

Cabinet – 23 October 2019

Microsoft Agreements

Portfolio: Councillor Bird, Leader of the Council

Related portfolios: All

Service: ICT, Resources and Transformation

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 To ensure that the Council has flexible Microsoft Agreements in place which are fit for purpose and that the Council continues to be compliantly licensed for its use of Microsoft Software Licences and Microsoft Cloud Services.

2. Summary

- 2.1 The Council's current agreement to use Microsoft Software Licences and Microsoft Cloud Services expires on 28 February 2020. The Council must enter into a number of new licensing agreements so as to be able to continue to use Microsoft Software Licences and Microsoft Cloud Services beyond this date.
- 2.2 This is a key decision as the expenditure over the lifetime of the agreements will be significant, potentially rising to £9,000,000 dependant on what software licence subscriptions and cloud services are consumed throughout the lifetime of the agreement.
- 2.3 The new agreements under pin ICTs Cloud Migration and Transformation Programme, they will support the Walsall Proud Programme being a foundation to the Enabling Technology work stream; the Council are already using some of the technology included in these agreements and will continue to adopt and exploit the technology to gain greater levels of efficiency and increased productivity.
- 2.4 The technology included in these agreements will enable the Council to work more easily and collaboratively with its partners and other external organisations leading to relationships of high support, high challenge and true collaboration.
- 2.5 The agreements are flexible, allowing for increases and decreases in the number of licences and also the addition or removal products.

3. Recommendations

- 3.1 That Cabinet award a contract to Specialist Computer Centres Plc for the resale of Microsoft Software Licences and Microsoft Cloud Services; the contract will be for 3 years and shall have an **initial value** of £5,644,503.
- 3.2 That Cabinet approve a variation of +50% of the initial contract value (50% being +£2,822,251) should it be necessary to purchase additional products and licences during the contract term.
- 3.3 That Cabinet delegate authority to the Executive Director of Resources and Transformation to sign the relevant agreements with Microsoft on behalf of the Council and to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents.

4. Report detail

- 4.1 The Council has been using agreements of this nature since 2006; agreements cannot be entered into directly with Microsoft they have to be facilitated by a Microsoft Reseller.
- 4.2 Since 2014 many software manufacturers have been changing the way in which software is purchased transitioning to “pay as you use models” – known as subscription software instead of a purchasing software to own – known as a perpetual licence.
- 4.3 With subscription software there is no entitlement to ownership – the subscriber pays an annual (or monthly) fee and has the right to use the software for the paid period of time. At the end of the paid for period of time the subscriber can then either stop using the software or choose to pay for a further period. Since 2017 the majority of the Council’s Microsoft software has been consumed on a subscription basis.
- 4.4 There are benefits to software licence subscriptions; the subscriber can use the latest version of the software without having to pay for upgrades, the number of subscriptions can be increased and decreased to meet the changing needs of the organisation, prices for subscriptions are locked in at year 1 of the agreement thus avoiding annual inflationary increases.
- 4.5 In addition to the software licence subscription the Council also uses Infrastructure as a Service (IaaS); Infrastructure as a Service has enabled the Council to move a large proportion of its physical data centre infrastructure into Microsoft’s Cloud Service; similarly to subscribing to use software licences the Council is subscribing to use portions of infrastructure owned by Microsoft.
- 4.6 Subscribing to use Infrastructure as a Service has many benefits; new machines can be very quickly provisioned – there is no need to order hardware, await its delivery and physically locate it in a data centre, charges are calculated on a daily basis if the infrastructure is no longer needed it can be turned off; if a machine does not have adequate computing power or storage it can be increased at the click of a button.

- 4.7 Subscribing to software licences and infrastructure as a service has enabled ICT to transform its services and create a flexible runway in readiness for new technologies which will be required to support the Walsall Proud Programme and new ways of working.
- 4.8 If the Council does not enter into these new agreements then all ICT services will have to be turned off on 28 February 2020 as the Council does not own the software licences nor the majority of the infrastructure which is now in use.

5. Council Corporate Plan priorities

- 5.1 ICT is an internal underpinning support service which is integral to all areas of the Council delivering its services to citizens. ICT will enable the Council to deliver upon its priorities set out in the corporate plan.

6. Risk management

- 6.1 The risks associated with entering into these new agreements are minimal; the majority of the software licence subscriptions can be increased on a monthly basis and decreased on an annual basis.

7. Financial implications

- 7.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) provides a mechanism to capitalise costs for Infrastructure as a Service if that is the Council's preferred way to finance this element of the agreements.
- 7.2 Provision for revenue funding has been made in the medium term financial outlook; ICT will work closely with the Head of Finance to ensure any increases or decreases are flagged at the earliest available opportunity. ICT will closely monitor all subscription usage so as to minimise costs.
- 7.3 At the time of presenting this report to Cabinet the known annual cost for 20/21 is £1,881,501; which if multiplied for the three year term would give an overall contract value of £5,644,503; however it is anticipated that additional software licences and infrastructure services will be included in the agreements before initial signature (February 2020) and throughout the lifetime of the agreements; these are detailed in the Private Report.

8. Legal implications

- 8.1 The new agreements will be evidenced by written contracts in a form required by Microsoft Plc under the terms of (Lot 1) of Health Trust Europe Information Communication Technology (ICT) Solutions Framework.
- 8.2 The agreements which will be signed between the Council and Microsoft contain fixed terms and conditions which Central Government have already negotiated

with Microsoft; the Council must accept these terms and conditions in order to continue to use Microsoft Software; the agreements will be executed in accordance with the Council's Contract Rules.

9. Procurement Implications/Social Value

- 9.1 The commercial advantages of using a compliant framework agreement are flexibility and reduced timescales of procurement procedures.
- 9.2 One option the Council considered is using Crown Commercial Services RM3733 Technology Products 2. This framework expires 31/10/19 and the replacement framework will not be aligned with the expiry of current software licences so this option was therefore discounted.
- 9.3 Health Trust Europe facilitates an Information Communication Technology (ICT) Solutions Framework. The Public Sector is entitled to use this framework, which includes the option to run a mini competition which allows the buyer to assess not only pricing but the suppliers' ability to provide additional services.
- 9.4 Advice and guidance has been given by the Corporate Procurement Team throughout this process. The procurement exercise which the Council has carried out has been undertaken in accordance with the requirements of the Public Contracts Regulations 2015 and gave consideration to social value in line with the Public Services (Social Value) Act 2012 and was in compliance with the Council's Contract Rules.

10. Property implications

- 10.1 None.

11. Health and wellbeing implications

- 11.1 Using subscription software means that staff will be able to continue to use modern, up to date software this in turn requires modern and up to date computers.
- 11.2 ICT has **almost** completed a rollout of tablet computers across the Council, equipping staff with technology that supports them in delivering their day to day business and enhances their time at work by simplifying and automating processes and enabling a flexible and agile approach to how they carry out their work.
- 11.3 Throughout the rollout of this new technology each end users individual and unique characteristics and requirements have been taken into account and catered for; for example lighter weight or smaller equipment or equipment with larger displays, larger monitors, dual monitors, software to enlarge screen reading or to read aloud, different mouse/keyboard layouts, voice recording software, software configuration to enhance screen displays etc.

12.Staffing implications

12.1 None.

13.Reducing Inequalities

13.1 The implications for reducing inequalities have been taken into account; the Council currently utilises the software that is included in this new contract and any adverse implications for people with protected characteristics can be (and have been) addressed on an individual basis.

13.2 Through the tablet rollout project referred to in Section 11 each user of the software has had an individual installation of their new equipment and software and any issues raised by individuals have been resolved either at point of installation or very soon thereafter.

All new staff requiring IT equipment are given individual attention at the time of receiving their new equipment and associated software; this time with an ICT technician is tailored to an individual's unique requirements and will seek to resolve any issues raised by an individual.

13.4 Microsoft have a Global Diversity and Inclusion Policy which states "We design for all human experiences and needs. So we strive to gather, listen to, and include as many perspectives as possible, with the ultimate goal of discovering how to bring out the best in each other, and everyone who uses what we create". (<https://www.microsoft.com/en-us/diversity/default.aspx>)

13.5 Entering into this contract will not have a visible effect or impact on any existing policy, procedure or service.

14.Consultation

14.1 Informal consultation has been carried out with internal stakeholders for example ICT teams impacted by this agreement, Cloud Navigator Programme board.

15.Decide

15.1 Cabinet is requested to approve the recommendations made in section 3 of this report.

16.Respond

16.1 In the event that Cabinet approve the award of this contract ICT will work closely with the successful Reseller and Microsoft up until the end of January 2020 so as to ensure that the Agreements are tailored and fit for purpose. Microsoft will issue the final agreements during February 2020 for subsequent signature.

17. Review

- 17.1 The agreements will be reviewed quarterly and any amendments will be made so as to ensure continued compliancy with Microsoft's terms and conditions.

Background papers

Procurement Report.

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James Walsh
Executive Director

23 October 2019



Councillor Bird
Portfolio holder

23 October 2019

Equality Impact Assessment (EqIA) for Policies, Procedures and Services

Proposal name	Microsoft Licensing Agreement (reference 28/19)		
Directorate	Resources and Transformation		
Service	ICT		
Responsible Officer	Sharon Worrall		
Proposal planning start	01/04/19	Proposal start date (due or actual date)	31/08/19

1	What is the purpose of the proposal?	Yes / No	New / revision
	Show which category the proposal is and whether it is new or a revision.		
	Policy		
	Procedure		
	Guidance		
	Is this a service to customers/staff/public?		
	If yes, is it contracted or commissioned?		
	Other - give details Renewal of Microsoft Licensing agreement – this occurs every 3 years and has been on-going since 2006.	YES	
2	What is the business case for this proposal? Please provide the main purpose of the service, intended outcomes and reasons for change?		
	There is no change to service; this EqIA is being carried out as part of the process to renew the Microsoft Licensing Agreement; the agreement has to be renewed every 3 years – this has been happening since 2007 and is the 4 th renewal.		
3	Who is the proposal likely to affect?		
	People in Walsall	Yes / No	Detail
	All	N	Any employee with access to a corporate computer.
	Specific group/s	N	
	Council employees	Y	
	Other (identify)		
4	Please provide service data relating to this proposal on your customer's protected characteristics.		
	ICT does not hold any data with regard to individual IT users with protected characteristics; the Council publishes an annual employment monitoring report which can be found here http://int.walsall.gov.uk/Portals/0/HR/StratPlanning/Corporate%20Employment%20Monitoring%20Report%202018_19.pdf		



	Of particular relevance to this report would be people with disabilities (see Pg 16 of the report / 4.39% of the workforce.)
5	<p>Please provide details of all engagement and consultation undertaken for this proposal. (Please use a separate box for each engagement/consultation).</p> <p>Each IT user over the past 18 months has been issued with new IT equipment; any issues arising from an IT user with protected characteristics was addressed as part of this implementation.</p> <p>Whilst consultation has not been carried out on a formal/global basis the needs of each IT user have been understood and catered for on an individual and unique basis.</p>

	Consultation Activity Complete a copy of this table for each consultation activity you have undertaken.			
	Type of engagement/consultation	Individual, in person 1-2-1 during IT installation	Date	April 18 – August 19
	Who attended/participated?	Individual IT users		
	Protected characteristics of participants	ICT do not record this information		
	Feedback <ul style="list-style-type: none"> Each recipient of new IT equipment completed a sign-off sheet to confirm that they had (a) received the equipment and (b) had been given an overview of how to use it and it's functionality 			
6	Concise overview of all evidence, engagement and consultation			
	<p>From the installation team working closely with each IT user over the past 18 months there is no evident to indicate that there will be any potential impact for people with protected characteristics with regard to the use of Microsoft Software.</p> <p>There may be a small number of people using IT with protected characteristics who will require additional software and/or IT equipment to support them in their day to day work – however this would be the case regardless of whether Microsoft Software was used or not.</p> <p>People with protected characteristics may require larger monitors, lighter computers, software that can read screens, software that can type text when dictated to, smaller mice, larger keyboards, different coloured keyboards, additional devices such as Dictaphones or headsets or they may require some additional training to use the standard equipment; ICT do not proactively identify the reasons why different equipment has been purchased.</p>			
7	How may the proposal affect each protected characteristic or group? The effect may be positive, negative, neutral or not known. Give reasons and if action is needed.			
	Characteristic	Affect	Reason	Action needed Yes / No
	Age	Dependant on the disability there may be a requirement for additional software or hardware – this has been addressed on a case by case basis. ICT do not record these requests in a different way to any other requests that are received.		
	Disability			
	Gender reassignment			
	Marriage and civil partnership			
	Pregnancy and			

	maternity	Alternative IT/working arrangements can be made for a person whilst pregnant; this may be provision of a “agile device” to allow for home working or potentially provision of two devices in different locations to suit the needs of the individual.
	Race	
	Religion or belief	
	Sex	
	Sexual orientation	
	Other (give detail)	
	Further information	
8	Does your proposal link with other proposals to have a cumulative effect on particular equality groups? If yes, give details.	(Delete one) No
9	Which justifiable action does the evidence, engagement and consultation feedback suggest you take?	
A	No major change required	
B	Adjustments needed to remove barriers or to better promote equality	
C	Continue despite possible adverse impact	
D	Stop and rethink your proposal	

Action and monitoring plan				
Action Date	Action	Responsibility	Outcome Date	Outcome
N/A				

Update to EqIA	
Date	Detail

Contact us

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Inside Walsall: [http://int.walsall.gov.uk/Service information/Equality and diversity](http://int.walsall.gov.uk/Service_information/Equality_and_diversity)