From: **Peter Oakford, Deputy Leader and Cabinet Member for
            Finance, Corporate and Traded Services**

            Rebecca Spore Director of Infrastructure

To: **Policy and Resources Cabinet Committee, 13th July 2021**

Subject: **Technology Refresh Programme 2021**

Classification: **Unrestricted**

Past Pathway of report: N/A

Future Pathway of report: N/A

Electoral Division: All

Summary: The Council has over recent years been increasing the mobility of its work force. The Technology Refresh Programme (TRP) is critical to support the Council's ongoing ambition to work flexibly and embrace a digitally enabled approach to the way that services are delivered. The programme will consider the optimum model which supports the Council's future operating model and includes the procurement, build, distribution, and ongoing management of devices throughout their lifecycle. Since the last TRP cycle in 2016/17 the market has moved on significantly and there is an opportunity to move to a new model. This paper explores the new model and sets out the next steps to progress this.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree the Technology Refresh Programme Strategy, approve the award of a contract for End-User Devices (Technology Refresh Programme), following a competitive process, and to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and the Cabinet Member for Finance, Corporate and Traded Services, to enter into the necessary contractual negotiations and legal agreements.

1. Background

1.1. The procurement exercise and device strategy is a key enabler to the delivery of KCC's strategic ambition to support a modern workforce using modern technology tools. Many of the devices currently used by the Council are now reaching their end of realistic technical life. There is a need to replace devices to ensure continued availability within agreed support lifespans and to enable the Council to continue to meet its business needs.

1.2. The Technology Refresh Programme is critical to supporting the Council's ongoing ambition to work flexibility and embrace a digitally enabled approach to the way services are delivered. The strategy will consider the optimum model which supports the Council's future operating model and includes the procurement, build, distribution, and ongoing management of devices throughout their lifecycle.

1.3. The new arrangement will cover the following equipment types:
- Laptop computers.
- Tablet devices (such as Apple iPad and Microsoft Surface).
- Monitors.
- Docking stations and other accessories.
- Desktop computers to support a community provision such as public access to PCs in libraries.
- Mobile devices.

1.4. The initial device specifications set out in the tender, will be sufficient to adequately support the requirements of the Council to provide flexibility and a modern operating model. Any device will support the latest operating systems, will have an automated set-up and device-management approach to the Microsoft Office 365 productivity suite and security products, and access to the Council line-of-business applications. The model will be designed to allow the specifications to change over the life of the contract, as device models are replaced, but also cater for new device-types as they arise.

1.5. The following service scope is included as part of the proposed procurement:

- The initial sourcing of the devices.

- The equipment set up, imaging and distribution.

- The ongoing support and management of the equipment during its lifecycle, including asset management and decommissioning.

2. Objectives of the Technology Refresh Procurement Programme

2.1. Ensuring the council has access to a range of resilient, reliable devices which support flexibility and the needs of the Council.

2.2. Moving to a laptop/tablet first approach which supports maximum mobility with desktops only used where they are needed to address a specific business need.

2.3. Adopt Evergreen IT; Ensure our devices, operating systems and supporting software are maintained at the latest version and functionality. Ensure staff are always using corporate devices that are within their supportable lifespan.

2.4. Predictable Price: The adoption of a predictable pricing model across the lifespan of each deployed device by leveraging the benefits of alternative finance methods such as leasing.

2.5. Flexible Provision and Support; Provision of services to customers that satisfy the demands for flexibility, scalability, and timeliness, ensuring devices are configured, delivered, repaired, or replaced promptly, irrespective of customer location.

2.6. Zero Touch Deployment; The introduction of an approach that enables users to be supplied with a pre-configured device that can be deployed using network-based installation, to significantly simplify the deployment process.

3. Delivery Model Options

3.1. The following options have been considered:

3.1.1. Extend current stock for a further 12 months

3.1.1.1 The current policy is to hold laptop stock for four years and desktop PCs for five years. The current kit has a warranty for three years which in many cases has now expired. The volume of laptop repairs has been increasing for the older devices over the last 12 months, with the older devices struggling to support key modern workplace software tools (Microsoft Teams, etc.). It is likely that this option will significantly impact on the Council's ability to carry out its business and is therefore discounted.

3.1.2. Re- procurement based on the current delivery Model

3.1.2.1 The current end user device service is a traditional model whereby devices are sourced from a vendor and bought upfront and are assets of the Council. Cantium Business Solutions place the order, receive the equipment, deploy, then manage the device throughout its lifecycle including software management. The Cantium service desk provides 1st, 2nd and 3rd line support for any issues that users have with both the hardware or software. It is recognised that the historical SLAs and approach are out of step with the current needs of the organisation and there is a need to move to a new model. Historically, KCC has extended the life of laptops for an extra year and whilst this has enabled the TRP lifecycle to be extended, it has had implications on customer experience due to the greater number of equipment failures in the last year which were unable to be fixed. There are options to move to a leasing structure instead of an upfront purchase where KCC do not own the assets this will mean moving to a leasing term aligned to the warranty period.

3.1.2.2 This model has the benefit of being well established in the Council but is reliant on a traditional deployment and lifecycle model as we
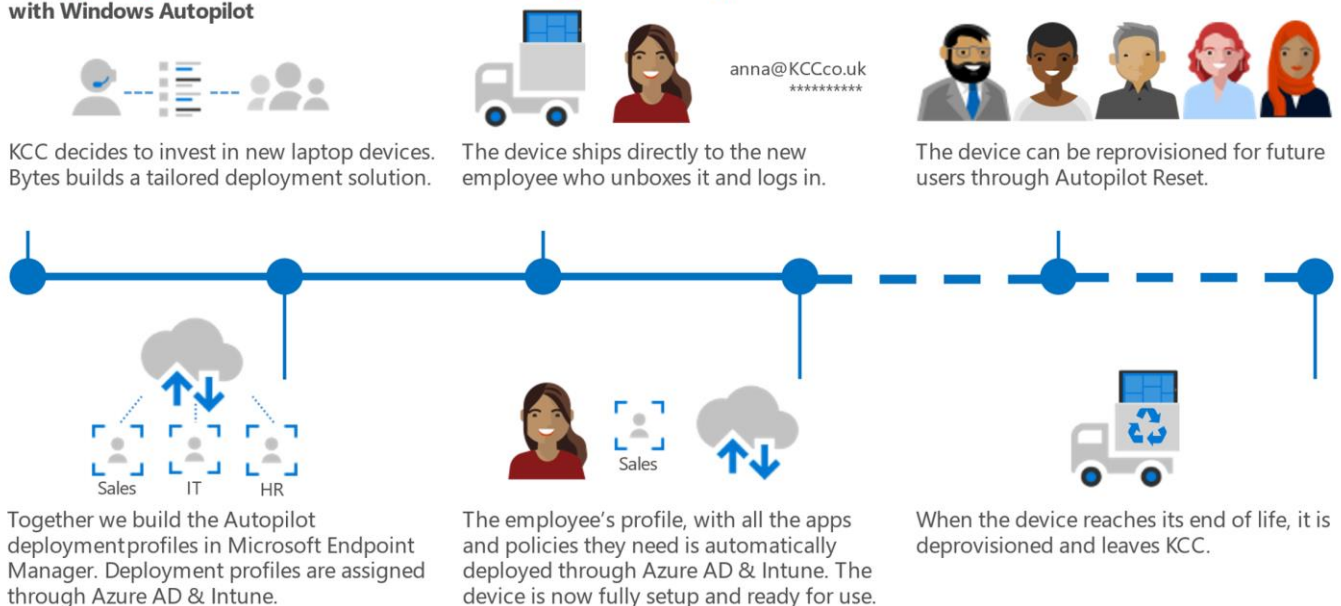
have now. This has limitations in respect of fixability and is reliant on Cantium and KCC's investment.

3.1.3. **Device as a Service**

3.1.3.1. Since the last programme was established in 2016/7, the device market has progressed significantly, with technology vendors maximising the capabilities of devices to support alternative ways of working. The emerging model is known as a Device as a Services (DaaS).

3.1.3.2. The DaaS approach bundles the leasing of hardware devices such as laptops, tablets, and accessories together with life-cycle servicing and software into a single monthly, per-person contract and a consumption model. The lifecycle service can be mixed to align with the service requirements and support those services that are retained in house and/or augmentation of services by partners as part of the overall DaaS provision. All the major PC manufacturers like Apple, Microsoft, Dell and HP have a DaaS offer.

3.1.3.3. The costs of the deployment, hardware, repair costs, and disposal are wrapped into the annual cost per users. The costs and processes associated with deployment are efficient with the devices coming pre-configured with services and configurations and distributed to a location that suits the user. An example of the deployment model under DaaS is set out below:

Deployment and unboxing example.
with Windows Autopilot

KCC decides to invest in new laptop devices. Bytes builds a tailored deployment solution.

The device ships directly to the new employee who unboxes it and logs in.

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The device can be reprovisioned for future users through Autopilot Reset.

Together we build the Autopilot deployment profiles in Microsoft Endpoint Manager. Deployment profiles are assigned through Azure AD & Intune.

The employee's profile, with all the apps and policies they need is automatically deployed through Azure AD & Intune. The device is now fully setup and ready for use.

When the device reaches its end of life, it is deprovisioned and leaves KCC.

3.1.3.4. The vendor is also responsible for providing the device configured with all the custom settings and software with the lifecycle managed by the vendor, based on an evergreen model whereby software is constantly updated.

3.1.4. **Summary of Options**

The advantages and disadvantages of the options are summarised below:

Model	Benefits	Disbenefits
Traditional	1st, 2nd and 3rd line support supplied by service team that has corporate knowledge. Life of assets can be extended if required.	Costs variable Incur Asset Management overheads Incur Disposal costs Inflexible build and deployment model Additional upgrade costs
DaaS	Fixed device costs for life of contract (including asset management and disposal) Flexible 'no touch' build process Fixed support costs for life of contract Fixed device upgrade costs with Evergreen IT guaranteed Device numbers can be flexed within contract terms More integrated customer experience	Support model will need triage system for service desk calls Device life fixed A move to a consumption subscription model.

4. Device Lifecycle

	Existing TRP cycle	Expected New TRP cycle
As part of the approach to TRP, Technology Services propose that the following replacement life cycles are allocated to each device type. This requires a shortening of the life cycle from the current arrangements which recognises that pushing the life cycle beyond the 3-year warranty is no longer viable given our reliance on the hardware and the need to ensure that we have IT kit which is able to keep pace with		

software and operating system development. These changes are summarised in the table below with the new lifecycles aligned to current industry best practice.		
Laptops	**4 years**	**3 years**
PC's (non-standard issue)	**5 years**	**5 years**
Mobile Phones, Phablets and Tablets	**4 years**	**3 years (maximum)**
Monitors	**5 years (maximum)**	**5 years (maximum)**
Peripherals	**Replaced on a break fix basis**	**Replaced on a break fix basis**

5. Finance implications

5.1. Based on previous technology refreshes, the expected budget requirement for a full End-User Device refresh is estimated to be circa £6million, if purchased upfront. A budget of £6m is available and has been allocated within the current Asset Management Reserve. The current ongoing device-support arrangements are included in the technology budgets and are delivered by Cantium Business Solutions. Under the Device as a Service solution, the money provisioned within the reserve, along with the annual budgets within the Council for ongoing device support, would be used to meet new annual costs.

5.2. The table below illustrates the indicative costs associated with the model based on industry benchmarks and assumptions which need to be tested further as part of the procurement process including any costs of change.

Indicative Model costs

Model (10,000 laptops)	Device costs (3-year term)	Support costs per 3-year term	Total 3-year cost
Current Traditional	**£6.750,000** **(based on standard Lenovo I5 @ £675 per device)**	**£4,095,723 (1st, 2nd, and 3rd line)*** **Build cost - £1,150,000.** **Additional charges** – £210,000** * support costs based on Gartner ICT spend analysis. **£70 per change of user or re-networking assuming 10% staff turnover	**£12,205,723**
DaaS	**£5,400,000**	**£3,360,000 (2nd and 3rd Line only)**	**£11,500,611**

| Model | (based on standard Lenovo I5) | £2,740,611 (1st line from CBS)*
* support costs based on Gartner ICT spend analysis.

assumption that reduction in current 2nd and 3rd line support costs will be achieved | |

5.3. The change in the refresh cycle as outlined in section 4 will have an implication on the reserve provision. This will be the case irrespective of which option is selected. To some extent this is currently happening within existing expenditure, where devices are failing in year 4 and are having to be replaced. The financial model will be refined as the DaaS option is further developed and informed by the proposals that come forward from the further market testing and procurement.

6. Legal implications

6.1. Procurement will be undertaken using recognised public sector framework agreements in consultation with Strategic Commissioning. Legal advice will be sought in support of the procurement.

6.2. A key decision is being sought in accordance with the Council's governance processes.

7. Equality implications

7.1. A full equality assessment will be undertaken

8. Conclusions and Next Steps

8.1. The current hardware devices used by the Council are now becoming end of life. The need for reliable end user devices that meet the business needs of all staff is a key priority, to ensure efficient and effective service delivery. KCC now have an opportunity to modernise the way in which equipment is procured, deployed, managed, and supported to a remote workforce by moving to a new DaaS model. It is proposed to explore a DaaS model as part of the procurement to test the viability of this option further. Alongside any market procurement KCC will also invite a proposal from Cantium for a DaaS model to inform the Council's final decision and any contract award. The indicative key milestones are as follows:

Indicative Milestone	Key Dates
Complete pilot to refine specification and device type of users	August 2021 - September 2021
Confirm Procurement Framework	July 2021
Undertake Procurement	August - October 2021
Contract Award	October 2021
Contract Mobilisation	October 2021 – November 2021
Implementation and Kit deployment	November Onwards

8.2. It is proposed to update the committee further following the procurement activity in the Autumn.

9. Recommendation(s)

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10. Background Documents

10.1 None.

11. Contact details.

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