

<b>Title of Report</b>	<b>RENEWAL OF MICROSOFT ENTERPRISE SOFTWARE LICENCE AGREEMENT</b>	
<b>Presented by</b>	Councillor Roger Bayliss Portfolio Holder for Housing and Customer Services	
<b>Background Papers</b>	N/A	<b>Public Report:</b> Yes
		<b>Key Decision:</b> Yes
<b>Financial Implications</b>	As set out in the report.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	A legally compliant procurement has been undertaken. The value of the contract exceeds officer delegations and so Cabinet authorisation is required to enter into the agreement.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	No direct staffing implications – ensuring we have a safe and secure IT service is fundamental to the safe running of the council.	
	<b>Signed off by the Deputy Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	The report requests that Cabinet authorises the renewal of the Microsoft Enterprise Software Licence agreement as the budget exceeds £250,000 over the life of the agreement.	
<b>Reason for Decision</b>	<ol style="list-style-type: none"> <li>1. To ensure Members are aware of the renewal cost of the Microsoft Enterprise Software Licence Agreement.</li> <li>2. The renewal costs takes the contract value above the £250,000 threshold which requires Cabinet approval.</li> <li>3. To authorise the renewal of Microsoft Software Licences Agreement, to ensure the authority stays appropriately licenced and meets the organisation’s needs.</li> </ol>	
<b>Recommendations</b>	<b>THAT CABINET AUTHORISES THE AWARD OF A 3 YEAR CONTRACT TO PHEONIX IT SERVICES AT A VALUE OF £380,744.00 FOR MICROSOFT ENTERPRISE SOFTWARE LICENCES.</b>	

## **1.0 BACKGROUND**

- 1.1 The Council currently has a three-year Microsoft Licence Software Agreement with supplier, Phoenix IT Services. The licence agreement covers the use of all Microsoft applications across the authority and appropriately licences all users for the use of Microsoft Office 365 applications suite.
- 1.2 The current terms come to an end on the 31 July 2021. A new agreement needs to be entered into for a further 3 years so that the Council is legally licenced for the use Microsoft software across the authority.

## **2.0 PROCUREMENT**

- 2.1 A procurement process, compliant with the Public Contracts Regulations and the Council's own Contract Procedure Rules, for the new contract has been conducted by the Council's IT Manager in conjunction with the Procurement Officer. The Supplier has been sourced using Crown Commercial Services (CCS)-Cloud 12 Framework. The framework permits direct award providing you use their e-marketplace catalogue tools to identify potential suppliers. We used e-marketplace filters and search terms from our specification of requirements to narrow down the suppliers. This resulted in a single supplier's catalogue offer, Phoenix Software Ltd, in being the most suited to our requirements.
- 2.2 The Council has worked with Phoenix IT Services for the past 12 years. Phoenix IT services has consistently provided excellent service levels. As well as providing our Microsoft and non-Microsoft licences, Phoenix also provide consultancy and support services which we have used on several occasions. We looked at other providers on the framework as part of the procurement framework and Phoenix were chosen as they provided a full support service and added value.
- 2.3 A direct award to Phoenix has been chosen for continuity as there is no technical, monetary, or financial reason, to move to another licence provider. Moving to a different supplier, would incur higher costs and we would lose out on the value-added services, as well as time and resource to setup a new licencing structure. The service we receive from Phoenix IT services is excellent as described in section 2.2 above.

## **3.0 FINANCIAL COSTS**

- 3.1 The current terms come to an end on the 31 July 2021. The Council wishes to enter into a new agreement for 3 years.
- 3.2 The cost of the current Microsoft Enterprise Licence Agreement over 3 years was £337,000. During this time, we have purchased additional licences for audio conferencing bridge (due to Covid and remote working) as well as Skype for business licences, totalling £6,500.
- 3.3 The cost of the new agreement is £380,744 over the next 3 years which has been budgeted for in the ICT revenue budget for upcoming years. This includes a 12% increase in overall licencing costs from Microsoft. This legally licences the authority for its use of all Microsoft applications across the authority.

#### 4.0 TIMELINE

Number	Step	Date(s) and time (if applicable)
1	Governance Approvals completed	31/04/2021
2	Contract finalisation completed	31/06/2021
3	Contract start date	01/08/2021

Policies and other considerations, as appropriate	
Council Priorities:	Insert relevant Council Priorities: - Our communities are safe, healthy, and connected
Policy Considerations:	N/A
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	We need to secure reliable services to support suite of customer applications.
Economic and Social Impact:	N/A
Environment and Climate Change:	N/A
Consultation/Community Engagement:	N/A
Risks:	Fine or prosecution if the Microsoft Enterprise Software Licence Agreement is not renewed. Council would not be entitled to use any Microsoft software, which would prevent the business from functioning.
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