connectivity for all users regardless of working location to access vital ICT services.

2.2 The Azure platform provides access to many business critical services including at present our file store of G Drive. This enables services across the Council to work efficiently with consistent access to core services.

2.3 This managed Service provides the infrastructure with Always on network connectivity which provided vital connectivity throughout the pandemic and provides the ability for a mobile workforce in the future.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 No consultation required.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 The equality implications of this decision are largely not applicable as these managed services are relating to the infrastructure that is largely invisible to the consumer of the service.

4.1.2 Equality considerations are more prevalent in the end user device that being used at the time, whether that be a desktop, laptop, tablet or mobile phone, as such not applicable to the content of this report.

4.1.3 An EIA will be created and developed to cover the above statements. In addition an EIA will be created and developed to cover the End User devices, albeit separate to this report.

4.2 Financial and Commercial Implications

4.2.1 The new service costs are detailed below. These will be funded from the existing agreed service budgets.

4.2.2 The cost of the managed service is as follows:

	Per Annum	36 Month Term
Managed Cloud Service including: <ul style="list-style-type: none">• Cloud Consumption• Managed Azure Site Recovery Service• Managed Azure Backup• Managed Detection & Response Professional Service	£275,000	£825,000
Managed Fortinet Appliance Service	£31,572	£94,716
Total	£306,572	£919,716

Payment profile: annual in advance.

4.2.3 The cost of the Licencing and Support Maintenance provision is as follows:

	Per Annum	36 Month Term
Managed Infrastructure Support (HCI)	£23,442	£70,326
Additional Node / Server & VMware License	£5,840	£5,840
NetApp 3rd Party Support	£34,504	£103,515
Gold Maintenance Netscaler support	£11,498	£34,494
Total	£75,284	£214,175

Payment profile: 100% on contract signature.

4.2.4 The cost of the Implementation Professional services is as follows:

	Per Annum	36 Month Term
Sentinel Implementation	£20,000	£20,000
Total	£20,000	£20,000

Payment profile: invoiced 50% upfront and 50% on completion.

4.2.5 Commercially the value of the contracts fall in line with the Public Contracts Regulations 2015 (PCR) and a procurement professional will lead to ensure compliance. The recommended route to market is to utilise (call-off) Crown Commercial Services G-cloud 13 framework - an online catalogue where public sector customers can buy cloud-based computing services such as hosting, software and cloud support. The framework is in line with PCR and is set-up for local authorities to call-off from

4.3 Legal Implications

4.3.1 The Council has no specific statutory powers or duties to provide cloud managed services, however the proposed contract for the delivery of the Council's cloud management service ensures that the Council can meet its general duties to its employees and its constituents.

4.3.2 Furthermore, the Localism Act 2011 provides local authorities with a "general power of competence" which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways.

4.3.3 These arrangements are permitted by the Local Government (Contracts) Act 1997.

4.3.4 The Council must ensure that complies with the Public Contracts Regulations 2015 (PCR) when procuring the cloud managed service. The CCS framework complies with the PCR and the Council must call-off any contracts in accordance with the terms and conditions of the CCS framework.

4.3.5 The Council must act in accordance with the Council's Contract Standing Orders when procuring the cloud managed service.

4.4 Climate Implications

4.4.1 No significant impacts identified.

4.4.2 A Climate Implications Assessment report is in-flight, but is not completed at this time.

4.4 Other Implications

4.4.1 No other implications.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 *Allow the existing contract to time expire.* This is not an option as the Council requires a functioning ICT Service to enable users to access all appropriate ICT systems. To cease having a Cloud provider would have significant impact as council services would lose access to all ICT systems and Applications.

5.2 *Extend the current contract.* This creates the risk of contravening the Public Contracts Regulations 2015 and leaving the Council exposed to the risk of legal challenge.

5.3 *Insourcing the service.* This is not an option as it is not practical for the Council to operate a cloud service and as it does not hold the Intellectual Property Rights to the required functionality.

5.4 *Alternative technologies.* The Council currently doesn't have the development or technical resource available to fully implement and support such a deployment and certainly not within the current timelines.

6. **REASONS FOR RECOMMENDATIONS**

6.1 We recommend that we take out a new 3 (+1) year contract with ANS for their managed service. This will enable us to continue to use their range of services to support our core infrastructure enabling vital access to business-critical ICT applications and systems.

- 6.2 Alternative options would risk disruption to service or loss of quality of service. This could prevent key services from carrying out their core duties and needing to invoke service wide business continuity measures.