

From: **Rebecca Spore, Director of Infrastructure**

To: **Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services**

Decision Number: **20/00057**

Subject: **Microsoft Licence Contract Award**

Key decision - ***Expenditure or savings of > £1m – including if over several phases***

Classification: **Unrestricted**

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** Key decision without P&R meeting

**Electoral Division:** N/A

**Summary:**

KCC have heavily invested in Microsoft technology, to support the current working arrangements. To ensure that the Council can access the full security protections now available within the Microsoft tool set, it is necessary to upgrade KCC's M365 licensing arrangements. As part of negotiating the licencing arrangements KCC has been able secure beneficial pricing. In order to secure this price reduction, it is proposed to end the current licensing contract a year early and enter into a new 3-year contract from the 1st July 2020.

This report outlines a proposed upgrade from the current corporate M365 E3 licences to M365 E5 licences. The proposed E5 licence contract will be active between July 2020 and June 2023.

**Recommendation(s):** The **Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services** is asked to **AGREE** to the proposed decision to enter into a new Microsoft licensing agreement for 3 years to meet KCC business and Infrastructure licensing requirements and to delegate authority to the Director of Infrastructure for the necessary contractual negotiations and to enter into any legal agreements.

**1. Introduction**

1.1 This report outlines the proposed upgrade from the current corporate M365 E3 licences to M365 E5 licences.

1.2 The proposed E5 licence contract will be active between July 2020 and June 2023.

## 2. E5 licencing Requirement

2.1 Whilst the Technology Roadmap envisaged a E5 licencing model, the timing was aligned to the change adoption rate across the Council. As a result of the current COVID – 19 pandemic the Councils operating model and reliance on its technology system has shifted significantly, in a matter of weeks with most of the Councils services operating virtually. As a result, there is an increased need to access the full capability of the M365 toolset, including the BI capabilities and external sharing with multiple agency. The transition of telephony from Skype to Teams is also being accelerate due to instability of the skype platform. This trend is likely to continue for a considerable period and the currently licensing model restricts the ability to fully deploy these benefits across the Council.

2.2 To support the current and future ways of working and to enhance the Councils technology security arrangements, it is necessary to bring forward the move to an E5 licencing model that supports improved telephony capability, full access to business analytics (Power BI), additional external sharing functionality and enhances security arrangements. The security implications are set out in more detail in the exempt paper. Amongst other features, the E5 licensing arrangement will enable KCC to benefit from the following features:

- Microsoft Teams Full Package including instant messaging, call functionality, voicemail, audio and video conferencing
- Enhanced analytics capability
- Identity and Access Management - enhanced control of user identities including the ability to detect vulnerabilities
- Advanced Threat Protection - providing addition protection for files, emails and outlook applications, real time checks if links and use of machine learning to identify trends.
- Advanced Data Governance with auto classification and labelling – includes scanning content to apply the appropriate governance protocols to data.
- Enhanced Cloud Security
- Additional support for secure external sharing

2.3 In 2018, KCC entered into a 3-year contract (RM3733/L2/ss17083/EA) with Bytes Software Services Ltd (Decision No. 17/00103) to provide corporate E3 M365 licences. The current contract and pricing comes to an end in 2021. To support the change in licensing arrangements KCC have secured beneficial pricing as set out in the exempt paper which requires a new contract between July 2020 and June 2023.

2.4 The new contract will be procured under the GCloud or CCS framework.

3.4 Individual projects will be brought forward for the implementation of the additional functionality as per the COVID – 19 prioritised roadmap, implementation costs will be agreed as part of the projects. The draft Technology Strategy 2020 is currently being revised to reflect the current position and the future strategic direction of the Council as the new norm is established.

- 3.5 Given the enhanced adoption of the technology toolset in recent weeks, there may be opportunities to decommission third party contracts that are no longer required and to support continuous business change across the organisation.
- 3.6 The additional licensing requirement and the early move to E5 licences is currently unfunded in base IT budget for 2020-2021 with the remaining costs subject to the rephasing of the Asset Maintenance Reserve and the establishment of the new Technology Reserve. It is proposed to fund the in-year costs in against the COVID costs in recognition of the need to bring forward to meet the current business requirements and provide the maximum level of security protection on the Councils infrastructure.

### **3. Legal implications**

- 3.1 N/A

### **4. Equalities implications**

- 4.1 An EQUIA screening assessment has been completed and no further action is required. In addition, the move to E5 licensing will enable the Council to benefit from enhanced project suite and accessibility features.

### **5. Other corporate implications**

- 5.1 None

### **6. Conclusions**

- 6.1 KCC have heavily invested in Microsoft technology, to support the current working arrangements and to ensure that the Council is able to access the full security protections now available by Microsoft it is necessary to upgrade KCC's M365 licensing arrangements. In order to secure the beneficial pricing it is necessary enter into a new 3-year contract from the 1st July.

### **7. Recommendation(s)**

**Recommendation(s):** The **Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services** is asked to **AGREE** to the proposed decision to enter into a new Microsoft licensing agreement for 3 years to meet KCC business and Infrastructure licensing requirements and to delegate authority to the Director of Infrastructure for the necessary contractual negotiations and to enter into any legal agreements.

### **8. Background Documents**

9.1 None

## 10. Contact details

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