

Approval to invoke Contract Procedure Rule 9.5 and award a new contract to Microsoft Ltd for the provision of Enterprise Unified Support.

Date: 7th July 2022

Report of: Head of Cloud & Platforms

Report to: Chief Digital and Information Officer

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- Our contract with Microsoft for Premier support has expired.
- The previous contract was a cost of circa £275,000 per year and had been in place for several years. It was felt that this cost was not providing value, as such the contract was not renewed, and negotiations have been ongoing with Microsoft over the last year.
- A new contract has now been negotiated at a value of £98,137 per year, demonstrating a significant saving over the previous contract value.
- A new contract for support and maintenance is required to ensure the Council continues to receive technical support, training, and strategic support in relation to our Microsoft estate.
- The Council is embarking on a transition of our on-premises Microsoft services to a more cost-effective Cloud strategy that will lead to improvements how services are delivered to LCC employees and citizens of Leeds.

Recommendations

- a) The Chief Digital and Information Officer, Resources Directorate is recommended to approve the award of a contract direct to Microsoft Ltd, for Enterprise Unified Support.
- b) The new contract will co-term with the Microsoft Enterprise Agreement on 30th September 2023.
- c) The costs for the new contract will be £116,128, comprising:
 - a pro-rata cost of £17,991 to cover the period 25th July 2022 to 30th September 2022
 - a cost of £98,137 for period 1st October 2022 to 30th September 2023

Why is the proposal being put forward?

- 1 The Council needs to be able to engage with Microsoft Ltd to support the transition over 400+ Servers and services to the Cloud. We will have access to professional service and technical experts to assist and recommend best practices and the most cost-effective ways to transition those services. This includes a dedicated Technical Account Manager and access to a dedicated technical resource one day a week.
- 2 The Microsoft products are proprietary and therefore this support service can only be provided by Microsoft Ltd who retain the IPR to their products source code.

What impact will this proposal have?

Wards affected:

Have ward members been consulted? Yes No

- 3 No wards will be affected by this decision.

What consultation and engagement has taken place?

- 4 Appropriate consultation has taken place with Key stakeholders within IDS, who have agreed that Enterprise Unified Support from Microsoft Ltd is required.

What are the resource implications?

- 5 There are no resource implications related to the award of the new contract direct to Microsoft Ltd for the provision of Enterprise Unified Support.

What are the legal implications?

- 6 The overall value for this decision does not fall within the scope of the Public Contract Regulations.
- 7 Under the Council's Contract Procedure Rule 9.5, competition is not required where there is genuinely no competition such that only a particular organisation or provider can meet the Council's specific requirements. Microsoft products are proprietary and therefore this support service can only be provided by Microsoft Ltd who retain the IPR to their products source code.
- 8 This is a Significant Operational Decision which is not subject to call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

What are the key risks and how are they being managed?

- 9 If no contract is awarded, key critical systems will have no guaranteed, external operational support. There is a risk of being unable to raise a Priority 1 ticket with Microsoft Ltd in the event of a service effecting issue within Leeds City Council. This will pose significant reputational and financial risk and possible interruption to Operational Service.
- 10 If contract award is approved, this provides full access to the global resources of Microsoft and its subject matter experts in the event of any system failure and the associated mitigation of the risks outlined.

- 11 The contract will be managed in accordance with the Microsoft Service Delivery Management Plan. Any risks identified throughout the term of the contract will be mitigated and tracked via weekly / monthly service review meetings with the Microsoft Technical Account Manager (TAM).

Does this proposal support the council's three Key Pillars?

- Inclusive Growth Health and Wellbeing Climate Emergency

- 12 This contract will support IDS with the move to a modernised way of delivering services via the Cloud. By providing this modernised and more cost-effective platform, all LCC directorates will be able to improve their services to the citizens of Leeds.

Options, timescales and measuring success

a) What other options were considered?

- 13 No other options have been considered. The Microsoft products are proprietary and therefore this support service can only be provided by Microsoft Ltd who retain the IPR to their products source code.
- 14 Should a contract not be awarded, the Council would be unable to provide any SLA service guarantee to directorates on both failure / incident resolution relating to any MS software or on assurance, adoption recommendations on Microsoft software and Microsoft best practise guidelines not publicly available. This directly supports both front line Council service provision and all other back-office users across the Council.

b) How will success be measured?

- 15 Success will be managed via the service review meeting with the Technical Account Manager.

c) What is the timetable for implementation?

- 16 We are looking to implement as soon as possible and engage with the Technical Account Manager to build an action plan.

Appendices

- 17 None

Background papers

- 18 None