
Report to CABINET

PART A : Microsoft Licence Enterprise Agreement July 2024

Portfolio Holder: Cllr Jabbar, Deputy Leader and Portfolio Holder for Value for Money and Sustainability

Officer Contact: Shelley Kipling, Assistant Chief Executive

Report Author: Mark Edgar, Head of IT Operations and Cyber Security

~~19th August 2024~~

Reason for Decision

The Council's Microsoft Licensing Contract is approaching the end of its current procured contract, which has been running for 36 months since June 2021. Request is made to approve a new 3 year Enterprise Agreement with Microsoft via a procurement compliant Framework Agreement: CCS Technology Products and Associated Services 2, RM6098, Lot 3.

Executive Summary

The report seeks approval to enter into a contract with Microsoft to provide the Council's continued use of Microsoft Software, which is critical to the Council's workforce. Failure to procure and enter into a new contract would result in the expiry of all the essential licenses assigned to Oldham employees and all Microsoft applications no longer working. The consequence of this could be the issuing of fines for non-licence compliance. Oldham Council relies on the availability of Microsoft licences daily. Microsoft provide a secure online environment to enable Oldham Council to deliver services to Oldham residents and businesses. The ability to communicate internally and externally is central to the delivery of public and commercial services and to the Council's ability to communicate effectively to the residents of Oldham.

Recommendations

That Cabinet Approves:

- The procurement of a new Enterprise Agreement with Microsoft via the procurement compliant Crown Commercial Services Framework Agreement for Technology Products & Associated Services 2 (RM6098), Lot 3 - Software.
- Delegate authority to the Assistant Chief Executive in consultation with Cllr Jabbar, Deputy Leader and Value for Money and Sustainability Portfolio Holder, to approve the terms of the Call-Off Contract to be entered into under the CCS Framework and

to build flexibility into the Call-Off Contract to allow for the purchase of additional licenses as and when required and the purchase of additional support in accordance with the Framework Agreement and the relevant pricing schedule, subject always to budget availability and approval.

- Delegate authority to the Director of Legal Services to formalise any relevant legal requirements in order to attach and attest the Council's seal to the Call-Off Contract.

PART A: Microsoft Licence Enterprise Agreement July 2024**1 Background**

1.1 The Microsoft Enterprise Agreement is a long-standing arrangement under which software is licensed to Oldham Council and many other LAs. The Microsoft system plays a critical role in all the Council's Services. The current Enterprise Agreement is due to expire on 1st July 2024. Microsoft has agreed to a 90-day grace period to enable the Council to seek approval for a new Enterprise Agreement from Cabinet on 19 August 2024.

2 Current Position

2.1 Microsoft continues to be the supplier of critical software used by all Council employees.

2.2 The current Call-Off Contract, which was entered into under the now expired Crown Commercial Service (CCS) Contract for Technology Products and Associated Services, RM6068, Lot 3 (Software and Associated Services) will expire on 1 July 2024.

2.3 The Council requires continued use of Microsoft software and associated support services to allow all employees to continue delivering their roles and duties. Therefore, a new Enterprise Agreement is required, which will commence immediately following the expiry of the current Call-Off Contract. Microsoft has allowed a 90 day grace period to enable a request to be made to Cabinet for approval to enter into a new Enterprise Agreement under CCS Framework Agreement for Technology Products and Associated Services 2, RM6098, Lot 3 (Software) to be made to Cabinet. As a result of the grace period afforded by Microsoft, the commencement date would be backdated to 1 July 2024 and the term of the Call-Off Contract would be for 3 years.

2.4 The purpose of this report is to seek approval from Cabinet to negotiate and enter into a Call-Off Contract under Crown Commercial Service Framework Agreement for Technology Products and Associated Services 2, RM6098, Lot 3 (Software) for an Enterprise Agreement with Microsoft. The term would be 3 years and the commencement date would be backdated to 1 July 2024. The Council will ensure that it can, under the Call-Off Contract, remove licenses with effect from each anniversary of the commencement date, and purchase additional licenses and support as and when required.

2.5 The following licenses and quantities are to be included at commencement of the Call-Off Contract. It should be noted that the licenses are renewed on an annual basis and on the anniversary of the commencement date (1 July) Oldham Council shall have the right to reduce the licence numbers in line with requirements:

This Information is contained within part B of this report.

The licence that is used across the Council for staff is M365 E3.

The above table shows 2 prices because, when the Council transferred from ON Prem to Cloud, 2347 M365 E3 licenses were initially procured. CCS now negotiates with Microsoft on behalf of Local Authorities to ensure a clear pricing structure that will apply equally to all LAs, including all available discounts.

Based on the above quantities, and subject to the licence count remaining consistent for the next 3 years, the total contract value over 3 years is expected to be *this Information is contained within part B of this report*. However, IT Colleagues have already initiated a Project to review the E3 licence requirements, and over the next 12 months IT will be working with Microsoft Specialist to conduct a thorough review of the licence estate with the intention to reduce the E3 licenses and allocate a lower-level licence where possible.

This Information is contained within part B of this report.

3 Options/Alternatives

3.1 Option A – Approve a Call-Off Contract via Crown Commercial Services Framework Agreement RM6098 Lot 3 (Software) for an Enterprise Agreement with Microsoft and for the continued use of Microsoft Software and support.

Option B – Do not approve the proposed Call-Off Contract, Oldham Council are operating on Microsoft products, and without renewing, we would become non-compliant from a licensing model the Council would be unable to deliver digital services effectively. Failure to renew the Microsoft Licenses would result in all Oldham digital solutions expiring and all digital offerings no longer working. Additionally, there would be potential fines for statutory agreements and non-licence conformity.

4 Preferred Option

4.1 Option A – Approve a Call-Off Contract via Crown Commercial Services Framework Agreement RM6098 Lot 3 (Software) for an Enterprise Agreement with Microsoft and for the continued use of Microsoft Software and support.

5 Consultation

5.1 None

6 Financial Implications

6.1 There are sufficient resources built into the 24-25 ICT revenue budget to fund the proposals in this report. The cost of this contract will need to be closely monitored and a review of the licenses we hold will need to be carried out on a regular basis.

7 Legal Implications

7.1 Rule 4 of the Contract Procedure Rules requires the procurement process for a contract which has a financial value above the threshold relevant to the Public Contract Regulations 2015 (PCR 15) to be in line with the requirements of PCR 15.

7.2 PCR 15 allows for a call-off under a Framework Agreement which was put in place in accordance with PCR 15. The CCS Framework Agreement for Technology Products and Associated Services 2, RM6098, Lot 3 (Software) is a PCR 15 compliant Framework Agreement.

7.3 Therefore, provided the Commercial Procurement Unit is satisfied that a direct award can be made under the CCS Framework Agreement, to enable a Microsoft Enterprise Agreement, and provided the Commercial Procurement Unit ensures that the terms and

conditions of the Framework Agreement are complied with in putting a Call-Off Agreement in place, there are no known legal implications to the proposal.

- 7.4 The Call-Off Contract shall be in the form prescribed by the CCS Framework Agreement and no material changes shall be made to the Call-Off Terms and Conditions. Advice from Legal Services should be taken as and when required.

Sarah Orrell – Commercial and Procurement Solicitor

8 **Oldham Equality Impact Assessment, including implications for Children and Young People**

8.1 Yes

9 **Key Decision**

9.1 Yes

10 **Key Decision Reference**

10.1 FCR-10-24

11 **Background Papers**

11.1 None

12 **Appendices**

12.1 Appendix 1 Equality Impact Assessment



IAReport_SengaHe
nstock_03_MS Licen