

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – 21 JULY 2015**

Title of report	<b>CONTRACT RENEWAL FOR MICROSOFT SOFTWARE</b>
Key Decision	a) Financial Yes b) Community No
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Purpose of report	To ask Cabinet to delegate authority for the award of contract to the Head of Finance in consultation with the Corporate Portfolio Holder
Reason for Decision	To ensure the ICT service is delivered in an effective and efficient manner
Council Priorities	Value for Money
Implications:	
Financial/Staff	Financial implications can be met within existing budgets. There is no impact on staffing
Link to relevant CAT	Not applicable
Risk Management	Officers of the Council use Microsoft software for email, word processing and other core activities as part of their day to day work. Any delay in renewing the current contract would interrupt support for a core ICT service
Equalities Impact Screening	Not applicable
Human Rights	No human rights implications are apparent
Transformational Government	The approach to tendering for this service represents procurement best practice and will deliver optimum value for money.
Comments of Head of Paid Service	Report is satisfactory

Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Deputy Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	None
Recommendations	<b>THAT CABINET:  DELEGATES THE AWARD OF THE CONTRACT FOR MICROSOFT SOFTWARE TO THE HEAD OF FINANCE IN CONSULTATION WITH THE CORPORATE PORTFOLIO HOLDER</b>

## **1.0 BACKGROUND.**

- 1.1 550 officers use Microsoft software as part of their day to day work for tasks such as sending and receiving email, word processing and spreadsheets.
- 1.2 All Council desktop computers use the Windows 7 operating system, and the majority of the computer room servers run a server version of Windows.
- 1.3 The Council's email system, Intranet and many business systems (such as the Housing and Finance systems) depend on Microsoft software for their operation.
- 1.4 As such, Microsoft software forms a critical part of the ICT service.
- 1.5 The current license and support agreement for Microsoft software ends on 31 July 2015. In order to retain the right to use, upgrade and support this software, the agreement must be renewed.

## **2.0 PROCUREMENT APPROACH**

- 2.1 Because Microsoft software is used extensively throughout the public sector, costs are negotiated centrally through the Cabinet Office and substantial discounts are made available to public sector organisations via a Crown Commercial Service framework agreement.
- 2.2 This approach is consistent with the Council's Contract Procedure Rules and the approach that was adopted when the current contract was awarded in 2010. As such, this is a straightforward procurement in accordance with Contract Procedure Rules.
- 2.3 The centrally negotiated discounts available are such that this approach represents best value for the Council.

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1 The contract value is approximately £207,000 over 3 years, i.e. £69,000 per annum. Note that the actual spend may vary because the cost is dependent on the number of

users and computers which change as officers join and leave the Council and as other staffing levels vary.

- 3.2 Significant features of the new contract include greater flexibility to change the contract should staff numbers change significantly.
- 3.3 The new contract also includes the option to use Microsoft cloud services should the Council consider it advantageous to do so. With this option, some or all of the email server and file storage infrastructure would be owned and managed by Microsoft. Benefits to the Council of this approach would include reduced server and support costs, and easier access to email for Members and other users requiring remote access. Testing of these cloud options is in progress and once this is complete a report will be made to CLT outlining options for using these extended services and recommending an approach.
- 3.4 Provision for these costs has been made in the ICT budget for 2015-16. These costs represent an overall 2% increase in the costs agreed in 2010.

#### **4.0 RECOMMENDATION**

- 4.1 That Cabinet delegates the award of the contract for Microsoft software to the Head of Finance in consultation with the Corporate Portfolio Holder.