

Authority to directly award a new contract to Bytes Software Services Limited, by way of a call-off under the Crown Commercial Services (CCS) framework on the Technology Products & Associated Services 2 (RM6098) for the purchase of 1 year of Microsoft Academic Licensing

Date: 01/07/2024

Report of: Deputy Head of Cloud and Platforms

Report to: Chief Digital & Information Officer

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- This report seeks approval to renew the Microsoft Academic licenses which have expired 22nd June 2024 to facilitate continued usage without any service gaps.
- Currently 3064 users are licensed under the Academic agreement, this includes Children Services, Libraries and Museum staff. Renewal is required to allow continued use of the products (e.g. Windows, Office, Teams including Enterprise Voice functionality) and also facilitate enhanced productivity via upgraded licenses.

Recommendations

The Chief Digital and Information Officer is recommended to:

- a) Approve a direct award contract to Bytes Software Services Limited (**'Bytes'**) by way of a call-off under the Crown Commercial Services (CCS) on the Technology Products & Associated

Services 2 (RM6098) for a term of 12-months from 23 June 2024 to 22 June 2025 for the renewal of the Microsoft 365 licensing used by Academic qualified users.

b) Note that the award of the call-off contract has been processed as a direct award under the CCS framework.

c) Note that the proposed value of the agreement for one year is £325,798.79 £

What is this report about?

- 1 This report seeks approval to renew the Microsoft Academic licenses which have expired on 22nd June 2024 to facilitate continued usage without any service gaps. The licenses will be renewed with Bytes under the CCS framework as a Direct Award.
- 2 The Microsoft subscription licenses that cover users eligible for Microsoft Academic licensing (roles working with children, or educational facilities) were due for renewal 22nd June 2024 (MS CSP Agreement via Bytes Software Services ref 209589). Renewal is required to allow continued use of the products (e.g. Windows, Office, Teams including Enterprise Voice functionality) and also facilitate enhanced productivity via upgraded licenses
- 3 The licenses cater for the Councils move to Cloud services as per the Councils ambitions.
- 4 Currently 3064 users are licensed under the Academic agreement, this includes Children Services, Libraries and Museum staff. Of note, the eligibility criteria has changed and going forward into the renewal Libraries and Museum staff will no longer qualify so only 2920 LCC users will be renewed. The other 302 will be separated out into another Microsoft agreement. The users that will remain under the Academic agreement will continue to benefit from the much cheaper licensing costs available under this agreement. Remaining LCC staff are under separate, non-Academic priced Microsoft agreements also with Bytes.
- 5 The licenses are currently renewed by Bytes via a Microsoft CSP (Cloud Solution Programme) agreement where Bytes manage the subscription. CSP agreements allow more flexible management of Microsoft licensing in comparison to traditional Enterprise Subscription Agreements that require fixed base levels of licenses with a 3 year commit.

What impact will this proposal have?

- 6 The proposal will allow IDS to continue to provision faculty level M365 licensing to users and devices that qualify for this level of pricing. (See Appendix 1 for latest Microsoft eligibility criteria) which in turn means that access to Microsoft licensing is maintained. If we do not accept the proposal 2920 staff will have access to their Microsoft products removed. Office 365 products e.g. Outlook, Word, Excel, Teams will cease to work as they will no longer be licensed and the productivity of staff in this areas will be massively curtailed. Email and Teams are essentials workplace tools in the modern age and to not renew these would be catastrophic.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 7 This report relates to the procurement of a software solution, its impact on climate change initiatives is mainly through the support it gives to those services using it. The solution directly contributes by facilitating digital working, removing the need for paper based systems for collaboration with both internal and external agencies.

What consultation and engagement has taken place?

Wards affected: N/A

Have ward members been consulted? Yes No

- 8 Within IDS consultation has taken place with the Chief Digital Information Officer, Chief Technology Officer, Software Licensing, Security and IG teams. External consultation was undertaken with Bytes.. All parties are in agreement that purchasing lower priced Academic level licenses for these users under a flexible CSP agreement is the best course of action for this licensing scenario.

What are the resource implications?

- 9 The resource impact will be limited to the Software Licensing team and Management to implement the decision. However if we do not renew these licenses then 2920 users will be unable to carry out a significant % of their duties.

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

- 10 If the licences are not renewed in the timeline, all functionality on the accounts will be lost. This is being mitigated by ensuring the renewal is completed in time. The risk of not completing the proposal in time is medium.

What are the legal implications?

- 11 The CCS Framework is a third-party framework. The overarching framework terms and conditions, along with the call-off terms, have been approved by the Procurement and Commercial Services Legal Team, in line with CPR 12.2. The Legal team is satisfied that the third-party framework was procured in a compliant way, and any subsequent call-offs in line with the requisite terms are a compliant route to procure an agreement.
- 12 As the value is £325,798.79 the decision falls under the category of Publishable Administrative Decisions –(expenditure/savings of over £250K)

Options, timescales and measuring success

What other options were considered?

- 13 **Option 1 - Do nothing.** This was not a viable option as the licences are crucial for different service areas to enable them to carry out their daily tasks. If the current agreement lapsed with no new arrangements in place, this would negatively impact multiple service areas and their ability to conduct such tasks.
- 14 **Option 2 – Use of an Internal Service Provider (ISP).**
In line with the obligations set out at CPR 3.1.4, the use of an ISP was considered. However, no suitable ISP exists for the provision of the service sought.
- 15 **Option 3 – Call-off from an existing CCS framework** (Recommended).
- 16 **Option 4 – Undertake a new procurement exercise.** Undertaking a new procurement exercise where the required service can instead be procured by way of a call-off from an existing Framework could be deemed to be a waste of resource and was therefore not deemed to be appropriate in this case”.
- 17 **Option 5 – Procurement of a different level of licence.** The other options considered include opting for A1 or A3 level licenses which are less expensive than A5 but have limited functionality compared to A5. Microsoft A5 was chosen to ensure the Academic users are

licensed commensurate with the main estate moving to Microsoft E5. In particular, A5 licenses contain enhanced security functionality compared to A3s, which is an essential component considering the types of data being handled by these users. A5 also included PowerBi licensing, an application that the council is becoming increasingly reliant upon. Finally, Enterprise voice capability is included with the bundle which facilitates external calls without needing to purchase a separate add on license for this.

How will success be measured?

18 Childrens Services staff renew their M365 A5 licences with no loss of service and IDS are able to manage these licenses under the CSP, including the ability to procure extra licenses or flex numbers down if needed.

What is the timetable and who will be responsible for implementation?

19 The licences need to be purchased with a commencement date of 22nd June 2024.

Appendices

- Appendix 1 and 2

Background papers

- None