



Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

Contact: Maureen Fitzpatrick Ext: 76406

Item 9

18th September 2025

The Provision of Compute and Storage Services

Tender Reference: GCC006191CPU

Purpose of Report:

To submit details of the tenders received for the provision of compute and storage services and recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the award of a contract for the provision of compute and storage services to the supplier listed below.

HFD DataVita Ltd
Companies House Number - SC467509

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Background and Tender

- 1.1 Glasgow City Council's ("the council's") Road to Multi Source Financial Model assumption for the provision of compute and storage services is estimated around £10,380,000 annually.
- 1.2 In 2021, the Future of Digital and ICT Services (FICT) project was established to examine potential future models for the delivery of Digital and ICT services and, through development of a series of Business Cases, to identify and appraise the options available. On 28 September 2023, the City Administration Committee approved the preferred option i.e., implementation of a multi-source model with an in-house service integration and management (SIAM) function, referred to as the Road to Multi-Source Strategy (R2MS).
- 1.3 The Council has disaggregated services into five ICT service towers and the first of these procurements, for Network Services, was approved by the Contracts and Property Committee on 23 May 2024. Compute and storage services is the second tower to be procured.
- 1.4 The key elements of the compute and storage tower include the following:
 - A primary and secondary datacentre service;
 - Disaster recovery provision;
 - Provision, hosting and management of resilient virtual and physical server environments.
 - Provision, hosting and management of data storage;
 - Provision of backup and restore, and
 - Private and public cloud infrastructure provision, hosting and management.
- 1.5 A commodity team consisting of stakeholders from Digital Services, Corporate Procurement Unit (CPU) was formed to develop the sourcing strategy and deliver a new contract. Some of the earlier work completed at the consultancy stage of the FICT programme identified a route to market via a Scottish Government (SG) framework, and further market engagement was sought with these suppliers via a Request for Information (RFI) process. This market information assisted with the development of the scope of requirements and final sourcing strategy.
- 1.6 The final agreed route to market was an open tender procedure as this would afford greater competition and allow the council to utilise its own contract terms and conditions. The opportunity was advertised via the UK Find a Tender Service and Public Contracts Scotland.
- 1.7 The duration of the contract is an initial term of five (5) years and nine (9) months of implementation, with the option to extend for a further five (5) years. The contract is estimated to commence on 1 October 2025 for a due diligence and service transition period, followed by service go live on 1 July 2026.
- 1.8 The contract will be utilised by Digital Services.

2 Evaluation

- 2.1 43 suppliers expressed an interest and 2 submitted a bid. 1 supplier failed to pass the minimum 60% award criteria threshold within the quality evaluation. Of the 41 suppliers that did not submit a bid, 1 supplier cited they could not meet the scope of the contract, 2 suppliers cited they were unable to complete at this time and 1 supplier gave no reason. The remaining suppliers did not decline or give a reason.
- 2.2 The award evaluation was based on the following criteria and weightings:

Price	Quality	Quality Sub Criteria
25%	75%	Service Implementation Approach and Methodology 10% (min 60% threshold)
		Due Diligence and Solution - approach and methodology 30% (min 60% threshold)
		Monitoring and Management Tools 5%
		Flexibility and Adapting to Change 5% (min 60% threshold)
		Disaster Recovery 10% (min 60% threshold)
		Environmental Sustainability 5%
		Team and Capacity 2.5%
		Risks and Mitigations 2.5%
		Fair Work First (including the Real Living Wage) 5%

- 2.3 The evaluation of award scoring and value of the supplier which has been recommended for award within is shown in the table below.

Supplier	Total Evaluation Score	Total Value (5 years)	Rank
HFD DataVita Ltd (SC467509)	77.50	£44,932,948	1

*Note: the total value for the initial term five (5) year term includes a cost for the supplier to undertake a due diligence exercise following contract award, cost for transition from current data centres, a two (2) year capital refresh programme (with the contract containing a mechanism which allows refresh for the remaining years) and the ongoing five (5) year service cost.

3 Contract implementation and Supplier Management

- 3.1 To minimise any impact to the council services and ensure a seamless transition of service from the current provider to the recommended supplier, the key dates below have been included into the tender and contract terms:

- Commencement date – 1 October 2025
- Due diligence period completed – 12 November 2025
- Service Transition – 12 November 2025 until 30 June 2026
- Service Go Live – 1 July 2026

- 3.2 The outcome of the Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as high rated. The supplier will be monitored in line with the contract and supplier management process which includes tracking the supplier's performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.
- 3.3 The supplier will be monitored by Digital Services on a daily basis and CPU will form part of key meetings included in the process set out in 3.2.
- 3.4 The agreed community benefits outcomes commitments will be monitored via Cenefits which is a web based monitoring tool. Sustainable commitments will also be captured within the CPU Sustainable Register.

4 Policy and Resource Implications

Resource Implications:

Financial:

The estimated contract award value over the Initial Term of 5 years and 9 months is estimated at £46,000,000. This is made up of revenue and capital costs that will be met by the Digital Services budget.

This contract value can be contained within the Road to Multi Source Financial Model.

The Supplier costs are fixed for the first three years after which CPI inflation will apply and have been assumed and accounted for in the contract value.

If the optional extension period of up to five years is implemented, it is expected that costs would be in line with the initial term plus inflation which is estimated at £109,000,000. There have been assumed costs following the same principles of the first 5 year cost in terms of a second refresh of the equipment and a level of change assumed for future projects for the full 10 years. The contract value is in line with the range published in the tender advertisement. Any extension would be subject to consideration of the council's Road

to Multi Source Strategy, due diligence and affordability.

Legal:

The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the contract

Personnel:

No direct personnel implications.

Procurement:

An open tender process as per section 1.6.

Council Strategic Plan:

The contract supports Grand Challenge 4, Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25

Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

What are the potential equality impacts as a result of this report?

An EQIA was not required for this contract as no equality impacts were identified.

Please highlight if the policy/proposal will help address socio economic disadvantage.

Fair Work First was included as part of the award criteria with a weighting of 5%.

The supplier recommended for award, DataVita, has confirmed the following policies within its tender submission/

- Payment of at least the Real living Wage
- Provide appropriate channels for effective workers voice
- Investment in workforce development
- No inappropriate use of zero hour contracts
- Offer flexible and family friendly working practices for all workers from day one of employment
- Oppose the use of fire and rehire practice

Community Benefits were included as a mandatory requirement of the tender. These are based on spend thresholds being realised throughout the duration of the contract and are set out below:

- New Employee – full time job (non-priority group) – 14 – 25 Employees
- Apprentice new start – full time (from priority group) – Maximum of 8 apprentices
- Qualifications achieved – Max of 36
- Community engagement financial support min of £1000 – Maximum of £18,000 over the full thresholds
- Community Engagement non-financial – maximum of 180hrs

The Supplier has submitted a proposal aligned to the council's community benefits menu that will be referenced as a baseline when thresholds are met.

The proposal supports outcome 1 of the councils Equality Outcomes 2021 to 2025.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Yes, Recommendation 51 - the new City Development Plan presents a vision for a low carbon city that can guide the development of proposals and planning decisions that help our city respond to the climate challenge.

What are the potential climate impacts as a result of this proposal?

In the undertaking of this contract, the usage of air cooling is a primary factor. The supplier will be taking steps under their climate action plan to change and introduce more energy effective cooling power consumptions technology and methods to address scope 2 and 3 carbon emissions.

Will the proposal contribute to Glasgow's net zero carbon target?

Carbon reduction action is supported via the Open Tender process pre-selection process which required bidders to provide their Carbon Management Plans.

**Privacy and Data
Protection impacts:**

No data protection impacts identified.

5 Recommendations

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