

ISC10D006

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Managed service for PC procurement (MSPCP) project recommendation

Date: 3 November 2010

The MSPCP project has undertaken the retendering of the contract to supply the University with desktop computers and laptops. This document describes the process followed by the project team, its findings and conclusions.

ISSC is invited to:

- **Approve the recommendation that the contract for the supply of desktop computers and laptops should be awarded to Viglen**
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Introduction

Currently, UEA has a contract with Dell for the supply of desktop computers. The contract has been running for 3 years and is due for renewal. This provides UEA with an opportunity to review the current service and explore what other suppliers have to offer. Using our experiences of the past 3 years, we expect to be able to implement changes which will improve the efficiency of order processing, simplify processes and reduce delays and associated costs.

The MSPCP project was set up to manage this retendering process.

Alternatives to the managed service

Following consultation with SCI Faculty Executive, we are aware of concern among some staff that the managed service approach to procuring PC systems does not provide as competitive a solution as that available via high street retailers.

An appendix to this document addresses these concerns and helps clarify the legislative context for managed service as well as demonstrating the significant benefits and savings which are delivered by it.

Tendering process

The MSPCP project team draws on IT and administrative staff from FOH, HUM, SCI, SSF, FIN and ISD. As a team, a detailed statement of requirement document (SOR) was drawn up and issued to suppliers on the SUPC framework agreements for the supply of desktop and laptop computers. The SOR reflected all aspects of the service with appropriate scoring weighted to reflect the relative importance of the criteria to the institution.

Responses to the SOR were received from Dell, Getech, Stone, and Viglen.

The project team met as a group to mark the responses and agree on scores. All suppliers were also invited to supply hardware for evaluation and to give a presentation on site about their proposed services to an invited audience of IT, finance and administrative staff. The findings from the hardware evaluation and presentations were then used to review and adjust scores if necessary.

Findings

The final scores recorded at the end of this evaluation process are as follows:

Supplier	Weighted score
Dell	64%
Viglen	98%
Stone	89%
Getech	56%

Significantly, both Stone and Getech were not able to meet some of the mandatory requirements stated in the SOR.

We have followed up references for other institutions already using Viglen. All have indicated they are very satisfied with the quality and professionalism of the service they have received.

Recommendation

Subject to the satisfactory conclusion of a period of clarification around any remaining queries, the recommendation of the project team is that the contract for the supply of PC desktop and laptop computers should be awarded to Viglen.

Following award of the contract, work will be undertaken with Viglen to define and establish processes ready for a live service starting on 1 January 2011.

Appendix: Managed service comparison

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Date: 3 November 2010

Version: 0.2

This document compares PC desktop purchases through the managed service for PC procurement with systems which can be obtained via high street vendors. This includes looking at

- **PC system specifications**
- **Support services**
- **Added value services**
- **Appropriateness of fit**

Version history

Version	Date	Note
0.1	01/11/10	First draft
0.2	03/11/10	Added detail on sourcing system for comparison, and clarified purchasing policy

Summary

The Managed Service for PC Procurement (MSPCP) aims to minimise the TCO by reducing support overheads, shortening deployment times, and effecting an increase in the overall quality of service for end users. It includes the supply, delivery, installation, deployment and maintenance of staff and student computers.

No evidence was found to support the assertion that similarly specified systems can be obtained from high street vendors at a considerably cheaper price. In fact, considering the system alone even without accounting for the additional services included in the MSPCP, costs under the MSPCP are very competitively priced compared with high street vendors. To enable a fairer comparison, the table below attempts to cost some of the additional services included in the MSPCP which high street vendors provide as a cost option.

It should also be noted that not all additional services provided under the MSPCP have been costed to complete a cost comparison between the service and high street vendors. The true cost will be difficult to derive, but if required can be estimated.

Cost comparison

The following table compares a system quoted by a supplier (Viglen) tendering for the Managed Service for PC Procurement (MSPCP) against a similarly priced system from a high street vendor (PC World¹). Apart from the system specifications, the MSPCP provides additional services inclusive in the system price. An individual breakdown of the services has not been provided. To work toward making a fair comparison, similar services offered by the high street vendor are factored in.

¹ The system was chosen from details on the PC World website (www.pcworld.co.uk) on 2/11/10. To find a comparable system, the list of desktops available was filtered by similar features to the system specified by Viglen.

	Viglen		PC World	
Item	Description	Cost	Description	Cost
Advanced desktop	Viglen Genie with Intel DQ57TM Intel Core i7-870 (2.93 GHz) Processor 8GB RAM 320GB HDD DVD RW Intel Gigabit Ethernet ATI Radeon HD 4350 512MB PCI Express Graphics with DVI and HDMI one PCI Express x16 slot, two PCI Express x1 slots, one PCI slot, one DVI-D port, one DVI-I port, six USB 2.0 ports Microsoft IntelliMouse Optical & Viglen Soft Touch 105-key USB Keyboard	£ 691.00	HP Pavilion p6320uk with MSI 7613 Intel Core i5-650 (3.2GHz) Processor 6GB RAM 1TB HDD DVD writer SATA DVD RAM Integrated Gigabit Ethernet 802.11n PCI minicard ATI Radeon HD 5450 1GB DVI, VGA and HDMI one PCI Express x16 slot, three PCI Express x1 slots, eight USB 2.0 ports High Definition Audio 7.1 Wireless keyboard and wireless optical mouse	£ 595.74
Monitor	Iiyama ProLite B1906 19" Multimedia TFT Display with Height Adjust and DVI	Inc.	LG W1943SB 19" Widescreen LCD Monitor	£ 80.84
Warranty	5 years next business day, 4hrs response	£ 10.00	5 year collect and return, fix with 28 days or new system supplied	£ 237.45
Configuration	Configuration to University standard and installation of disk image	Inc.	Tech Guys provide a software in store install service. Not available on site and not using University licensed software or to University standard configurations	£ 17.01

	Viglen		PC World	
Item	Description	Cost	Description	Cost
Delivery	Delivery and installation charges based on 20 units and subject to Scope of Work. This assumes a physical connection only. Where network configuration is required the service will be defined by a SoW and priced accordingly.	£ 20.00	Standard delivery 3 - 5 working days	Inc
Installation	As above	Inc in above	PC set up option on site with the Tech Guys	£ 51.06
Disposal of old system	All PC's, Servers, TFT's, CRTs and Laptops up to 5 years old subject to them being in a working condition	Inc	No option for on site collection and disposal. Can take the system into the store for recycling	n/a
Disposal of packaging	Disposal of packaging on delivery of systems	Inc	Included as part of installation option	Inc
Technical support	Dedicated technical support helpline	Inc	TechFriend service available via the Tech Guys for 24/7 365 over the phone assistance. Cost quoted for the 5 year lifetime of the system	£ 340.38
	TOTAL	£ 721.00		£ 1,322.48

All prices are exclusive of VAT. The following should be noted:

- The Viglen system has a superior CPU, RAM allocation and motherboard
- The PC World system has a superior HDD and graphics card
- The Viglen warranty is onsite with next day fix and availability of loan system if this cannot be achieved. The PC World warranty is collect and return, and can take up to 28 days for a fix during which a loan system is not available
- The PC World system will not be configured to University standards. IT technician time would be required to achieve this. The quote above includes the Tech Guys software install service

- Viglen provide a dedicated technical support line open during working hours. The PC World technical support line is also available outside working hours

Additional services under MSPCP

The MSPCP is not limited to systems and services specified above. There are a number of additional UEA specific system requirements and services included for which no obvious option is provided by PC World. It is therefore assumed that to provide these services, local IT staff would need to be employed, and there would be further costs incurred in addition to those already noted above. For some of these additional services, the cost (and value to the institution) would be difficult to derive.

Systems match UEA requirements

- System supplied permit a midterm upgrade to memory without losing installed memory (i.e. they are supplied with free memory slots)
- PAT testing after delivery
- Monitor powered via power outlet on system unit (so installs only require a single power outlet)

Image development to enable ready deployment of systems for particular uses (staff, student, visitor, library catalogue, exams, etc.)

- Image development
- Image stability (updates to models no more often than once a year)
- Computers deployed to desktop configured for use to our specification with enterprise class OS image

Order processing matches UEA processes

- Web based ordering process (providing quotes, purchases, order tracking) limited to UEA recommended specifications
- Web ordering system can be configured to suit UEA purchasing permissions
- Web ordering system offers correct delivery address for person placing order
- Web ordering system confirms orders with buyer and also local IT support
- Single point of contact at suppliers for all orders
- Inventory label on outside of equipment box with order and system specific information
- Full set of technical documentation for IT support staff for each model type offered by the service

Security of systems

- Installed with network oriented version of Windows (Professional or Enterprise)
- Unique BIOS password (security policy requirement)
- PCs configured to boot only from hard disk (this is an important security requirement)
- Security lock available to prevent removal of casing and access to internal components
- Cable can be attached so the system can be secured against theft
- Systems must fit securely within cages in IT area. Extension cables provided so that power, mice, keyboard and display be routed through desk trunking
- Systems available for assessment on a sale or return basis
- Provision of computer systems for those with special needs

Asset management

- Asset tag for all systems including information on the system, warranty, network address
- Asset reports provided to enable us to maintain our inventories (to our specification)

Warranty and contract management reporting

- Loan system for repairs which cannot be completed within warranty period. Loan system also to UEA standard
- Record of all maintenance calls
- Quarterly reports of maintenance calls to assess reliability of systems and performance of contractors
- Quarterly review meetings to discuss monitoring reports
- Training for UEA IT staff on product familiarisation, updates, road maps and products
- Contract administration service as defined in the Operational Services Manual which has details of contacts, processes, and procedures
- Contract management team who will meet quarterly to review contractual issues and reports on maintenance, targets, recycling, and new and replacement systems

Under the MSPCP, we ask for a number of delivery options:

- Deliver to IT technician, unbox, remove packaging, remove redundant PC, dispose of equipment
- Deliver to IT area, as above but including secure cable management
- Deliver to staff desktop, as above, but to designated staff desktop
- Deliver to IT technician, leave unboxed
- Leave boxed, but dispose of packaging up to 30 days after delivery
- When replacing an existing system, supplier will dispose of existing equipment to a location of our choosing, or dispose using a registered disposal/recycling agency providing certification of 'inventory write-off' and wiping of data in accordance with HMG Infosec Standard No.5 (enhanced)

We also ask for a number of redundant system recycling options:

- Disposal to registered recycling company
- Donate to charity
- Resell and recoup value

Enterprise class solutions compared with consumer products

At UEA, we purchase enterprise class PCs mainly because they have a more stable hardware specification and better security management features than their consumer equivalent.

The hardware specification of corporate PCs is stable for around 12 to 18 months, whereas the components within the retail version change every 6 to 12 months. Every time there is a change in hardware specification, we have to create a new disk image to install to the new PCs. Obviously, this takes time to build and test. If specifications change twice a year rather than once in eighteen months, this is more time-consuming and more expensive to maintain.

Manufacturer technical support for retail products also has a short life span, typically 1 year to 18 months after its release. Technical support for corporate PCs has at least a five year life span. Retail products usually have a limited capacity for accepting upgrades and due to their shortened life span, the upgrades may only be available for a limited period, say a couple of years. At UEA, we aim to run

PCs for 5 years and budget for a mid-life upgrade to accept new developments - such as Windows 7. Therefore due to the life span issues instead of buying one PC for 5 years, we would have to purchase a new PC every two to three years if we wish to develop new services to run on our PC estate.

Retail products have more customisable parts than corporate PCs. For instance a DVD drive for a retail PC may have been produced on a limited manufacturer run specifically for that PC. Once all of the drives are sold, you would not be able to purchase a replacement drive. Corporate PCs are made of standard parts that are easier and cheaper to source. The short life of the components within consumer PCs can also lead to limited support and the non-availability of drivers should an operating system upgrade be undertaken.

Corporate PCs contain additional features that are critical for securely managing PCs, such as an ability to remotely manage the PC's low-level configuration. Retail PCs do not have this feature, and therefore security maintenance of them would need to be undertaken manually, at additional staff cost.

Suppliers are more willing to accept and act upon feedback from corporate clients on their corporate products. An example of this was our request for Dell to place their USB and audio sockets in a more suitable front-facing location on their PCs so that it would fit within our secure desks. Within 18 months they unveiled the Dell Optiplex 745 that we now use in our IT areas. We would be unlikely to influence the design of consumer products to fit better in our environment.

Even if purchasing retail specification PCs saved capital outlay in year one of the PC's life (and we suggest above that it does not), unless both technical and hardware support for future years were also purchased, in later years there would be significant additional costs particularly for technical staff time.

Further comment on these points is provided in this article from Gartner:

<http://news.techworld.com/operating-systems/10819/consumer-pcs-cost-more-money-warns-gartner/>

Purchasing point of view

UEA is subject to the Public Contracts Regulations 2006 as amended by the 2009 Remedies Regulations. These Regulations require us to advertise and competitively tender (subject to certain, limited exceptions) all our requirements where the purchase price exceeds £156,442 for goods or services and £3,927,260 for works. In the case of goods and services, the threshold is calculated on our aggregated annual spend on any particular commodity. To avoid applying the full procedures laid down by the Regulations, which can typically take between 4 and 6 months to complete, we have adopted a policy which uses HE sector framework agreements as the basis for our purchasing of commodities which exceed the threshold.

Failure to comply with the Regulations can leave us open to claims from potential suppliers which, if successful, can lead to the courts suspending or annulling contracts and awarding substantial damages in favour of the claimant.

In the case of desktop and laptop computers, there is a national HE agreement set up by the SUPC (Southern Universities Purchasing Consortium) which has been awarded to 6 desktop suppliers and 9 laptop suppliers. The regulations allow us to:

- a. Invite all suppliers on the framework agreement to quote for each and every purchase; or
- b. Appoint a single supplier, based on the original tenders and award criteria; or

- c. Carry out 'mini-tender' involving all suppliers on the framework (only) using our own, limited, award criteria to establish which supplier offers best value for money for UEA.

We have chosen option c) and are in the process of concluding the evaluation of the responses to our statement of requirements.

Whilst the imposition of a single supplier is not popular with some users, the alternative of conducting numerous tender exercises is an unsustainable burden on resources. Similarly, whilst the EU procurement procedures may seem overly bureaucratic and cumbersome, the use of a single supplier does offer the opportunity to concentrate resources on improving quality of service whilst also applying pressure on prices. By having greater influence with our suppliers (both direct and through the national contract managers), we are better able to deal with complaints and price increase requests.

As well as being in breach of regulations, those who make purchases off contract cannot be supported when things go wrong. It should also be noted that there is an administrative overhead in setting-up and paying multiple suppliers. It is understandable, of course, that budget-holders are focussed on the purchase price, as that is where expenditure impacts their budget. However, the Purchasing Policy is focussed on the Total Cost of Ownership (TCO), which includes process, running, support and disposal costs as well as the initial price.