

From: **Eric Hotson, Cabinet Member for Corporate and Democratic Services.**

**David Cockburn, Corporate Director, Strategic & Corporate Services and Head of Paid Services**

**Rebecca Spore, Director of Infrastructure**

**Michael Lloyd, Head of Technology Commissioning & Strategy**

To: **Policy and Resources Cabinet Committee**

5th December 2017

Decision Number 17/00103

Subject: **Renewal of Microsoft Enterprise Agreement(s)**

Classification: **Unrestricted**

**Future Pathway of Paper:** Cabinet Member Decision

**Electoral Division:** Not applicable

**Summary:** This paper outlines the requirement to renew our Microsoft Enterprise Agreement(s) which will allow the Council to continue to be licenced appropriately in order to deliver its current services.

**Recommendation:**

The **Policy & Resources Cabinet Committee** is asked to consider and endorse or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to delegate to the Director of Infrastructure in consultation with the Cabinet Member for Corporate and Democratic Services, the award of contracts with Microsoft for the Enterprise Agreement and Server Cloud Enrolment, including the necessary contractual negotiations and enter into any subsequent necessary legal agreements.

**1. Introduction**

This report outlines the context of the renewal of the Microsoft Enterprise Agreements.

**2. Financial Implications**

The decision to renew the Microsoft Enterprise Agreement(s) commits the Council to spend in excess of over £1 million per annum for the duration of the contract(s).

The payments in year two onwards are variable depending on the Councils usage of Microsoft products at the end of each year.

It is expected that the as the council continues to implement the ICT Strategy the need for on-premise licences will reduce over the duration of this new contract(s).

### **3. Policy Framework**

The Council's ICT Strategy 2016 – 2020 sets out the future of technology over the next four years. The strategy identifies the significant investment already made in Microsoft products and technology, and determines, that in order to maximise this investment, Microsoft will be considered first for technology requirements. The strategy was presented to this committee in May 2016 for consideration and was then subsequently endorsed.

ICT on behalf of the Council have commissioned Microsoft to support the execution of the ICT strategy in the modernisation and transition to cloud services. This approach was brought forward to this committee in March 2017 and endorsed.

The previous renewal on of the current three year Microsoft Enterprise Agreement was presented to Policy and Resources Cabinet Committee in April 2015. For information the key decision is: 15/00054.

The Council's adoption of Microsoft technology necessitate these contract renewals to allow the Council to underpin and continue its current services.

### **4. The Report**

The Council uses a considerable amount of Microsoft technology and virtually all interactions with ICT in some way rely on a Microsoft product. This technology is used by all staff and Members to delivery our services. The Council does not own these products or have perpetual licenses to use them. The Council pays an annual subscription fee based predominantly, on the number of users, as well as other parameters appropriate to ensure we licence appropriately for the use of software.

The Council has two agreements which cover the use of Microsoft Technologies. These are:

- Microsoft Enterprise Agreement – expires on 30<sup>th</sup> June 2018.
- Microsoft Server Cloud Enrolment – expires on 31<sup>st</sup> March 2018.

Two new agreements need to be entered into to provide continued use of the software and cloud services currently in use.

The software covered by the two agreements can be summarised as: Office365, which includes, Cloud based Exchange (email), Microsoft Office – Word, Excel, PowerPoint etc, Skype for Business and right to use Windows software on end user devices, including encryption and other software. All software related to infrastructure servers, databases and Microsoft Enterprise software, including access to Microsoft cloud data centres known as Azure.

The licences cover circa 11,000 users and over 500 servers and cloud services.

It should be noted that the public sector has benefited from a substantial discount, relative to the private sector when purchasing Microsoft software. The previous renewal in 2015 was undertaken under a pan- government agreement know as the Cloud Transition Agreement (CTA). The CTA comes to an end on March 31<sup>st</sup> 2018. Crown Commercial Services (CSS) are putting in place a further pan-government agreement with Microsoft.

Member's should note in the past the Microsoft Enterprise Agreement which is referenced as a single agreement, is in fact two distinct agreements. Staff deemed to support educational activities are entitled to a separate and further reduced pricing structure compared to other staff, hence we hold one agreement for educational based pricing and one for other Council staff.

For the purposes of this renewal KCC has undertaken significant structural changes that need to be factored into the structure of both the Microsoft Enterprise Agreement and the Server Cloud Enrolment. The changes that need to be considered are:-

- GEN2
- Invicta Law
- Educating People
- Business Service Centre (Decision dependant)

Due to the company status of the various alternative service delivery vehicles listed, different licence models and structures will apply.

The use of Microsoft technology is deeply embedded in the Council and for the purposes of the renewal no other options are being considered. It is possible to migrate away from Microsoft, for example, Google, for some elements of our software provision. This would be a major undertaking and a hugely significant cost for the Council. This option would also contradict the endorsed ICT Strategy 2016 – 2020. The cost of change would far outway any return of investment.

There are no legal or equalities implications.

## **5. Conclusion**

The Council makes significant use of Microsoft software for the efficient delivery of many of its services. The existing contracts for supply of this software expire on 31<sup>st</sup> March and 30<sup>th</sup> June 2018. This software is most economically replaced via a new Enterprise Agreement(s) and Server Cloud Enrolment(s).

## 6. Recommendation(s)

### Recommendation(s):

The **Policy & Resources Cabinet Committee** is asked to consider and endorse or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to delegate to the Director of Infrastructure in consultation with the Cabinet Member for Corporate and Democratic Services, the award of contracts with Microsoft for the Enterprise Agreement(s) and Server Cloud Enrolment(s), including the necessary contractual negotiations and enter into any subsequent necessary legal agreements.

## 7. Background Documents

ICT Strategy 2016 - 2020

## 8. Contact details

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