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| Meeting of: | Cabinet |
| Date of Meeting: | Wednesday, 12 May 2021 |
| Relevant Scrutiny Committee: | Corporate Performance and Resources |
| Report Title: | Renewal of Microsoft Enterprise Agreement 2021 - 2024 |
| Purpose of Report: | To obtain approval for delegated powers to tender and award a contract for the supply of licences for Microsoft software |
| Report Owner: | Executive Leader and Cabinet Member for Performance and Resources |
| Responsible Officer: | Rob Thomas, Managing Director |
| Elected Member and Officer Consultation: | Consultation has been undertaken with the Head of Digital and Innovation, Operational Manager for ICT and Senior Procurement Officer (ICT) |
| Policy Framework: | This report is a matter for Executive decision by Cabinet |
| <p>Executive Summary:</p> <ul style="list-style-type: none"> • The purpose of this report is to seek approval to procure the renewal of the Council's Microsoft Enterprise Agreement via a call-off arrangement under a National Procurement Services (NPS) Framework Agreement, which will enable it to enter into volume licensing programme for Microsoft software. • Approval is also sought to award and enter into the new three-year call-off contract for the supply of the Microsoft Enterprise Agreement, to replace the current three-year agreement which expires on 30th June 2021. • The Microsoft Enterprise Agreement (EA) will allow the Council to obtain licences for the use of Microsoft software which will enable it to continue to benefit from the Office 365 suite of productivity, collaboration and communication tools such as Outlook, Teams, Forms, Intune for mobiles, etc. | |

Recommendations

- 1.** That delegated authority is granted to the Head of Strategy, Community Learning and Resources to commence a further competition process under National Procurement Services Framework Agreement (Ref.: NPS-ICT-0094 – 19) Lot 3: Licensing and Subscriptions in order to procure a three year call-off contract for the supply of a volume licensing program under the Microsoft Enterprise Agreement (EA).
- 2.** That delegated authority is granted to the Head of Strategy, Community Learning and Resources, in consultation with the Managing Director, the Leader and the Head of Finance, to award the call-off contract to the successful supplier prior to the expiry of the existing Microsoft Enterprise Agreement (EA) on 30th June 2021.
- 3.** That delegated authority is granted to the Monitoring Officer/Head of Legal and Democratic Services to execute a call-off contract with the successful supplier together with all other relevant documentation for the provision of the Microsoft Enterprise Agreement and the software licences pursuant to it.
- 4.** That a new contract is awarded on the most economically advantageous terms to the Council based on 80% cost and 20% quality.

Reasons for Recommendations

- 1.** To authorise commencement of the procurement process
- 2.** To allow the award of the call-off contract
- 3.** To have the appropriate contractual arrangements in place for the provision of Microsoft software licensing.
- 4.** To have an appropriate contract in place for the cost-effective supply of Microsoft Licences.

1. Background

- 1.1** The Microsoft Enterprise Agreement (EA) will allow the Council to obtain licences for the use of Microsoft software which will enable it to continue to benefit from the Office 365 suite of productivity, collaboration and communication tools such as Outlook, Teams, Forms, Intune for mobiles, etc.
- 1.2** Following a Cabinet report on 21st May 2018, minute number C310 granted delegated authority to award a three-year contract for the supply of Microsoft software. That contract is due to expire on 30th June 2021 and therefore requires to be renewed
- 1.3** Since the last three-year Enterprise Agreement (EA) renewal, a number of additional licences have been purchased, ostensibly to facilitate home and remote working due to the Covid-19 pandemic, and additional Cyber Security

related licences were purchased to mitigate risk from the ever increasing global cyber threat.

- 1.4 A cost pressure bid was submitted in 2020/21 to cover the cost of these additional licences and that bid was subsequently approved.
- 1.5 It is proposed to renew the Enterprise Agreement on a like-for-like basis in terms of relicensing current licence types and licence numbers.
- 1.6 There is an option to 'true up' on the types and number of licences at any time within the duration of the agreement, which will allow the flexibility if the corporate landscape changes as it has done so over the last 12 months.
- 1.7 There is also an option to 'true down' on the types and number of licences on the renewal anniversary, in the event that the volumes and types of licences are no longer required.

2. Key Issues for Consideration

- 2.1 Microsoft Office 365 has transformed the way the organisation has been able to communicate, especially in the last 12 months where colleagues have almost exclusively worked from home.
- 2.2 O365 has also enabled remote staff to collaborate in ways they've not been able to previously, internally, and also with external partners and organisations.
- 2.3 O365 has been rolled out to the whole organisation and the Council will continue to benefit from the myriad of tools that are available within the O365 suite of products.
- 2.4 MS Teams has been invaluable as a communications tool in the last 12 months, and MS Forms has enabled a quick turn-around of new Covid-19 related processes as required during the pandemic.
- 2.5 As the current Enterprise Agreement will expire at the end of June 2021, a procurement exercise is required to ensure best value for the Council when entering into its next three-year agreement with Microsoft.
- 2.6 Microsoft do not deal with corporate customers, so the council will need to procure the licences through a reseller. If approved by Cabinet, a tender will be advertised through the National Procurement Service (NPS) NPS-ICT-0094-19 Lot 3 : Licensing and Subscriptions.
- 2.7 As the software licences covered by an EA are essentially 'off the shelf' items, the cost element of this procurement process will be the predominant factor. However, it is proposed that a quality element is built into the tender evaluation process as there are potentially, a number of value-added services that the supplier could include such as training or consultancy vouchers / credits and account management services.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1 Long Term - This proposal will allow the Council to communicate and collaborate efficiently into the future.
- 3.2 Prevention - This proposal will prevent the likelihood of a cyber-attack(s) and safeguard the council's data and computer infrastructure.

- 3.3 Integration - This proposal will help integrate processes, both internally and externally with partners and other organisations.
- 3.4 Collaboration - This proposal will allow internal departments and external partners and organisations to collaborate efficiently and securely into the future.
- 3.5 Involvement - This proposal will ensure that all stakeholders, internally and externally will be remain involved and able to deliver their outcomes and goals.

4. Resources and Legal Considerations

Financial

- 4.1 There are no such implications that arise as a result of this report

Employment

- 4.2 There are no such implications that arise as a result of this report.

Legal (Including Equalities)

- 4.3 Whenever the Council procures goods, works or services over certain financial thresholds, it must comply with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 (PCR 2015), unless an exemption is available.
- 4.4 This contract is being procured using National Procurement Service (NPS) Framework Agreement (Ref.: NPS-ICT-0094 – 19). Therefore, the Council's Contract Procedure Rules do not apply to the procurement and award of contract because NPS, who are a National contracting authority, have already undertaken a compliant procurement process in line with the PCR 2015.
- 4.5 However, the Council has to comply with the terms and conditions of the NPS Framework Agreement and the call off terms and conditions issued under it, in order to be compliant itself with the procurement legislation. Due to the nature of this procurement, it will also have to comply with the terms and conditions of the Microsoft Enterprise Agreement (EA) and the software licences issued pursuant to it.

5. Background Papers

None.