

Date of issue: Monday, 21 March 2022

MEETING	CABINET	
	Councillor Swindlehurst	Leader of the Council and Cabinet Member for Forward Strategy & Corporate Resources
	Councillor Mann	Deputy Leader and Cabinet Member for Transport, Planning & Place
	Councillor Akram	Leisure, Culture & Communities
	Councillor Anderson	Financial Oversight, Council Assets & Performance
	Councillor Bains	Regulation & Public Protection
	Councillor Carter	Housing & Environment
	Councillor Hulme	Children's Services, Lifelong Learning & Skills
	Councillor Pantelic	Social Care & Public Health
DATE AND TIME:	MONDAY, 21ST MARCH, 2022 AT 6.30 PM	
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL	
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	NICHOLAS PONTONE	07749 709 868

SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

* Item 9(a) is an urgent item which the Chair has agreed to include on the agenda.

PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
9(a)	Microsoft Licencing Enterprise Agreement - Three-year Contract	1 - 4	All

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SLOUGH BOROUGH COUNCIL

REPORT TO:	Cabinet
DATE:	21 st March 2022
SUBJECT:	Microsoft Licencing Enterprise Agreement – Three-year Contract
PORTFOLIO:	James Swindlehurst, Leader of the Council and Cabinet Member for Forward Strategy & Corporate Resources
CHIEF OFFICER:	Steven Mair, Director of Finance and Section 151 Officer
CONTACT OFFICER:	Vijay McGuire, Associate Director
WARD(S):	All
KEY DECISION:	Yes
EXEMPT:	No
DECISION SUBJECT TO CALL IN:	No – a delay to implementation of the decision would be likely to seriously prejudice the Council’s interests.
APPENDICES:	None

1 Summary

- 1.1. The contract for the Council’s Microsoft Licences is due to expire on 31.03.22 and must be renewed before 25.03.22 in order for the services to continue. The licences are issued by Microsoft via their partners in the form of an Enterprise Subscription Agreement (ESA) on a “per-user” basis. The ESA runs for a three-year period and covers licences for the use of Slough’s Microsoft products, such as MS Office (Word, Excel, PowerPoint etc.), as well as MS365 (Email, Teams, Instant Messenger etc.) and the operating systems for the Council’s servers and databases (these run the Council’s key line-of-business applications).
- 1.2. Dell have been selected as the Microsoft partner via a competitive process. It should be noted that should fewer licences be required at the end of each year, the annual costs will be reduced to reflect this (known as “truing down”).
- 1.3. In accordance with paragraph 1.6 of the Executive Procedure Rules relating to urgent business, the Cabinet is required to agree that this report can be considered on the grounds of urgency. The reason for urgency is that the licences must be renewed by 25.03.22 and any delay could expose the Council to a disruption of service and increased costs.
- 1.4. The Cabinet is also required to agree that in accordance with paragraph 20.1 of the Overview & Scrutiny Procedure Rules, the decisions be implemented urgently and only be subject to post-decision scrutiny provisions. The reason is that any delay

likely to be caused by the call-in process would seriously prejudice the Council's interests. If urgent implementation is not agreed, the decision could not be implemented until Wednesday 30th March 2022. An update on the ICT Modernisation Programme is scheduled to be provided to the Overview & Scrutiny Committee on 7th April 2022.

2 Recommendations:

2.1 Cabinet is recommended to approve:

- a) that the matters contained in this report can be considered urgently to enable the licences to be renewed before the end of March 2022.
- b) the award of a new three-year agreement for Microsoft licences with Dell to run from 01.04.22 – 31.03.25 via the government crown commercial framework at a three-year cost of £1.633m as provided for in the revenue budget.
- c) that this decision be implemented urgently as any delay that could be caused by the call-in process would seriously prejudice the Council's interests.

3 Commissioners Review

"Commissioners support the recommendation."

4 Introduction

- 4.1 A large proportion of IT tools used by Slough Borough Council are provided by Microsoft. These tools include things such as MS365, Teams, Email, Office (Excel, Word, PowerPoint etc.), also operating systems for our servers, databases, networks etc.
- 4.2 In order to use these tools, Microsoft require us to be fully licenced for each user for each product. This licencing is usually provided by an Enterprise Subscription Agreement (ESA) and Server & Cloud Enrolment (SCE) that is specifically priced for the public sector.
- 4.3 Microsoft do not sell these licences directly but use their LAR's (Large Account Reseller) – companies authorised to sell licences on behalf of Microsoft.
- 4.4 Slough has been a Microsoft user for many years. All Officers are used to working with a variety of Microsoft tools that are licenced through this process. Being licenced means we will be able to:
 - deliver value for money to customers through enabling effective and efficient services
 - ensure officers are able to work professionally and effectively with the tools to do the job
 - collaborate and communicate internally and externally
 - simplify administration and budgeting of licenses.

5 Options Considered

5.1 Option 1 - Do Nothing

5.1.1 This is not a viable option, as the Council requires a legally procured licence in order to use MS365 and the software is essential to the Council's operations.

5.2 Option 2 - Renew Licence with a MS Official Partner (known as a LAR)

5.2.1 Award contract to identified Microsoft reseller to undertake the license renewal. **This is the recommended option.**

6 Microsoft Enterprise Subscription Agreement

6.1 The Microsoft ESA comprises two parts – the ESA: covering licences for MS365, MS Office, Windows, End-Point Security, Active Directory and specific Microsoft Products used by the Council (such as MS Project and MS Visio) and the SCE (Server and Cloud Enrolment): covering the Council "cloud" access to the MS public cloud (known as Azure), server and database operating systems.

6.2 The Microsoft systems covered by these licences are used throughout the Council. Without the licences, these systems will stop working - MS Office (Word, Excel, PowerPoint etc.), as well as MS365 (Email, Teams, Instant Messenger etc.) and the operating systems for servers and databases (these run the Council's key line-of-business applications).

7 Procurement Process

7.1 Competitive Procurement. Having previously used our Microsoft partner to procure the licences, in this instance, a full tender process has been undertaken. Five bids were received as follows: Dell at a total cost of £1,632,803 – compared to the next lowest bid of £1,634,065. The three other bidders came in at: £1,640,199, £1,767,285 and £1,789,546.

7.2 The results of this process are clear. As this is a licence procurement, with no "service" or "added value" element, the decision has been taken to accept the lowest cost option as this would have no bearing on any overriding "service" – the licences just mean that the Council can continue using the products. Licence costs are based on a "bill of materials" these include the numbers and types of each licence required.

7.3 The number of licences required for each product will fluctuate throughout the year, the contract allows for a "truing up" in the year, whereby the Council is allowed to procure additional licences, should it be necessary. A truing down can only be undertaken at the end of each year

8 Implications of the Recommendations

8.1 Financial implications

8.1.1 The total cost of the new three-year Microsoft contract is £1.632m. The annual cost is £0.434m for the ESA (Enterprise Subscription Agreement) portion of the licences plus £0.110m for the SCE (Server Cloud Enrolment). This is an annual commitment

of £0.544m which is within the budget of £0.550m for 2022/23 and the overall contracts budget of £2.4m.

8.2 Legal Implications

8.2.1 The contract complies with clause 1.11 of the Contract Procedure Rules that states that Framework Agreements that have been established by other Public Sector Bodies that are lawfully accessible to the Council should be used in accordance with the terms and conditions of the relevant Framework Agreement.

8.2.2 The use of the framework has been approved by the Procurement Team in compliance with Clause 7.7 of the Contract Procedure Rules and procurement law. in accessing externally established Framework Agreements.

8.2.3 For services within a total contract value of £180,000 to £500,000, a formal tender process must be used with the tender accepted on the basis it is the most economically advantageous. Accessing a national framework agreement is permitted under the Council's Contract Procedure Rules. As such Cabinet approval is sought for this procurement.

8.3 Risk management implications

8.3.1 If the Council are unable to award this contract, Microsoft products will cease to work from the 01.04.22. This is being mitigated by the proposed action

8.4. Environmental implications

8.4.1 None

8.5. Equality implications

8.5.1 None – the licences allow the Council to continue to use the products and operate normally

8.6. Procurement implications

8.6.1 None – a full tender process has been undertaken under the CCS Framework Technology Products and Associated Services (TePAS) RM6068, lot 3 which was competitively tendered via SBC SE Shared Business Services e-Tender Portal.

8.7. Workforce implications

8.7.1 None – the approval of this request will ensure there is no impact on the workforce.

8.8. Property implications

8.8.1 None

9 **Background Papers**

None