

CONTRACT FOR MICROSOFT DESKTOP LICENCING AGREEMENT
COUNCILLOR MOHAMMED FAROOQ – CABINET MEMBER FOR DIGITAL SERVICES AND TRANSFORMATION
December 2019
Deadline date: N/A

Cabinet portfolio holder:	Councillor Mohammed Farooq, Cabinet Member for Digital Services and Transformation
Responsible Director:	Sue Grace, Director of Customer and Digital Services
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan: KEY/09DEC19/03
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	NO

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Authorise the contract award to SoftCat Plc for the provision of Peterborough City Council (PCC) Computer Desktop (including Microsoft Office 365) Licences at a cost of £1.9m for the period 31 December 2019 to 30 December 2022.
2. Authorise the Director: Customer and Digital Services to vary this Contract if required, subject to approval by the Director of Law and Governance (or authorised officer's) and the Corporate Director of Resources.

1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks the Cabinet Member for Digital Services and Transformation's approval to award a contract for the current Microsoft Computer Desktop Licences to include Office 365.
- 1.2 In July 2018 cabinet approved an ICT Improvement Plan that included transition from Google to Microsoft Office 365. The reasoning for this move was:
 - Being on the same platform as Cambridgeshire County Council which will lead to efficiencies as more joint work is undertaken;
 - Ease of communicating with other Councils and other public sector agencies – who will be on the Microsoft platform and associated suite of applications;

- Not having multiple versions of documents and spreadsheets in Google and Microsoft formats, as PCC continued to have to retain Microsoft for certain applications and processes; and,
- Ensuring that the Council's core platform has access to the majority of industry standard applications (as they are linked to the Microsoft platform).

1.3 In December 2018 the Council entered the final year of its existing Microsoft Enterprise Subscription Agreement. The final year agreement was modified to enable the transition from the traditional desktop services to the cloud based Office 365 services.

1.4 The Council completed its move to the new environment in October 2019.

1.5 The current arrangement expires 30 December 2019 and we are seeking to implement a new streamlined licensing model under Microsoft's Digital Transformation Agreement (DTA) that will be valid for the next 3 years (to December 2022)

2. PURPOSE OF THIS REPORT

2.1 This report is for the Cabinet Member for Digital Services and Transformation to consider exercising delegated authority under paragraph 3.4.8 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (a).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. DETAILS OF DECISION REQUIRED

4.1 Microsoft sells its licensing via approved resellers and not directly.

4.2 Working with the Council's procurement team a number of procurement routes were considered based on our known licensing numbers. Kent County Council t/a KCS framework Y17038 was identified as a compliant framework that the Council can use to call off a contract. The framework was procured in the Official Journal of European Union (OJEU) for various lots which included Microsoft products and is open to use by Local authorities. A direct award of contract can be made to selected suppliers on the framework.

4.3 There is limited scope for variation in the licensing cost, even via a reseller, however that provided by SoftCat Plc through the KCS framework Y17038 was identified as the most advantageous and is the preferred route. This will be contracted by direct award.

4.3 The value of the contract based on current licencing numbers is £630k per year (£1.89m over 3 years).

4.4 SoftCat Plc are Cambridgeshire County Council's current reseller and there is potential for collaboration at the next renewal.

4.5 A decision is required by the Cabinet Member for Digital Services and Transformation to approve the procurement route undertaken, its outcome, and the award of a contract to SoftCat Plc as set out in the recommendations above.

5. CONSULTATION

5.1 Consultation was undertaken with the Director of Customer and Digital, Serco Head of ICT

(as our current ICT Managed Service Provider), Head of ICT and Digital, Procurement Team. There is no impact on users as a result of this proposal and therefore no user consultation is necessary.

6. ANTICIPATED OUTCOMES

- 6.1 The anticipated outcome of this report is to award a contract to Microsoft via SoftCat Plc as the authorised reseller for the council's licence requirement using the KCS framework Y17038.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The reasons for recommendations are outlined in the benefits section in section 1 above, notably to relicence with council desktop estate for Microsoft for the period 2019-2022

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 **Do nothing:** This is not an option as the licence agreement expires 30/12/2019. The council cannot operate without valid licensing.

Consider other options: As mentioned about in section 4.3 there is limited scope for cost reductions even via a reseller route and Microsoft do not contract directly. By requesting pricing from 4 resellers the council has identified the most advantageous option within the constraints set by Microsoft.

Alternative Licensing Model: The recommended Licensing model is the Digital Transformation Agreement (DTA). This provides for a fixed licence fee based on users at the start of the agreement but with an allowance for annual adjustment. Microsoft's alternative model known as Cloud Solution Provider (CSP) provides for monthly fluctuation in licence numbers however license costs are higher. Calculations show this route to be more expensive over the three years.

9. IMPLICATIONS

- 9.1 Legal Implications – The framework was set up in compliance with the Public Contracts Regulations 2015 and permits the Council to use the framework to make a direct contract award.
- 9.2 Financial Implications – The council will be committed to spending £1.9m revenue for the licences over a period of 3 years.
- 9.3 Carbon Impact Assessment - The switch to Office 365 brings with it the ability for staff to work more flexibly including from home and being able to move between clients and sites without the need to attend any of the main sites (work permitting). This reduces the burden on PCCs main buildings and in turn should see a reduction in energy and water consumption across the estate.
- 9.4 Equalities Impact Assessment – Is neutral for this CMDN

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

Not Applicable

11. BACKGROUND DOCUMENTS

Not Applicable