



Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Lead Member for Corporate Services and Finance Date of Decision: Forward Plan reference:	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	Cabinet Member for Finance, Property and Corporate Services	 City of Westminster
Report title (decision subject)	Windows 10 Upgrade and Compatible Devices - Proof of Concept Decision to procure services from the existing BT Lot1 Framework contract.	
Reporting officer	Ben Goward	
Key decision		
Access to information classification	Part A Public report with a Confidential Part B Report The Part B of this report is currently 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.	
Cabinet Member or senior officer sign-off details	<i>[Report author to confirm that the authority of the relevant Cabinet Member at each authority has been obtained to the publication of this report – or Cabinet Member signature to be added below: Report authorised: [insert] Date: [insert]</i>	

1. EXECUTIVE SUMMARY

- 1.1. Information Technology are seeking approval to commission via existing IT Framework agreement call-off contracts provisioned through budgets from capital funding schemes, to proceed with End User Computing (EUC) projects delivering the following key components:
 - 1.1.1. Upgrade or replacement of unsupported operating systems by the end of March 2019
 - 1.1.2. Improvement of the device catalogue to better serve the needs of the business and refresh end-of-life devices as required
 - 1.1.3. Convergence and improvement of the Councils' technical platforms to gain efficiencies in application deployment methods, develop enhanced Bring Your Own Device (BYOD) capabilities and reduce overall IT support costs.
- 1.2. The Information Technology department is responsible for the provision of circa 7000 allocated laptop and desktop computer devices and their associated maintenance and support services across Westminster City Council (WCC) and Royal Borough of Kensington and Chelsea Council (RBKC) referred to jointly for the remainder of the report as 'the Councils'.
- 1.3. The main operating system (OS) deployed on allocated devices used by the Councils' staff is Microsoft Windows 7. The OS will be unsupported from January 2020 and must be replaced prior to this date to maintain the Councils' regulatory Information Security compliance requirements and to effectively respond to future security threats and the implementation of new regulatory requirements such as General Data Protection Regulations (GDPR).
- 1.4. Significant numbers of devices are approaching or have exceeded recommended end-of-life dates and will therefore require replacement. An OS upgrade will also render a proportion of older devices obsolete due to incompatibility with the latest OS minimum hardware requirements.
- 1.5. IT service delivery is yet to be harmonised to provide a unified experience for end users across the Councils. The Councils' sovereign legacy operating models have resulted in duplicated and divergent silo infrastructure platforms and management of the estate. This limits opportunities to reduce operating costs, creates inefficiencies in the delivery of new technologies and impacts the end user computing experience.
- 1.6. A Gartner commissioned evaluation of the market has evidenced that the existing IT Frameworks (Lots 1-3 detailed within table 5.3) accessible to the Councils remain Value for Money (VFM) allowing confidence for the Councils and other public bodies to call-off services to deploy an upgraded OS, Windows 10. The IT

Framework also provides an additional route to market for Hardware procurement to ensure alongside alternative routes a competitive price is obtained.

- 1.7. Feasibility assessments, initial design and a Proof of Concept (POC) for Windows 10 are proposed to be commissioned via existing Framework agreements as bespoke work utilising its Rate Card. This staged approach will help to appraise the viability of technical solutions and assess the most advantageous route to market for future device purchasing and rollout of Windows 10 across the entire Councils' estate.

2. RECOMMENDATIONS

Royal Borough of Kensington and Chelsea Council

- 2.1. It is recommended that the Cabinet Member for Finance and Corporate services approves:
- 2.2. that the Part B of this report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A, Part 1, (as amended) paragraph 3, in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 2.3. that the Officers procure a contract for provision of Windows 10 implementation services by varying the existing BT Lot 1 Call-Off contract.

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- 2.4. That Part B of this report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A, Part 1, (as amended) paragraph 3, in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 2.5. It is recommended that the Cabinet Member for Finance, Property and Corporate services approves Officers to procure a contract for provision of Windows 10 implementation services by varying the existing BT Lot 1 Call-Off contract.

3. REASONS FOR DECISION

- 3.1. Contract Regulation 2.37 states that "No modifications not provided for in the conditions of contract of above EU threshold (£164,176) contracts may be made until approved by the Director/Executive Director having consulted the relevant Cabinet Member".
- 3.2. It is necessary for the Councils to maintain technologies for use that continue to facilitate key service delivery effectively, efficiently and safely within regulatory

constraints. The EUC project is an enabler for wider programme outputs to maintain and achieve required Information and Data Security compliance criteria.

- 3.3. The extended support period for Windows 7 ends on 14th January 2020. With every new OS there are improvements in security to keep pace with the ever changing threat landscape. A proactive upgrade to Windows 10 significantly minimises the risk for the Councils entering into a period of functioning with a non-compliant and outdated OS absent of new security features, in particular, those to facilitate the imminent General Data Protection Regulations (GDPR).
- 3.4. The EUC project is aligned to IT strategic principles and will deliver components of the strategy including a focus on digital delivery, simplified and modernised technical infrastructure, leveraging IT investment and Customer Centric Services.
- 3.5. The business will benefit from a number of enhanced features inherent to Windows 10 and the rollout of new devices including improved usage speeds, performance and better device choice ergonomically suited to evolving and modern workstyles.

4. BACKGROUND

- 4.1. The Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC) ('The Councils') deliver IT through a shared services arrangement transitioned to in 2016 from previous Tri-Borough structures. The current operating model serves all council departments with over 7000 laptop and desktop devices allocated to council employees (end users).
- 4.2. Consuming technology across the Bi-Borough councils is not yet harmonised and a unified experience for the end user. Most visible to the end user is the variance in the catalogue of devices available for order between the two councils and the device 'build'. The difference in build means that there are dissimilarities in how the same applications and OS behave between the two councils and how the applications are deployed via backend functions. Dell branded devices are predominately used by RBKC employees whilst Lenovo is used by WCC.
- 4.3. Circa 3615 laptop and desktop computers across the councils are approaching or have exceeded their standard lifespan during 2017/18. The main OS Windows 7 is due to become unsupported in January 2020. A proactive upgrade to Windows 10 and refresh of qualifying devices presents an opportunity for the Councils to move towards proposed converged target models for future End User Computing (EUC) services and infrastructures that are aligned to the Councils IT Strategic principles.
- 4.4. Procurement of IT devices, related products and services are largely provisioned through call-off contracts under IT services Framework agreements between the Councils and providers signed-up to the Framework.

- 4.5. RBKC and WCC are signed-up to Lot 1 of the Framework which purposes distributed computing enabling approved purchasing of laptop, desktop devices and services across both councils. The contract for WCC is due to expire on 13th April 2019 and on 5th January 2021 for RBKC.
- 4.6. Changes to the Lot 1 call-off are facilitated through raising a Change Control Notice (CCN) allowing for additional purchases from the services catalogue.

5. INDIVIDUAL SERVICE ARRANGEMENTS

- 5.1. The arrangements for the individual services are summarised below.
- 5.2. RBKC and WCC were lead councils in procurement exercises during 2013 and 2015 resulting in the formation of a number of IT services Framework Agreements. There are four Lots from which the Councils, and any other public body named in the OJEU Notice, may 'Call-off' contracts against. Each contract entered is for a maximum duration of five years with an option to extend the contract for a further three years (5+3). This excludes Lot 4 which is 4+3.
- 5.3. Both RBKC and WCC have call-off contracts against Lot 1 of the Framework enabling the purchasing of computer devices and the associated support services for build, deployment and maintenance of devices.

Contract Title	Start/Commencement Date (as outlined in the contract)	Current Expiry Date	notice of extension by	Contracting Authority
ICT Services: Lot 3 – Data Centre Services Call-Off by RBKC	06/01/2016	05/01/2021	05/07/2020	RBKC
ICT Services: Lot 1 – Distributed Computing Call-Off by RBKC	06/01/2016	05/01/2021	05/07/2020	RBKC
ICT Services: Lot 2 - Service Desk Call-Off by RBKC	15/12/2017	14/12/2022	14/06/2022	RBKC
ICT Services ITT: Lot 3 - Data Centre Services	14/04/2014	13/04/2019	13/10/2018	WCC
ICT Services ITT: Lot 1 – Distributed Computing Call-Off	14/04/2014	13/04/2019	13/10/2018	WCC
ICT Services ITT: Lot 2 – Service Desk Contract	23/05/2014	22/05/2019	22/11/2018	WCC

- 5.4. WCC routinely call off from Lot 1 for device purchasing and support services, this includes the build of the device with the required operating systems, configuration and deployment of the appropriate applications to the new device.
- 5.5. RBKC predominantly call-off from the IT Hardware and Solutions Framework Agreement 2012 for the purposes of device purchasing however provide their own support services for build and application deployment through internal resources. The call-off contract is for 4 years with option to extend. The contract was extended

in 2017 for 9 months expiring at the end of January 2018. The contract is proposed for further extension to January 2019 to enable continued purchasing of devices whilst the EUC project progresses and proposes the permanent solution moving forward.

6. ISSUES & PROPOSALS

- 6.1. It is obligatory for the Councils to maintain compliance with information and data security standards. An unsupported, out-of-date OS significantly will not support the retention of compliance certifications. Non-compliance will have detrimental impact on the Councils' capability to deliver essential services and create risks of financial penalties and reputational damage. The upgrade from Windows 7 to Windows 10 is a mitigating action against this risk and also presents opportunity for the Councils to remediate their duplicated and disparate technical platforms and improve the device offering to members of staff.
- 6.2. Resources and specialist services are required to achieve the desired infrastructure improvement and convergence and Windows 10 deployment capabilities.
- 6.3. The effort to scale up capacity and knowledge through RBKC's EUC delivery model to achieve the project's technical deliverables has been assessed as substantial and therefore not the safest or most cost effective option. RBKC's IT Hardware and Solutions Framework Agreement 2012 provisions the purchase of devices however it does not include the services for build and deployment required by the project.
- 6.4. RBKC's current Windows Installer application management and deployment tool is also not 'fit for purpose' for a Windows 10 rollout across the Councils. It is currently planned to replace this with a Microsoft deployment product, Software Centre Configuration Manager (SCCM). SCCM is already available within the WCC toolkit via Lot1 call-off service arrangements.
- 6.5. The proposed approach is to raise Lot 1 CCNs from the existing IT Framework Call-Off for the provision of services to deliver Windows 10 readiness, design, initial build and a Proof of Concept rollout.
- 6.6. There is opportunity for the Councils to achieve SCCM licencing cost savings through Lot 1 purchasing as these are implicit within the base Microsoft Enterprise agreements. This allows for retirement of Windows Installer and other security products. Further costs are reduced in the packaging of duplicated applications across the Councils; this is not possible without a unified deployment method and tools between the Councils.
- 6.7. The Gartner commissioned evaluation of the market substantiates that overall the IT Frameworks Lots 1-3 detailed within table 5.3 remains VFM although this does

not assess the individual contracts that have been called-off. It has been concluded that there is minimal benefit in the pursuit of alternative partnerships via procurement and sign-up to other Frameworks at this stage due to the current timescales and scope of the requirement.

7. OPTIONS & ANALYSIS

Option 1: Vary the existing BT Lot 1 Call-Off contract – Windows 10 POC

- 7.1. This option is considered the most viable as it allows for feasibility and design components to be delivered prior to committing to an overall deployment and device provisioning. The costs/benefits of a full Benchmarking of Framework Lots 1-3 against similar offerings by market peers is assessed prior to further commitment of funding and procurement of services.

Option 2: Vary the existing BT Lot 1 Call-Off contract - Windows 10 & Device Provisioning

- 7.2. This approach limits the scope for further benchmarking therefore restricting the ability to demonstrate that the market is sufficiently tested and products / services procured are VFM pertaining to a full rollout after the POC. The option shares the initial deliverables specified via option 1 however then seeks to progress immediately to a device provisioning and deployment exercise..
- 7.3. There are no significant implementation timescale variances between the two options, both are estimated for delivery within a 12 - 18 month project.

8. COMMERCIAL & PROCUREMENT IMPLICATIONS

- 8.1. Commercial and procurement implications for this requirement are minimal. Option 1, for the POC, provides a quick and compliant route that eliminates the time and resource that would be required to manage a further competition. It allows for device variants to be tested and qualified before a decision is made for the final product. This is the recommended approach from Procurement.
- 8.2. Option 2 would also save time and resource, however in the absence of testing the market and to determine VFM, there is the risk of not achieving the best commercial as well as technical outcome for the Councils. This is not recommended.
- 8.3. Where option 1 is used, BT will need to be clearly informed that the POC does not warrant entitlement to be awarded the next phase of this project, that being the award of a contract to roll out replacement end user devices to the Councils

9. EQUALITIES IMPLICATIONS

- 9.1. There are no service equalities implications as the approval does not impact the service provided to service users.

10. LEGAL IMPLICATIONS

- 10.1. The proposal to procure the Windows 10 OS from the Lot 1 Frame work call-off by using the CCN procedure under such call-off is compliant with the Public Contracts Regulations 2015 as amended and would not trigger the need to undertake a fresh procurement.
- 10.2. The governing rules of the respective borough necessitate seeking the authorisation to vary the existing call-off contract to purchase the Windows 10 OS.

11. FINANCIAL AND RESOURCES IMPLICATIONS

- 11.1. The project is to be funded from existing capital and revenue budgets 2018/19.
- 11.2. There will be a need to maintain additional servers in order to support new security features at costs circa £27k annually, apart from this requirement both recommendations are not expected to increase revenue costs overall.

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- 11.3. The Group Finance Manager, Corporate Services has been consulted and comments that the financial implications are detailed in the report. The costs identified in the report will be met from the End User Computing (EUC) upgrade project, which forms part of the revised capital programme, submitted for Council approval on the 7th March. The project is phased over 3 years starting in 2018-19. Any revenue cost implications will need to be met from existing resources in the service.

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- 11.4. The 5-year capital programme has a cumulative budget for End User Computing (EUC), submitted for Council approval on the 7th March. All capital costs identified in the report will be met from this budget.

11.5. All revenue costs will be met from ICT's recurrent budgets.

12. CONSULTATION

12.1. This paper has been agreed by the Chief Information Officer and discussed informally with the Cabinet Member for Finance and Corporate Services. It has been approved by RBKC Finance, Legal and Procurement teams prior to formal submission.

13. Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

None

For completion by the **Cabinet Member** for Finance, Property and Corporate Services

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Tim Mitchell, Cabinet Member for Finance, Property and Corporate Services**

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Decision to procure services from the existing BT Lot1 Framework contract** and reject any alternative options which are referred to but not recommended.

Signed

Councillor Tim Mitchell, Cabinet Member for Finance, Property and Corporate Services

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.