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**Report of Head of DIS Strategy and Solutions**

**Report to Chief Digital and Information Officer**

**Date: 18<sup>th</sup> April 2017**

**Subject: Approval to invoke Contract Procedure Rule 21 and extend the contract LCCITS160008 Microsoft Premier Support (A95B-A6FOUC) to 29<sup>th</sup> April 2018**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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**Summary of main issues**

1. The Council has in place a contract with Microsoft Limited for the provision of Microsoft Enterprise Support Services (MS Premier), which expires 29<sup>th</sup> April 2017.
2. Microsoft products and technologies underpin key elements of the Council's ICT infrastructure.
3. There is a requirement to continue the provision of a service to provide support services for all utilised/deployed Microsoft products across the Council.

**Recommendations**

4. The Chief Digital Officer is recommended to approve the extension of contract LCCITS160008 Microsoft Premier Support (A95B-A6FOUC) to 29<sup>th</sup> April 2018.

## **1. Purpose of this report**

- 1.1 The report seeks approval to extend the contract LCCITS160008 Microsoft Premier Support (A95B-A6FOUC) to 29th April 2018.

## **2. Background information**

- 2.1 A contract was awarded to Microsoft Ltd for Microsoft Premier Services for a period of up to 3 years in April 2016.
- 2.2 Under Contract Procedure Rule 21.1, any decision to extend a contract must be based on the basis that doing so represents best value.
- 2.3 Any decision to extend a contract is treated as a new decision and as the value of the extension is greater than £100,000 this is a significant operational decision.

## **3. Main issues**

- 3.1 Microsoft products and technologies underpin key elements of the Council's ICT Infrastructure.
- 3.2 To support staff within the Digital and Information Service in maintaining this infrastructure, there is a requirement to supplement their skills by the provision of specialist problem resolution and support.
- 3.3 The Microsoft product set is proprietary and the support service required can only be provided by Microsoft Limited who retains the IPR to their products.
- 3.4 A proposal from Microsoft to extend for a further 12 months has been provided at a cost of £132k.
- 3.5 The projected renewal costs are within the Digital and Information Service budget.
- 3.6 Microsoft have performed in accordance with the contract and contract management plan and there are no known reasons why this contract should not be extended

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.2.1 The Head of ICT Operational Services (Service owner) and Head of City Strategy, Architecture and Commissioning have been consulted and this report reflects the continuing requirements of an Enterprise Support service.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.2 There are no Equality and Diversity / Cohesion and Integration issues associated with this decision.

### **4.3 Council policies and best council plan**

- 4.3.1 The service underpins cross cutting Council requirements to provide a range of essential services and functionality to all connected employees of the Council. This directly supports the Best Council objectives relating to the Better Lives programme and dealing effectively with the City's waste.

- 4.3.2 Becoming a more efficient and enterprising Council – the software directly supports the achievement of this best Council plan objective. This includes improving customer satisfaction (from resolving issues in a timely manner based on SLAs), creating flexibility within our workforce (software supports Changing the Workplace objectives for new ways of working), as well as supporting the generation of additional income (which requires contractual SLA support defined services) and becoming more enterprising (introduction of new applications and services based on the software).
- 4.3.3 Promoting sustainable and inclusive economic growth - the software directly supports the achievement of this best Council plan objective. Specifically the software is used to enable the full role in the City region and making the most of devolution opportunities.

#### **4.4 Resources and value for money**

- 4.4.1 The Microsoft products are proprietary and therefore this support service can only be provided by Microsoft who retains the IPR to their products and, therefore, no alternative provider is able to provide the required level of specialist problem resolution and support.
- 4.4.2 Only Microsoft can provide this level of support on their product and it is impractical to change the underlying products as the Council's ICT infrastructure is substantially built on that platform.
- 4.4.3 Like for like cost increases have been capped and maximum discount levels applied

#### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 The original procurement was undertaken using the Negotiated Procedure without prior publication of a contract notice under the Public Contract Regulations 2015 and allowed for the contract to be extended.
- 4.5.2 This decision is a significant operational and is not subject to call in.

#### **4.6 Risk management**

- 4.6.1 This contract will provide access to the global resources of Microsoft Limited and its subject matter experts in the event of any system failure and, therefore, mitigates operational and reputational risk to the Council.
- 4.6.2 Contractual risk will be managed in accordance with the Contract Management Plan.
- 4.6.3 A Voluntary Ex-Ante Transparency (VEAT) Notice was published in the Official Journal of the European Union at the time of the original contract award and the timescales for organisations to challenge the award have now expired.

### **5. Conclusions**

- 5.1 To ensure the continued provision of a MS Enterprise Support service, the contract should be extended.

### **6. Recommendations**

- 6.1 The Chief Digital Officer is recommended to approve the extension of contract LCCITS160008 Microsoft Premier Support (A95B-A6FOUC) to 29th April 2018.