



Neath Port Talbot County Borough Council

Cabinet

2nd June 2021

Report of the

Director of Finance and Corporate Services – Hywel Jenkins

Matter for Decision:

Wards Affected: All

Renewal of Microsoft Software Enterprise Agreement

Purpose of report

1. To seek approval to issue a direct award under the National Procurement Service Framework for Microsoft Software.

Background

2. The Council requires a software license known as an Enterprise Agreement to use the various Microsoft Software Packages across the estate.
3. The Council's present use of Microsoft software is on the basis of a previous three year Enterprise Agreement contracted for in 2018. The agreement provided a product set consisting of the Windows Operating System and the Microsoft Office and Collaboration suite. The contract was issued on a subscription only basis and the right to use the software will lapse in June 2021. The current agreement is held with SoftCat PLC an IT Infrastructure and Service Provider who focus on the public sector

4. The Enterprise Agreement is provided under the Digital Transformation Agreement (DTA) which is negotiated by Crown Commercial Services (CCS) and provides preferential public sector discounts for the Microsoft Software.
5. The new DTA was issued in May 2021 and the Council will need to complete the replacement contract prior to the end of the current agreement. Pricing has been adjusted in the new agreement with Microsoft significantly reducing the discount levels offered on all bar the premium product set.
6. The National Procurement Service Framework Agreement, NPS - ICT-0094-19, provides a compliant Direct Award Call off Contract for the DTA agreement. The preferred supplier judged by the NPS as the most cost effective provider is SoftCat PLC.

The Enterprise Agreement

7. The Enterprise Agreement is based on a subscription model whereby the software is leased. The Microsoft pricing model is geared towards making the Subscription model the most competitive and offers the highest degree of flexibility.
8. The subscriptions model provides the ability to increase, true up, or decrease, true down licenses during the lifetime of the agreement
9. Software provided under the agreement may be delivered on premise i.e. hosted on Council server infrastructure, via a cloud delivery, or a mix and match approach as service requirement demands.

10. The initial agreement covers the minimum purchase levels with the option to true up licenses as software is deployed. The costs of any additional licenses falls due on the next anniversary of the agreement.

11. Under the terms of the agreement any device licensed products may legitimately be used by partner agencies without incurring any additional cost.

12. Licenses may be migrated to a regional or all Wales agreement should one become available.

13. Products licensed under the agreement include:
 - Microsoft Windows Operating System
 - Microsoft Office
 - Microsoft Teams
 - Exchange
 - Windows Server
 - Sharepoint
 - Yammer

Financial Impact

14. The contract value will be set as part of the direct award process but will be in the region of £415,000 per annum. The current revenue budget is £350,000.

It is proposed to meet the first year deficit from the Digital Services Reserve and submit a Pressure for the financial year 2022/23

The actual three year sum will be based upon the usage requirements of the Council which will be subject to change through the three year lifespan of the licence agreement

Integrated Impact Assessment

15. There are no specific impacts – please see attached First Stage assessment.

Valleys Community Impacts

16. There are no impacts

Workforce impacts

17. There are no impacts.

Legal impact

18. Procurement will be made via the National Procurement Service compliant contract.

Risk management

19. Failure to renew the agreement will result in critical systems becoming inoperable.

Consultation

20. There is no requirement under the Constitution for external consultation on this item.

Recommendation

21. It is recommended that Members approve the issue of a Direct Award for the renewal of the Microsoft Enterprise Agreement under the NPS Framework to SoftCat PLC.

Reason for proposed decision

22. To enable the Council to meet its license obligations and deliver the infrastructure to allow it to conduct its business

Implementation of decision

23. The decision is an urgent one for immediate implementation, subject to the consent of the relevant Scrutiny Chair and is therefore not subject to the call-in procedure.

Appendices

24. Appendix 1 - Integrated Impact Assessment - First Stage

List of background papers

25. None

Officer contact

26. Hywel Jenkins, Director of Finance and Corporate Services
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Ian John, ICT Infrastructure Manager
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Integrated Impact Assessment - First Stage

1. Details of the initiative

Initiative description and summary: Renewal of Microsoft Enterprise Agreement. Provision of Microsoft Software across the council. This will enable the Council to continue to use Microsoft products following current contract arrangements end at the end of June 2021.

Service Area: Digital Services Division

Directorate: Finance and Corporate Services

2. Does the initiative affect:

	Yes	No
Service users		X
Staff		X
Wider community		X
Internal administrative process only	X	

3. Does the initiative impact on people because of their:

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age		X				
Disability		X				
Gender Reassignment		X				
Marriage/Civil Partnership		X				
Pregnancy/Maternity		X				

Race		X				
Religion/Belief		X				
Sex		X				
Sexual orientation		X				

4. Does the initiative impact on:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		X				
Treating the Welsh language no less favourably than English		X				

5. Does the initiative impact on biodiversity:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		X				
To promote the resilience of ecosystems, i.e.		X				

supporting protection of the wider environment, such as air quality, flood alleviation, etc.						
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6. Does the initiative embrace the sustainable development principle (5 ways of working):

	Yes	No	Details
Long term - how the initiative supports the long term well-being of people	X		Whilst there is no direct impact for the proposal. The continued provision of the software will support the council in the discharge of its responsibilities
Integration - how the initiative impacts upon our wellbeing objectives	X		Whilst there is no direct impact for the proposal. The continued provision of the software will support the council in the discharge of its responsibilities
Involvement - how people have been involved in developing the initiative	X		Analysis of current licenses and usage profiles have shaped the proposal. Discussions have been held with Microsoft and the supplier to identify the most cost effective functional solution
Collaboration - how we have worked with other services/organisations to find shared sustainable solutions	X		The Microsoft Software is ubiquitous in use across the public sector. The Council will sign into the nationally negotiated offering for the public sector
Prevention - how the initiative will prevent problems occurring or getting worse	X		Whilst there is no direct impact for the proposal. The maintenance of current and supported software will support the council in the discharge of its responsibilities

7. Declaration - based on above assessment (tick as appropriate):

A full impact assessment (second stage) is not required	√
Reasons for this conclusion	
The proposal is for a renewal of a licensing agreement for Microsoft Software and will provide continuity of access. Whilst an essential tool to allow the council to function it has no direct impact on any service offering	

A full impact assessment (second stage) is required	
Reasons for this conclusion	

	Name	Position	Date
Completed by	Ian John	I CT Infrastructure Manager	27/5/21
Signed off by	Hywel Jenkins	Director of Finance & Corporate Services	27/5/21