

REPORT TO CABINET

Open		Would any decisions proposed:			
Any especially affected Wards	Operational	Be entirely within Cabinet's powers to decide	YES		
		Need to be recommendations to Council	NO		
		Is it a Key Decision	YES		
Lead Member: Brian Long E-mail: brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Angie Dickinson			
		Other Members consulted:			
Lead Officer: Richard Godfrey E-mail Richard.godfrey@west-norfolk.gov.uk		Other Officers consulted: Michelle Drewery E-mail: Michelle.Drewery@west-norfolk.gov.uk			
Financial Implications YES	Policy/ Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment YES/NO If YES: Pre- screening/ Full Assessment	Risk Management Implications YES	Environmental Considerations NO

Date of Cabinet meeting – 19th October 2022

MICROSOFT ENTERPRISE AGREEMENT 2022-2025

Summary

The three-year Enterprise Agreement covering all Microsoft licencing for the authority is due for renewal by 1st November 2022

Recommendation

Approve the renewal with Bytes Software Services

Reason for Decision

To maintain service provision.

1 Background

1. Microsoft products provide the backbone for the ICT infrastructure at the Borough Council, providing a suite of services including:

- Audio and video conferencing (e.g., Teams)
- Office software (e.g., PowerPoint, Word, Excel, Outlook.)
- Intranet and file sharing
- Cloud services and storage (OneDrive)
- Email cloud services
- Windows Enterprise server and client operating systems
- User accounts and access
- Database servers for our business applications
- Operating system deployment/PC imaging
- Remote access services
- Multi-factor authentication for externally hosted applications

- Disk encryption
- Mobile device management

- II. A Microsoft Enterprise Agreement is a volume licensing agreement, designed to offer best value to organisations with over 500 users or devices. As well as licensing the products and services already in use, the Enterprise Agreement gives immediate access to the latest technology releases and software updates. Microsoft offer additional discounts to local authorities through the Enterprise Agreement, as well as allowing us to lock in prices, shielding us from price increases and allowing us to spread the cost over the three-year term of the agreement.
- III. When our previous Enterprise Agreement came to an end in October 2019, most of our licences were for on premise accounts. Microsoft had, by this time, withdrawn the discount arrangement for on premise licenses. This meant that had we remained predominantly on premise with software hosted in our data centre, the cost of licences would have been in excess of £230,000 per year.
- IV. Instead, we opted for full Office 365 licencing, which bought with it several benefits (including the mobility, security and communication options that have enabled joined up homeworking during the COVID19 pandemic and beyond) at a cost of approximately £161,000 per year.
- V. In June, we were made aware of an aggregated procurement of Microsoft licenses organised by Crown Commercial Services. We submitted a list of requirements, based on our licencing numbers at the time, which was issued to the supplier base on the 14th of July.
- VI. In parallel with the aggregation, we have also been looking to rationalize our licence numbers and types. For some of our workforce who do minimal admin work on a PC, it has been possible to move them to a cheaper licence costing about a quarter of the subscription price. We have also had to account for an increasing number of new starters and new positions being created across the authority as well as ensuring we have the appropriate server licences to allow remote access to our systems for people working from home.
- VII. Pricing from the winning supplier of the CCS aggregation was released on 17th August. Due to Microsoft price increases that were introduced in March 2022, the contract exceeded £500,000 over the three years. This is the first time that our Microsoft licencing has risen above the £500,000 threshold for cabinet review. Because it was anticipated that this would be an officer decision, as it has always been previously, it was not included in the forward decision list. This, along with the due diligence described to ensure that we are not under licenced, paying for more expensive licences than necessary and ensuring that we present accurate figures to cabinet have all contributed to the submission of this report.

- VIII. Once we had completed the license audit and identified as many reductions as possible, we submitted final licence numbers to both the winner of the aggregated tender, Boxxe, and to our incumbent supplier, Bytes Software Services. Bytes returned the lowest cost via the KCS Software Framework – Y20011. We have a good working relationship with Bytes and have benefitted from the value-added services they provide, such as access to their in-house technical team and licensing specialists.
- IX. Since our current agreement expires on 1st November 2022, we need a new agreement in place to avoid running software which is out of compliance and unlicensed as well as ensuring that there is no disruption to the Borough Council's ICT services. For this reason, we are looking to sign contracts with Microsoft and raise a purchase order by 28th October.

2 Options Considered

Do nothing: Cease operation of our ICT systems or run unlicensed software, with no further security updates, leaving our network vulnerable and eventually leading to loss of important data held in Microsoft's cloud.

Renew our Enterprise Agreement (preferred option): Enter into another three-year agreement to continue our Microsoft services, achieving the best possible value and protecting us from further price increases.

3 Policy Implications

N/A

4 Financial Implications

Total cost of the recommended Microsoft Enterprise Agreement for the full three-year term is £541,267.26. This quote is fixed cost UK pricing; however, we would wish to avoid having to requote in which case exchange rate fluctuations may be taken into account.

Year 1	£175,955.34
Year 2	£182,655.96
Year 3	£182,655.96

The additional funds for the 3-year term can be met from an IT reserve. However, it should be noted that this reserve will then be fully depleted. There are no annual contributions in the budget to top up the reserve. This will need to be considered as part of the budget setting process to ensure that funds are available for the next tender process in 3 years' time. There is a risk that the next tender price will be subject to further additional costs.

5 Personnel Implications

N/A

6 Environmental Considerations

N/A

7 Statutory Considerations

N/A

8 Equality Impact Assessment (EIA)

(Pre screening report template attached)

9 Risk Management Implications

If we do not continue with the agreement, Microsoft products such as Teams, Email and Servers will no longer be licenced and may not continue to function as designed, this will affect the Council's ability to do business.

10 Declarations of Interest / Dispensations Granted

N/A

11 Background Papers

(Definition : Unpublished work relied on to a material extent in preparing the report that disclose facts or matters on which the report or an important part of the report is based. A copy of all background papers must be supplied to Democratic Services with the report for publishing with the agenda)

Pre-Screening Equality Impact Assessment

Borough Council of
King's Lynn & West Norfolk



Name of policy/service/function	Microsoft Enterprise Agreement				
Is this a new or existing policy/service/function?	Existing				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	Microsoft licensing required to continue the Borough Council's ICT services.				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability			✓	
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Other (eg low income)			✓	

