

# Crawley Borough Council

## Report to Cabinet 10 March 2021

### Microsoft Enterprise License Agreement 2021-24

Report of the Head of Digital and Transformation, **DAT/04**.

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#### **1. Purpose**

This report seeks approval for procuring IT software licensing and services to ensure required governance and approvals continue via a framework procurement exercise for a key fundamental system for the Council.

#### **2. Recommendations**

2.1 To the Cabinet

2.2 The Cabinet is recommended to:

- a) Delegate authority to the Head of Digital and Transformation (in consultation with the Cabinet Member for Planning and Economic Development) to approve the award of the contract for the renewal of the Council's Microsoft Licenses following the appropriate procurement process (within the appropriate existing budgets).
- b) Delegate the negotiation, approval and completion of the all the relevant legal documentation following the award of contract to the Head of Digital and Transformation, Head of Legal, Governance & HR, in consultation with the Cabinet Member for Planning and Economic Development. (Generic Delegation 2 & 3 will be used to enact this recommendation).

#### **3. Reasons for the Recommendations**

- 3.1 To provide a key decision that will enable the procurement process to be awarded under delegated authority once the tender process has concluded.

#### **4. Background**

- 4.1 A Microsoft Enterprise Agreement is a volume licensing programme that gives flexibility to purchase Microsoft services and software under one agreement. The licenses include the core infrastructure for day-to-day operations such as the Office suite (Word, Excel and PowerPoint) and most recently MS Teams. The licensing also includes the Council's core server infrastructure licensing.
- 4.2 The Council's current enterprise agreement expires 30 April 2021 and IT are about to launch a framework procurement exercise to re-procure this for another 3 years with the contract to start 1 May 2021.

## **5. Description of Issue to be resolved**

- 5.1 Normally the licenses are in the region of £150k per annum (£450k for 3 years) however with the addition of the Teams Calling as the telephony solution (£30k per annum) this takes the yearly contract to nearly £180k.
- 5.2 The telephony procurement was awarded and agreed in 2020 however to ensure best value the licenses were added to the existing enterprise agreement to the end of its term. Now that it is time to re-tender this contract the total value is therefore possibly up to £540k over 3 years. To ensure transparency with the new contract this report is being presented to Cabinet.

## **6. Information & Analysis Supporting Recommendation**

- 6.1 Discovery work has indicated the new licenses should be within the current expenditure and revenue budget.
- 6.2 The recommended procurement route is through a Crown Commercial Services (CCS) framework ref RM6068 Technology Products and Associates Services. Negotiations are underway between CCS and Microsoft on behalf of the wider public sector and this enables the Council to get a discounted price for the licenses. The provider also provides the Council with additional services such as training, consultancy and keeps IT abreast of new and emerging technologies.

## **7. Implications**

**Financial** – early discovery work has indicated that the licenses should be largely in-line with the current spend and IT are not asking for any additional revenue budget. A CCS framework represents the purchasing power of the entire UK market and we can't see that it's possible to get a better deal than they would offer. With the move of the infrastructure to the cloud through 2021, any server licenses can be transferred to the public cloud. The Enterprise Agreement offers a subscription option, which allows slightly more flexibility to increase or decrease of subscription counts upon annual anniversary.

**Legal** – Legal and procurement resources will be required to advise on the necessary contract documentation. A Procurement Officer has been assigned to the project and Invicta Law will be instructed to review the call off contract. As the procurement is from a CCS framework this should be minimal impact for legal.

**Time** – the new contracts need to smoothly transition for 1 May 2021 to ensure no disruption to Council services. A pass/fail question for the provider to meet this deadline will be included in the tender response.

## **8. Background Papers**

None

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