

CAMBRIDGESHIRE COUNTY COUNCIL'S
MICROSOFT ENTERPRISE LICENSING AGREEMENT

To: General Purposes Committee

Meeting Date: 2nd June 2020

From: Director of Customer Digital Services

Electoral division(s): All

Forward Plan ref: 2020/036 Key decision: Yes

Outcome: This report sets out the background to the request to re-procure the Microsoft Enterprise Licencing Agreement for Cambridgeshire County Council.

The potential and predicted outcomes are as follows:

- **The continued use of Microsoft Software across the County Council.**
- **A structured agreement with Microsoft that will allow for the changes needed to accommodate the data centre move from Shire Hall to Sand Martin House – as agreed by General Purposes Committee on 28 May 2019.**

Recommendation: General Purposes Committee is asked to:

- a) **Agree to the re-procurement of the Cambridgeshire County Council Microsoft Enterprise Licensing Agreement for a period of 3 years from Sept 2020 to Sept 2023, under the Central Government negotiated Digital Transformation Arrangement.**
- b) **Agree to delegate the award of this contract to the Section 151 Officer in consultation with the Chairman of the General Purposes Committee**

<i>Officer contact:</i>		<i>Member contacts:</i>	
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1. BACKGROUND

- 1.1 Cambridgeshire County Council uses Microsoft software extensively across all Directorates and their services. The Council is licensed to do so under the terms of its Microsoft Enterprise Agreement. The current Agreement expires on 14th of September 2020.
- 1.2 Over the last six years the Enterprise Agreement has been renewed every three years. This has allowed the County Council to continually upgrade the software and take advantage of the latest Microsoft technologies such as Lync/Skype for Business, Windows 10 and Office 365.
- 1.3 Prior to the end of the latest Agreement, and as part of the Council's datacentre migration, it was decided to move all the Council's licensed users to Microsoft Office 365. This change was set out in the IT Strategy that was agreed by General Purposes Committee on 16th July 2018. Moving to Office 365, which is hosted in the Microsoft Cloud, will help to reduce the need for space and physical equipment in the datacentre when we move to Sand Martin House in 2021.
- 1.4 The annual cost of the agreement in 2019-2020 was £807,257.83. This is currently funded from a revenue budget of £942,000 held by LGSS IT which includes £240k allocated through business planning in 19/20 in anticipation of the move to Office 365 licencing. We intend to take every opportunity to ensure best value in carrying out this procurement however, it is unlikely that the costs will reduce for the Council through this procurement. We will ensure that the new Microsoft Agreement includes further benefits for the Council, over and above what is available through the current Agreement, particularly through the suite of products available through Office 365.
- 1.5 As well as the traditional software of email, calendar, Word and Excel that underpin the day to day function of the Council, the Office 365 suite of products includes a wide variety of new tools that enable people to work differently and more effectively. A prime example of this is Teams, which, with its focus on collaboration and multiple means of communication supports flexible and remote working across all levels of the organisation and enhanced collaboration with external organisations and partners. This functionality is already changing the way that the many organisations including Councils operate and in particular has played a significant role in the effective response to the Covid19 crisis.
- 1.6 Other features of Office 365 that will increase the efficiency and security of the organisation are:
 - Easy to use automation of workflow between people and between applications. This allows for processes to be redesigned to be more efficient and consistent
 - Sophisticated document storage that ensures compliance with Records Management and General Data Protection Regulation (GDPR) policies as well as enabling the creation of a new, more cost effective Intranet site.
 - A set of tools that allow teams and individuals to plan work, manage and assign tasks to monitor and manage performance in a simple and intuitive way.

2. MAIN ISSUES

- 2.1 In 2017 Cambridgeshire County Council moved the Microsoft Enterprise Agreement to a revenue subscription based model as the traditional method of purchasing Microsoft

software assets, over a three year term through using capital expenditure, had become cost prohibitive.

- 2.2 The replacement Enterprise Agreement will be based on current user numbers with any changes to these numbers being provided to the licencing partner on an annual basis. The IT service will have a mixed licensing structure within the Agreement to reflect the difference between users who fully utilise all the Microsoft tools and those who do not. This way we ensure we get best value out of this Agreement.
- 2.3 The overall pricing for Enterprise Agreements is agreed between Microsoft and Crown Commercial Services for all public sector bodies, as such there is no room for negotiation on the price of the licences. The procurement will be through resellers rather than Microsoft directly so the competition will be more about the quality of service and support that the resellers can provide and ensuring that they optimise the Microsoft Licensing options to minimise the costs.
- 2.4 The expected total value of this contract over the whole of the three year terms will be in the region of £2,500,000 and £3,000,000. The final costs will be confirmed and agreed with the Section 151 Officer and the Chairman of the General Purposes Committee at the time of the award. The budget held by LGSS has been profiled in the context of the IT Strategy based on the most likely set of licence requirements for the three year term. This will be refined during the process of renewal and if requirements change over the life of the agreement then any changes to the budget will go through the business planning process.
- 2.5 Having this core Enterprise Agreement in place will give the Council access to additional Microsoft software and professional services, such as Microsoft Project, Power BI Professional and Microsoft Visio. Any additional costs for these services will be subject to an annual subscription under this new contract, as oppose to the previous approach which was through more costly one-off licences. This will again ensure we achieve best value for the Council in its use of Microsoft products. We estimate that use of these additional products would be in the region of £20,000p.a.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority although having an effective set of Office products available for staff to use across the Council is fundamental to our ability to deliver effective services for our communities.

3.2 Thriving places for people to live

There are no significant implications for this priority

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority

3.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

- We would expect the cost of the new agreement to fall within the existing revenue commitment.
- Renewing our Enterprise Agreement means we can continue to use Microsoft products including benefitting from moving to the Council comprehensively to Microsoft Office 365 during 2020/21.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

- The LGSS procurement service has been engaged throughout. We will be using the Crown Commercial Services framework RM6068 Technology Products & Associated Services lot 3 to re-procure this Enterprise Agreement.
- Under the Contract Procedure Rules (CPR), Part 2, paragraph 13, where Cambridgeshire County Council procures goods or services by selecting a contractor from a framework agreement set up in accordance with EU rules, the officer must follow the terms of the framework call off, and consult with the LGSS procurement services where the value exceeds £100,000.
- Under CPR, Part 5, paragraph 1.7, where the total value of the contract exceeds £100,000 it must be sealed.

4.3 Statutory, Legal and Risk Implications

- Advice has been received from LGSS Law in support of this procurement.
- Cambridgeshire County Council is a contracting authority for the purposes of the Public Contract Regulations 2015 (PCR). It must run a compliant procurement process when purchasing goods or services with a value over a prescribed EU threshold (£189,330).
- The report is recommending that the contract should be procured by way of a call off from the Crown Commercial Services (CCS) Framework RM6068 Technology Products & Associated Services Lot 3 (the Framework).
- CCS is a central purchasing body (CPB) as defined under the PCR. The PCR allows contracting authorities to buy goods or services through a CPB. Once the CPB's procurement arrangements are carried out in accordance with EU procedures, a purchase by the contracting authority through the CPB is considered to be consistent with EU procedures.
- CCS has set up the Framework through a tender under EU procedures. An award by Cambridgeshire County Council is compliant with PCR by calling off the Framework.
- Cambridgeshire County Council must follow the call-off process in the Framework.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Yes Name of Legal Officer: Stephen Randall
Have the equality and diversity implications been cleared by your Service Contact?	No Name of Officer: N/A
Have any engagement and communication implications been cleared by Communications?	No Name of Officer: N/A
Have any localism and Local Member involvement issues been cleared by your Service Contact?	No Name of Officer: N/A
Have any Public Health implications been cleared by Public Health	No Name of Officer: N/A
Source Documents	Location
General Purposes Committee -28 May 2019 & 16 July 2019	https://cambridgeshire.cmis.uk.com/ccs_live/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/2/Default.aspx