

DMPC Decision – PCD1753

Title: Increase to VMWare Licence Costs

Executive Summary:

VMWare licensing costs have increased above the anticipated inflationary costs approved in the 23/24 consolidated paper (PCD1430). This paper requests approval for additional inflationary budget and approval to award a higher value contract.

Recommendation:

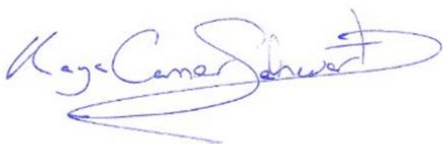
The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. The initiation of procurement action for a contract for Enterprise Agreement for VMWare Licensing with a total contract value of £5m and a term of 3 years and delegate approval to award contract to the Commercial Director.
2. Allocation of non-pay inflation uplift to the DDaT MTFP of £3.2M over the next five years to cover the additional costs of VMWare Licensing across the MPS estate.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.



Signature

Date 16/12/2024

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. Virtual Machines are deployed across the MPS for a variety of purposes and allow for a single physical machine to operate multiple operating systems, better distributing computing resource amongst different requirements.
- 1.2. The VMWare Enterprise Licence Agreement was previously agreed in 2021 and ran for three years, over which time there was no cost increase to licensing.
- 1.3. Approval for a new three year Enterprise Licence Agreement was given in the IT Consolidated Contracts Paper for 2023/24 under PCD 1430 but the value contained does not sufficiently cover the costs due to the increase in unit pricing.
- 1.4. VMWare were acquired by Broadcom in December of 2023 and have redesigned the licensing model that was previously in place. This has resulted in substantially increased costs for the same licensing and support. The impacts of this are being felt across all of the VMWare customer base, with minimal opportunity to mitigate the impact.

2. Issues for consideration

- 2.1. This information is contained in the restricted section of the report.
- 2.2. This business case aligns to the New Met for London plan by ensuring continued provision of VMWare capability to the MPS estate to ensure continuity of operations across a number of key platforms and applications. Without this licensing all technology currently being run using virtual machines would fail.

3. Financial Comments

- 3.1. It is expected that total costs for the three year Enterprise Licence Agreement will be £5m.
- 3.2. Funding for the requirements will be from the MOPAC approved DDaT budget with the requested uplift.

4. Legal Comments

- 4.1. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £214,904 (including VAT) or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.
- 4.2. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
 - a. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8). and
 - b. All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).
- 4.3. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.
- 4.4. Further information is contained in the restricted section of the report.

5. Commercial Issues

- 5.1. The requirements will be procured via the Blue Light Commercial aggregation exercise for VMWare licences which provides discounting against list price costs.

6. GDPR and Data Privacy

- 6.1. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
- 6.2. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
- 6.4. The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

7. Equality Comments

- 1.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 1.2. There are considered to be no negative equality or diversity implications arising from the award of this contract.

8. Background/supporting papers

None.

Part 2 - This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Increase to VMWare Licence Costs

BJP is exempt from publication for the following reasons:

Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information)

- Order 2011 (Data Protection Section 43 - Trade Secrets and Prejudice to Commercial Interests).

The paper will cease to be exempt upon completion of the contract. This is because the information is commercially sensitive and could compromise future procurement activity.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION	<i>Tick to confirm statement (✓)</i>
Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓
Commercial Issues Commercial issues are covered in the body of the report.	✓
GDPR/Data Privacy GDPR compliance issues are covered in the body of the report .	✓
Drafting Officer Omo Okuonghae has drafted this report in accordance with MOPAC procedures.	✓
Director/Head of Service: The MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature _____

A handwritten signature in black ink, featuring a circular loop at the beginning followed by a series of connected, slightly wavy lines.

Date 11/12/2024