

**REQUEST FOR DMPC DECISION – PCD 214****Title: IBM Websphere Licences****Executive Summary:**

This paper seeks approval to resolve the under-subscription of IBM Websphere Licences. The MPS wishes to make a one-off payment of £789,000 to IBM.

**Recommendation:**

The DMPC is asked to

1. Approve a one-off payment of £789,000 to IBM to settle the under-subscription of IBM Websphere licences.

**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***Spur Henderson***Date***20/6/17*

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. An independent audit of the IBM Websphere licences (by Deloitte in 2016) highlighted there were a number of under-subscribed licences.
- 1.2. The MPS has been in discussions with IBM to resolve the under-subscription of Websphere licences. An agreement has been reached, which will require the MPS to make a one-off payment of £789,000 to IBM. The cost will cover the already consumed Websphere licences and allow the MPS to be compliant with the terms and conditions of the licences.

#### **2. Issues for consideration**

- 2.1. See the Part 2 for details.

#### **3. Financial Comments**

- 3.1. The MPS requires funding of £789,000 and this can be contained within 2017/18 budget.
- 3.2. Further details are discussed in the Part 2.

#### **4. Legal Comments**

- 4.1. The procurement route will be direct with IBM, as this is the only route available to the MPS.

#### **5. Equality Comments**

- 5.1. There are no direct equality or diversity implications arising from this report

#### **6. Background/supporting papers**

- 6.1. Report.

**Public access to information**

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

**Part 1 Deferral:**

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

**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 rational for non-publication.

Is there a **part 2** form – Yes

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

**ORIGINATING OFFICER DECLARATION:**

<b>Head of Unit:</b> The Chief Financial Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Financial Advice:</b> The Chief Financial Officer has been consulted on this proposal.	✓
<b>Equalities Advice:</b> No Equality and Diversity issues identified.	✓

**OFFICER APPROVAL****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

R. Lawrence

Date

15/06/17



**IBM WEBSPHERE LICENCES**  
**INVESTMENT ADVISORY BOARD**

**09 JUNE 2017**

**Report by Angus McCallum on behalf of the Deputy Commissioner**

***EXECUTIVE SUMMARY***

The Metropolitan Police Service is seeking approval to resolve the under-subscription of IBM Websphere Licences .

**A. RECOMMENDATIONS - That the Deputy Mayor for Policing and Crime**

1. Approves a one-off revenue payment to IBM of £789k to settle the undersubscription of IBM Websphere licences and to note that the payment is fully covered in the Digital Policing (DP) 2017/18 budget.

**B. SUPPORTING INFORMATION**

1. An independent audit of the IBM Websphere licences (by Deloitte in 2016) has determined the number of under-subscribed licences.
2. The MPS has already consumed the Websphere licences, and therefore MPS has continued to use IBM's software whilst currently being out of compliance with its licence terms and conditions.
3. Procurement route will be direct with IBM which is the only route available.

**C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS**

**Equality and Diversity Impact (mandatory)**

1. There are considered to be no negative equality or diversity implications arising from this request and none in relation to its approval, or otherwise.

**Financial Implications / Value for Money (mandatory)**

1. The cost will be met from the overall 2017/18 MPS revenue budget. Further detail is provided in Part 2, Appendix A.

**Legal Implications (mandatory)**

1. Software licensing of the Websphere software is only available from IBM, which owns all the rights to the product. No other supplier is available. There is a high risk that the supplier will pursue a legal challenge to recover the costs of under-subscription if the settlement is not approved.

**Consultation undertaken (mandatory)**

1. The subject has been circulated as part of the internal MPS review process. Further detail on the reviewing groups is provided in Part 2, Appendix B.

**Risk (including Health and Safety) Implications (mandatory)**

1. By deciding against the settlement to resolve the under-subscription, the MPS will continue to be out of compliance with IBM WebSphere licence terms and conditions. There is a high risk that the supplier will pursue a legal challenge to recover the costs of under-subscription.

**Real Estate and Environmental Implications (if relevant to the subject)**

1. There are considered to be no real estate or environment implications arising from this request.

**Background papers:**

**EXEMPTIONS**

1. The Business Justification Paper is included in Part 2 (separate attachment) and is exempt from publication for the following reasons:

- a. Part 2 is exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information Order 2011).

- b. The FOIA that would exempt this information disclosure is:

Section 1 - Decisions required - page 3 - bullets 1 to 4. (Section 43 – Commercial and Law enforcement - Section 31)

Section 2 - Strategic Case - pages 3 - 4 - Entire pages (Law enforcement - Section 31)  
page 5 - 6 all tables (Section 43 – Commercial and Law enforcement - Section 31)

Section 3 - Economic Case – pages 4 - 5 – All bullet points included in sections 3.1, 3.2 and 3.3 (Section 43 – Commercial and Law enforcement - Section 31)

Section 4 - Commercial Case - page 5 – bullet point 2 (Section 43 – Commercial)

Section 5 - Financial Case – page 6 – Financial Table (Section 43 – Commercial)

2. Part 2 will remain confidential until 7 years from the date of the IAB board i.e. 9<sup>th</sup> June 2024. At this point the report should be reviewed to ensure commercially sensitive information is not released.

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