

<b>DECISION TITLE: Contract for cloud-based services hosting the Council's server estate</b>
<b>ENTER NAME OF CABINET MEMBER EXERCISING DELEGATED POWERS: Cllr Fitzgerald, Leader of the Council</b>
<b>June 2022</b>
<b>Deadline date: June 2022</b>

Cabinet portfolio holder: Responsible Director:	Cllr Fitzgerald, Leader of the Council Sue Grace Director of Customer & Digital Services
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: NO Unique Key decision Reference from Forward Plan: (Urgency Procedure Invoked)
Is this decision eligible for call-in?	NO (Waiver of Call-in Procedure Invoked)
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	NO (Direct supply procurement) Verto number: N/A

<b>RECOMMENDATIONS</b>
<p>The Leader is recommended to:</p> <ol style="list-style-type: none"> <li>1. Extend the 2021 contract for cloud-based services from Amazon Web Services UK Limited (AWS) by up to the two years agreed within the contract to a further value no greater than £1,000,000</li> <li>2. Authorise the Corporate Director: Resources to vary this Contract if the Council has to amend its detailed business requirements, but subject to a maximum aggregate value (i.e. including the 2021 contract) of 150% of the approved value of the 2021 contract, being £1,460,000 (BPS).</li> </ol>

**1. PURPOSE OF THIS REPORT**

- 1.1 This report is for the Leader of the Council to consider exercising delegated authority under paragraph 3.4.8 (a) of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (a).
- 1.2 With the approval of the Chairman of the Scrutiny Committee, urgency, special urgency procedure, and waiver of call-in procedure have been invoked to suspend the requirement to publish the decision on the Forward Plan, to suspend the requirement to publish the decision for five days and to waive the requirement for the decision to be subject to a three

day call-in period. The contract that is being referred to can be extended for two further twelve month periods until the 31<sup>st</sup> of May 2024 and does not require any further work from a procurement perspective, but a new CMDN is required to cover the term of the extension.

These procedures have been invoked in order to mitigate the impact of not extending the contract as this would mean that staff would not be able to access critical business systems.

Unfortunately, there was an oversight which meant this contract was not added to the forward plan. The overall strategy for how and where our infrastructure sits is currently being reviewed as part of our overall IT strategy and we will ensure any future decisions go through the appropriate process.

## 2. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	N/A
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## 3. **BACKGROUND AND KEY ISSUES**

- 3.1 As part of the council's 2015 Technology Strategy, the council migrated servers from the Town Hall server room to a remote computing/web service provided by Amazon Web Services (AWS) procured through Arcus Global Limited via the G-Cloud framework. The contract is now managed in house via a G-Cloud contract.

AWS is fundamentally the backbone to PCC's applications delivery, and operationally AWS continues to offer the best value and continuity of service to the council.

The cloud-based service is a core element of PCC IT infrastructure therefore the award of this contract is fundamental to the continuation of uninterrupted service provision by Peterborough City Council.

## 4. **CONSULTATION**

- 4.1 As part of the decision, consultation was undertaken with the relevant Service leads within the Council, as well as the respective legal services for the Council.

## 5. **ANTICIPATED OUTCOMES OR IMPACT**

- 5.1 Continued use of the AWS cloud-based services, originally procured in 2021, hosting PCC applications and associated storage.

## 6. **REASON FOR THE RECOMMENDATION**

- 6.1 Operationally AWS continues to offer the best value and continuity of service to the council, also benefiting from; high availability server capacity, modern server technology, switching off servers when not in use to reduce cost, a level of disaster recovery and improved business continuity.

The council is therefore provided with an effective ICT service which is:

- Stable;
- Flexible;
- Adaptable;
- Resilient; and
- Appropriate to the needs of the Council in the medium to long term.

The current contract expired on 31st May 2022 therefore a new contract is urgently required in order to continue use of AWS cloud-based services. The recommended option is to continue the cloud-based services directly through the council via the Crown Commercial Service Call-Off Contract, G-Cloud 12 Framework Agreement (RM1557.12).

This is considered to be the preferred procurement route, as opposed to renewing the contract via any third party, as it removes any handling charges or mark-up that may be applied by a third party.

This contract for cloud-based services is procured via the GCloud 12 Framework Agreement and was made in accordance with the procedures for awarding a supplier.

## **7. ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 This award is for the continuation of an existing service. The server room in Sand Martin House has been sized to accommodate a limited number of servers, with the overall design based on continued reliance on the cloud-based service and the capacity provided by AWS.

An alternative would be to move the services to another provider. This is feasible but would take 1-2 years to complete, as it did to move to AWS in the first place, and would incur additional charges from all parties involved. The longer term approach to using a blend of cloud-based services alongside the server room in Sand Martin House is currently being reviewed as part of the IT Strategy work that is underway between Peterborough City Council and Cambridgeshire County Council.

## **8. IMPLICATIONS**

### **Financial Implications**

- 8.1 The council will be committed to spending up to £586k revenue for the services over a period of 1 year with the second year expected to be no higher than £400k as we reduce usage of this contract.

### **Legal Implications**

- 8.2 The procurement of the cloud-based services has been undertaken in accordance with the Crown Commercial Service G-Cloud 12 Framework requirements and the call-off is compliant with Public Contracts Regulations 2015.

As the cloud provided by AWS is based in the European Union (i.e.Eire) the international dataflow between the Council and Amazon will take place on the basis of the existing Adequacy Agreement which the UK has with the EU, However, AWS do reserve the right to relocate the data in specified circumstances and therefore close contract management is essential to ensure that the data is not relocated to a so-called third country where the data protection is less than in the United Kingdom or Eire, in which case legally compliant safeguards would need to be put in place by AWS or the Council, as applicable (and if possible) or the data would need to be recovered and an alternative resource found to ensure compliance with UK data protection laws.

In the past attempts have been made to negotiate a level of liability acceptable to AWS for the council to be indemnified for any breaches of data protection legislation or data breaches, caused by AWS, but this has been refused and they contract on a zero rate liability.

### **Equalities Implications**

8.3 Is neutral for this CMDN.

**Carbon Impact Assessment**

8.4 This is a renewal of what we are currently doing, Amazon Web Services (AWS) is committed to running their business in the most environmentally friendly way possible and achieving 100% renewable energy usage for their global infrastructure.

**9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

9.1 None

**10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

10.1 Extension of the Amazon web service

**11. APPENDICES**

11.1 None