

ITEM No ...7.....

REPORT TO: POLICY & RESOURCES COMMITTEE – 12 JUNE 2017

REPORT ON: RENEWAL OF THE MICROSOFT ENTERPRISE AGREEMENT

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 210-2017

1.0 PURPOSE OF REPORT

Dundee City Council's existing agreement to use Microsoft products is due to expire and a replacement arrangement is needed. The purpose of the report is to highlight Dundee City Council's requirement to renew its entitlement to use Microsoft products and services.

2.0 RECOMMENDATIONS

It is recommended that the Council approve the purchase of a new three year Enterprise Agreement with Microsoft.

3.0 FINANCIAL IMPLICATIONS

The proposed new Enterprise Agreement will operate for three years starting from June 2017 at an annual cost of £305,000 per annum. The aggregated cost of the license arrangement amounts to £915,000 over the term of the agreement. The cost of the annual Enterprise Agreement will be met from the IT revenue budget of £100,000 with the balance being funded through the overall Customer Service & IT budget revenue budget.

4.0 MAIN TEXT

In common with all local authorities Dundee City Council makes extensive use of Microsoft products and services. All of these products and services are purchased under license from Microsoft.

These Microsoft products are fundamental to the day to day operation of the Council including such functions as authentication on to the Council network, control of access to different services and desktop functions such as word processing, spreadsheets and presentations. Most core database applications are also hosted using Microsoft products. There are no other practical options open to the Council to satisfy these requirements at this time.

The Council currently operates a mixed license model whereby some products are owned outright whilst other products are subject to renewable license arrangements, generally referred to as Enterprise Agreements.

An Enterprise Agreement typically runs for three years. The Council's current Enterprise Agreement is due for renewal. Previous purchasing of Microsoft licenses was carried out using subscription agreements and one of capital purchases, however the model now available is Enterprise Agreements over a three year period. Some products which were previously purchased outright by the Council, have reached end of life and have also been added to the new Enterprise Agreement.

Microsoft recently conducted a Software Asset Management review and have been working with the Council to ensure we have the appropriate licenses in place to deliver our current and future services.

An important element of the proposed agreement is known as Server Cloud Enrolment (SCE). Microsoft SCE products present an opportunity for the Council to use some Cloud hosted services during the lifetime of the agreement. This opportunity is viewed as strategically

important to Dundee City Council as it provides a potential gateway for future Cloud based deployments such as Microsoft Office 365 and Azure hosting.

The proposed new arrangement will meet the Council's requirements for Microsoft products and services whilst ensuring legal compliance until June 2020.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6.0 CONSULTATIONS

The Council Management Team were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

**MARJORY M STEWART
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

JUNE 2017