

Report Title:	Microsoft Licensing Contract Renewal
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Rayner, Deputy Leader of the Council & Cabinet Member for Business, Corporate & Residents Services, Culture & Heritage, & Windsor
Meeting and Date:	Cabinet – 15 December 2022
Responsible Officer(s):	Adele Taylor, Executive Director of Resources and Section 151 officer and Nikki Craig, Head of HR, Corporate Projects and IT
Wards affected:	None

## **REPORT SUMMARY**

This report is to request Cabinet delegate authority to the Executive Director of Resources and Section 151 officer in consultation with the Cabinet Member Deputy Leader of the Council & Cabinet Member for Business, Corporate & Residents Services, Culture & Heritage, & Windsor to award the Microsoft Licencing Agreement Contract on conclusion of the successful aggregated tender being run by Crown Commercial Services via their Technology Products and Associated Services Framework, based upon a three-year contract.

The current contract with the Council's Microsoft Partner, Bytes Software Services and is due to terminate on 31 March 2023. Microsoft licenses can only be procured through accredited Microsoft Partners, there is no direct route to Microsoft.

The requirements scoped for the aggregated tender take into account the changes leveraged by the Modern Workplace and the Teams Telephony project supporting the IT Services Strategy.

One major benefit of the Microsoft contract was the adoption of a single and up to date version of Microsoft Office across all corporate devices, Office 365, which provides many features including document workflow, version control, encryption of emails, and collaboration with internal and external partners in particular with the use of Teams which proved invaluable throughout the recent pandemic.

A further advantage is that Office 365 can also be accessed via office.com from any web browser enabling the council to work off the council network which compliments business continuity plans.

### **1. DETAILS OF RECOMMENDATION(S)**

**RECOMMENDATION:** That Cabinet notes the report and:

- i) Delegates authority to the Executive Director of Resources and Section 151 officer in consultation with the Deputy Leader of the Council & Cabinet Member for Business, Corporate & Residents Services, Culture & Heritage, & Windsor to award the new Microsoft**

**Licensing Contract to the successful tenderer following the conclusion of Crown Commercial Services Aggregated Tender.**

**2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED**

**Options**

**Table 1: Options arising from this report**

<b>Option</b>	<b>Comments</b>
Award contract to successful tenderer of the aggregation by the 28/02/2023 to enable successful enrolment with Microsoft ready for the 01/04/2023 <b>This is the recommended option</b>	This will ensure that the Council is licensed appropriately for all corporate devices and applications associated with Microsoft and that staff, partners and suppliers can continue to support and provide council services effectively and securely.
Do nothing	All licenses for Microsoft desktop products will cease as at 31 March 2023 and access to business critical applications, services and devices will no longer be available presenting significant risk to the Council for the delivery of its services.

- 2.1 Over the last five years the Royal Borough's IT service has enhanced the desktop management systems provided to Royal Borough staff, partners, schools, Elected Members and third-party suppliers. The service has leveraged the functionality from many of the market leading Microsoft technologies to achieve this. This has been possible due to previous commitment to a Microsoft Enterprise Agreement (EA) and the additional value-add benefits this provides. The tendering of a new contract provides the Royal Borough with a reliable and functional platform to develop and enhance business systems for both the Council and our partners.
- 2.2 The objective of the Modern Workplace Project resulted in the deployment of Microsoft Windows 10 devices and staff taking advantage of many more applications that the Office 365 subscription offered, as an example the use of Teams Telephony which has seen the replacement of static IP handsets, utilising the laptops as audio devices.
- 2.3 Further products and benefits include:
- Microsoft SharePoint is currently being used for the corporate intranet and Members Hub Site.  
It is also being used to rationalise document management systems within the business where appropriate and to replace on premise network drives.
  - Developing the use of Cloud technologies and maximising the functionality available to reduce costs where possible and enhance Business Continuity and Disaster Recovery.

- Microsoft professional training sessions to develop in house skills for IT staff and business users alike.
- Windows 10 operating system on all user devices with regular security patching and updates.

2.4 Not renewing this contract would result in the removal of licenses and therefore the functionality for all of the Council’s business critical tools and data mentioned above and remote access for schools, partners and suppliers to applications required to support Council services.

### 3. KEY IMPLICATIONS

3.1 Please see ‘Table 2’ for what success looks like and how this will be measured:

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
New three-year contract awarded and signed prior to the 28 February 2023	No new contract in place by 31 March 2023	New contract signed by 28 February 2023	New contract signed by 1 February 2023 with the ability for 1 month consultation with new incumbent before the deadline date.	New contract in place by 1 January 2023 with the ability for 2-month consultation with new incumbent before the deadline date.	1 April 2023 (new contract commencement)

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 The current cost of the Microsoft Enterprise Agreement (EA) is £364,000 per annum; £1,092,000 over the current three-year term (1<sup>st</sup> April 2020 - 31<sup>st</sup> March 2023).

4.2 Indicative quotes have been gained from our current and two other competitor Microsoft Resellers to give an idea of potential renewal costs in April 2023 as detailed in Table 3.

The licence costs are based on current RBWM active accounts and the number of user accounts supported in SLA’s with Achieving for Children and Optalis as well as other partner organisation as at November 2022.

**Table 3: Indicative Licence renewal costs from April 2023:**

	<b>Current Microsoft Reseller Quote</b>	<b>Market Testing Average</b>
<b>2023</b>	£407,418	£400,900
<b>2024</b>	£407,418	£400,900
<b>2025</b>	£407,418	£400,900
<b>Est total for 3-year term</b>	£1,222,254	£1,202,700

- 4.3 A revenue growth bid has been submitted for IT in the 2023/24 budget exercise for £111,000 to cover the increase in revenue for the duration of a new three-year contract based on the average market research testing.
- 4.4 IT have undertaken analysis on the current license numbers and other options that may be available to ensure that RBWM staff and partners are using the most cost-effective option available whilst ensuring benefits and needs are met.
- 4.5 Quotes from the tender exercise may vary due to the following:
  - All quotes received are based on current reseller catalogue costs and may be subject to an increase from Microsoft in April 2023.
  - The proposed route to market is via an Aggregation approach being run by Crown Commercial Services. By combining its requirements with other buyers it is hoped that the Council will benefit from more favourable pricing as a result of increased volumes from the combined requirements of the ten other buyers participating in the aggregation.

4.5 **Table 4: Estimated financial impact of report’s recommendations:**

<b>REVENUE COSTS</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Additional total	£37,000	£37,000	£37,000
Reduction	£0	£0	£0
Net Impact	£37,000	£37,000	£37,000

- 4.6 **Features of the Aggregation**
  - Ten other organisations have committed to participating in the aggregation. This extra buying power should help RBWM to achieve more favourable pricing than it would do if it were to tender on its own.
  - The Council is not mandated to award a contract following the completion of the aggregation should the tender results be disadvantageous for the Council.
  - Prior to enrolment in our Agreement with Microsoft, the Council can amend its estate from that stated in the tender Pricing Schedule.
  - Prices shall remain fixed for the duration of the contract from the point at which license are ordered.

- 4.6 **Contract Requirements**
  - Supplier must have and maintain Microsoft Gold Accreditation and Microsoft FastTrack specialists with the capability to support ongoing migrations and provide remote guidance and advice.
  - Infrastructure Optimisation and Deployment meetings which will take place once every 6 months.
  - Supplier is required to conduct a True up / down Engagement 3 months before annual anniversaries following the Infrastructure Optimisation and Deployment meeting to ensure best value for money with the use of licensing.

## 5. LEGAL IMPLICATIONS

- 5.1 Given the estimated contract value, the contract is being tendered via a legally compliant framework operated by Crown Commercial Services. This ensures that the Council is acting in accordance with the Public Contract Regulations 2015 and the Council's Contract and Tendering Procedure Rules. Advice has been provided by the Council's corporate Procurement Team.
- 5.2 The Procurement Team identified a compliant tender route through an aggregated tender run by Crown Commercial Services via their Technology Products and Associated Services Framework. Having investigated this route to market and compared it to other options such as tendering independently via an available framework or independently outside of a framework this appeared to be the most advantageous option available to the Council for a number of reasons including the potential for more advantageous pricing, standardised T&Cs of contract and lower internal resourcing requirements.
- 5.3 The Council will let a contract directly with the successful tenderer following the conclusion of the Crown Commercial Services tender and subject to approval to award being given by the Executive Director of Resources in consultation with the Cabinet Member Deputy Leader of the Council & Cabinet Member for Business, Corporate & Residents Services, Culture & Heritage, & Windsor.

## 6. RISK MANAGEMENT

- 6.1 The minimum contract term available for this renewal with any Microsoft Partner is three-years and this is the term being tendered for via the aggregation.

The contract to be awarded following the aggregation will provide the Council with the ability to flex the licences at the end of each year of the contract term which will allow us to increase or decrease licences based upon the requirements of the business.

### RISKS

<b>Risk</b>	<b>Level of uncontrolled Risk</b>	<b>Controls</b>	<b>Level of controlled Risk</b>
Agreement is not signed by deadline date	High	Work with Legal Services and Procurement to ensure this happens	Medium
Risk of procurement of incorrect licenses and volumes	High	Ensure close working relationships with RBWM and Microsoft partners to ensure this risk is reduced.	Medium

## 7 POTENTIAL IMPACTS

7.1 Equalities: An Equality Impact Assessment is available as Appendix A.

7.2 Climate change/sustainability:  
No impact

7.3 Data Protection/GDPR:  
No impact

## 8. CONSULTATION

- Consultation was held with market competitors to discuss license usage and gain indicative costs
- Heads of Service and the Deputy Leader of the Council & Cabinet Member for Business, Corporate & Residents Services, Culture & Heritage, & Windsor were consulted on the decision to go out to tender via CCS framework.

## 9. TIMETABLE FOR IMPLEMENTATION

9.1 The full implementation stages are set out in Table 5:

**Table 5: Implementation timetable**

Date	Details
12 October 2022	Publication of tender by Crown Commercial Services
13-26 October 2022	Clarification window for tender
3 November 2022	Bid submission deadline for tender
4 November 2022	Compliance checks for tender
7-17 November 2022	Tender bid checks, evaluation, consensus and approvals (CCS)
18 November 2022	Notification of award and pricing results
21 November 2022	Receipt of draft contract
22 November 2022 – 15 December 2022	Review of draft contract and discussion with provider.
15 December 2022	Cabinet decision to delegate authority to award
29 December 2022 – 31 January 2023	Decision to award taken by Executive Director of Resources and Section 151 officer in consultation with Deputy Leader of the Council & Cabinet Member for Business, Corporate & Residents Services, Culture & Heritage, & Windsor.
1 April 2023	New contract to commence

9.2 The timetable above provided by CCS is subject to change which is why delegated approval has been requested to ensure that both the tender process and internal processes align to ensure that the new contract is in place by the deadline date of the 1 April 2023.

## 10. APPENDICES

10.1 This report is supported by one appendix:

- Appendix A – Equality Impact Assessment

## 11. BACKGROUND DOCUMENTS

11.1 There are no other background documents relevant to support this report.

## 12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	16/11/22	22/11/22
Emma Duncan	Director of Law, Strategy & Public Health/ Monitoring Officer	16/11/22	16/11/22
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	16/11/22	22/11/22
Elaine Browne	Head of Law (Deputy Monitoring Officer)	16/11/22	22/11/22
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	16/11/22	17/11/22
<i>Mandatory: Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>			
Lyn Hitchinson	Procurement Manager	16/11/22	16/11/22
<i>Mandatory: Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>			
Emma Young	Data Protection Officer	n/a	
<i>Mandatory: Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>			
Ellen McManus	Equalities & Engagement Officer	n/a	
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Tony Reeves	Interim Chief Executive	16/11/22	
Andrew Durrant	Executive Director of Place	16/11/22	
Kevin McDaniel	Executive Director of People Services	16/11/22	
<i>Heads of Service (where relevant)</i>			
<i>External (where relevant)</i>			

Confirmation relevant Cabinet Member(s) consulted	Deputy Leader of the Council & Cabinet Member for Business, Corporate & Residents Services, Culture & Heritage, & Windsor	Yes
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## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
First entered into the Cabinet Forward Plan: 19 October 2022	No	No

Report Author: Rebecca Stafford, Service Lead – IT Operations, 01628 796330
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## APPENDIX A - EQUALITY IMPACT ASSESSMENT

### Essential information

Items to be assessed: (please mark 'x')

Strategy		Policy		Plan		Project		Service/Procedure	X
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Responsible officer	Rebecca Stafford	Service area	IT Services	Directorate	Resources
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<b>Stage 1: EqlA Screening (mandatory)</b>	Date created: 19/10/2022	<b>Stage 2 : Full assessment (if applicable)</b>	Date created : n/a
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**Approved by Head of Service / Overseeing group/body / Project Sponsor:**

*"I am satisfied that an equality impact has been undertaken adequately."*

**Signed by (print):** Rebecca Stafford

**Dated:** 19/10/2022

## **Guidance notes**

### **What is an EqIA and why do we need to do it?**

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with 'protected characteristics' and those without them.
- Fostering good relations between those with 'protected characteristics' and those without them.

EqIAs are a systematic way of taking equal opportunities into consideration when making a decision, and should be conducted when there is a new or reviewed strategy, policy, plan, project, service or procedure in order to determine whether there will likely be a detrimental and/or disproportionate impact on particular groups, including those within the workforce and customer/public groups. All completed EqIA Screenings are required to be publicly available on the council's website once they have been signed off by the relevant Head of Service or Strategic/Policy/Operational Group or Project Sponsor.

### **What are the “protected characteristics” under the law?**

The following are protected characteristics under the Equality Act 2010: age; disability (including physical, learning and mental health conditions); gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

### **What's the process for conducting an EqIA?**

The process for conducting an EqIA is set out at the end of this document. In brief, a Screening Assessment should be conducted for every new or reviewed strategy, policy, plan, project, service or procedure and the outcome of the Screening Assessment will indicate whether a Full Assessment should be undertaken.

### Openness and transparency

RBWM has a 'Specific Duty' to publish information about people affected by our policies and practices. Your completed assessment should be sent to the Strategy & Performance Team for publication to the RBWM website once it has been signed off by the relevant manager, and/or Strategic, Policy, or Operational Group. If your proposals are being made to Cabinet or any other Committee, please append a copy of your completed Screening or Full Assessment to your report.

### Enforcement

Judicial review of an authority can be taken by any person, including the Equality and Human Rights Commission (EHRC) or a group of people, with an interest, in respect of alleged failure to comply with the general equality duty. Only the EHRC can enforce the specific duties. A failure to comply with the specific duties may however be used as evidence of a failure to comply with the general duty.

## Stage 1: Screening (Mandatory)

### 1.1 What is the overall aim of your proposed strategy/policy/project etc and what are its key objectives?

The overall aim for the approval of the Microsoft Contract Renewal is to ensure that IT Services can continue to license and support existing technologies fundamental to the delivery of council services. In line with the Council's value of investing in strong foundations and in order to ensure employees are supported in service delivery; fully functioning, secure, up to date and enabling IT infrastructure.

1.2 What evidence is available to suggest that your proposal could have an impact on people (including staff and customers) with protected characteristics? Consider each of the protected characteristics in turn and identify whether your proposal is Relevant or Not Relevant to that characteristic. If Relevant, please assess the level of impact as either High / Medium / Low and whether the impact is Positive (i.e. contributes to promoting equality or improving relations within an equality group) or Negative (i.e. could disadvantage them). Please document your evidence for each assessment you make, including a justification of why you may have identified the proposal as "Not Relevant".

Protected characteristics	Relevance	Level	Positive/negative	Evidence
<b>Age</b>	Not Relevant			<p>Key data: The estimated median age of the local population is 42.6yrs [Source: <a href="#">ONS mid-year estimates 2020</a>].</p> <p>An estimated 20.2% of the local population are aged 0-15, and estimated 61% of the local population are aged 16-64yrs and an estimated 18.9% of the local population are aged 65+yrs. [Source: ONS mid-year estimates 2020, taken from <a href="#">Berkshire Observatory</a>]</p>
<b>Disability</b>	Not Relevant			
<b>Gender re-assignment</b>	Not Relevant			
<b>Marriage/civil partnership</b>	Not Relevant			
<b>Pregnancy and maternity</b>	Not Relevant			
<b>Race</b>	Not Relevant			<p>Key data: The 2011 Census indicates that 86.1% of the local population is White and 13.9% of the local population is BAME. The borough has a higher Asian/Asian British population (9.6%) than the South East (5.2%) and England (7.8%). The forthcoming 2021 Census data is expected to show a rise in the BAME population. [Source: 2011 Census, taken from <a href="#">Berkshire Observatory</a>]</p>
<b>Religion and belief</b>	Not Relevant			<p>Key data: The 2011 Census indicates that 62.3% of the local population is Christian, 21.7% no religion, 3.9% Muslim, 2% Sikh, 1.8% Hindu, 0.5% Buddhist, 0.4% other religion, and 0.3% Jewish. [Source: 2011 Census, taken from <a href="#">Berkshire Observatory</a>]</p>

<b>Sex</b>	Not Relevant			<i>Key data: In 2020 an estimated 49.6% of the local population is male and 50.4% female. [Source: ONS mid-year estimates 2020, taken from <a href="#">Berkshire Observatory</a>]</i>
<b>Sexual orientation</b>	Not Relevant			

### Outcome, action and public reporting

<b>Screening Assessment Outcome</b>	<b>Yes / No / Not at this stage</b>	<b>Further Action Required / Action to be taken</b>	<b>Responsible Officer and / or Lead Strategic Group</b>	<b>Timescale for Resolution of negative impact / Delivery of positive impact</b>
<b>Was a significant level of negative impact identified?</b>	No	Not at this stage		
<b>Does the strategy, policy, plan etc require amendment to have a positive impact?</b>	No	Not at this stage		

If you answered **yes** to either / both of the questions above a Full Assessment is advisable and so please proceed to Stage 2. If you answered “No” or “Not at this Stage” to either / both of the questions above please consider any next steps that may be taken (e.g. monitor future impacts as part of implementation, re-screen the project at its next delivery milestone etc).

**Stage 2 : Full assessment**

2.1 : Scope and define

**2.1.1 Who are the main beneficiaries of the proposed strategy / policy / plan / project / service / procedure? List the groups who the work is targeting/aimed at.**

**2.1.2 Who has been involved in the creation of the proposed strategy / policy / plan / project / service / procedure? *List those groups who the work is targeting/aimed at.***

## 2.2 : Information gathering/evidence

**2.2.1 What secondary data have you used in this assessment?** *Common sources of secondary data include: censuses, organisational records.*

**2.2.2 What primary data have you used to inform this assessment?** *Common sources of primary data include: consultation through interviews, focus groups, questionnaires.*

Eliminate discrimination, harassment, victimisation

<b>Protected Characteristic</b>	<b>Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)</b>	<b>If yes, to what level? (High / Medium / Low)</b>	<b>Negative impact : Does the proposal disadvantage them (Yes / No)</b>	<b>If yes, to what level? (High / Medium / Low)</b>	<b>Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.</b>
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					



Advance equality of opportunity

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

Foster good relations

<b>Protected Characteristic</b>	<b>Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)</b>	<b>If yes, to what level? (High / Medium / Low)</b>	<b>Negative impact : Does the proposal disadvantage them (Yes / No)</b>	<b>If yes, to what level? (High / Medium / Low)</b>	<b>Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.</b>
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

**2.4 Has your delivery plan been updated to incorporate the activities identified in this assessment to mitigate any identified negative impacts? If so please summarise any updates.**

*These could be service, equality, project or other delivery plans. If you did not have sufficient data to complete a thorough impact assessment, then an action should be incorporated to collect this information in the future.*

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