

**REPORT TO: CITY GOVERNANCE COMMITTEE – 17 FEBRUARY 2025**

**REPORT ON: SCHOOLS MICROSOFT LICENSES**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 46-2025**

**1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to present a sourcing strategy and seek approval to commence with the procurement exercise.

**2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee:

- (a) approves the commencement of a procurement exercise in respect of the purchase described, and delegates to the Head of Digital and Customer Services to make the purchase based on the sourcing strategy detailed in Appendix 1.

**3.0 FINANCIAL IMPLICATIONS**

3.1 The total cost of the purchase is £245,000 per annum and the agreements will be for a three year period from 1 April 2025 to 31 March 2028. This cost will be met from provision with the Children & Families Revenue Budget over the period 2025/26 to 2028/29, this is based on the current number of licenced users. If the volume of licences were to increase this may result in a slight increase to the overall cost that would require to be contained within the above budget.

**4.0 BACKGROUND**

4.1 This report supports the Council's IT Strategy which was approved at the City Governance committee on 4 March 2024 (Article VIII of the meeting of the committee refers). The Councils IT strategy sets out to deliver secure, robust, and affordable IT platforms. Helping to enable digital services, mobile and flexibly accessible services with best value technology products and a cloud first approach.

4.2 Dundee City Council currently utilises Microsoft licenses for all schools and educational establishments. The licenses cover the use of Microsoft 365 Suite, Windows Server, SQL Server databases, desktop PC's, laptops, cyber security and management of the school's IT environment.

4.3 The same Microsoft license suite for corporate staff and LACD was approved at committee in 2023 (article VIII of the meeting of the Policy and Resources Committee on 6 March 2023 refers). The continued use of Microsoft products and technologies in schools will maintain continuity for school staff and pupils. This allows them access to the same software and tools, which enables easier collaboration.

4.4 The use of Microsoft Office 365 applications, tools and security is essential to delivery of IT for schools and achieving digital learning objectives. There are over 10,000 PC's and laptops used in schools that require a license for Microsoft Windows, Office and security products. The licenses also provide access to applications such as Email, SharePoint Document Storage and Teams Video and Chat.

4.5 The Council has used Microsoft products and technologies within schools for many years. All staff and pupils rely on the Microsoft licenses for their digital and IT requirements. Any alternative approach to these Microsoft licenses would require a significant investment in time, money, training and represent a considerable risk to IT services. It is not feasible to make any changes to these licenses currently.

4.6 Microsoft Office applications like Word, Excel and PowerPoint are included in the M365 license suite. These applications are needed for all pupils and teaching staff for digital learning. School administrative staff also require these licenses for all their IT and Digital services requirements.

- 4.7 The underlying IT service within schools relies on licenses for Microsoft Windows Server to secure access to systems, data and applications. These licenses also provide other vital functions such as backup and safe storage of files and information, cyber security and databases.
- 4.8 The current licensing agreement expires on 31st March 2025 and a new licensing agreement is needed. Microsoft licensing agreements run for 3 years and provide a fixed cost for the software products for the duration of the agreement. The new agreement will allow the Council to enhance future IT provision and plan for further cloud migration. The licenses include the latest releases of all products and applications, which include security upgrades and new features.
- 4.9 A mini competition will be undertaken using the crown commercial service framework agreement RM6098 lot 3 relating to the supply of software licenses

## 5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## 6.0 RISK ANALYSIS

- 6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge:

Key Risks			
Description of Risk	Probability (L/M/H)	Impact on DCC (L/M/H)	Actions required to manage Risk
<b>Commercial Risk</b> – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Low	Low	Benchmarked costs and requirements are known as there are existing licenses in place.
<b>Technical Risk</b> – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification	Low	Low	Continuation of software licenses has no technical change.
<b>Performance Risk</b> – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits	Low	Low	A compliant framework will be used to carry out a mini-competition exercise. The Framework Lot contains a number of well established and certified suppliers of Microsoft products.
<b>Contractual Risk</b> – Being able to remedy the 's shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	Low	Low	Contract management will be put in place as part of the ongoing service from the supplier.
<b>Procurement Risk</b> – where a procurement is found unsound in law, through the public procurement rules	Low	Low	A mini-competition exercise will be completed via the Crown Commercial Services Framework Agreement RM6098 lot 3 relating to the supply of software licenses. This is a compliant route to market.

**7.0 CONSULTATIONS**

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

**8.0 BACKGROUND PAPERS**

8.1 None.

**ROBERT EMMOTT**

**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**28 JANUARY 2025**

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**APPENDIX 1**

<b>SOURCING STRATEGY</b>	Purchase of Microsoft Licences for Schools
<b>PROJECT NUMBER</b>	
<b>PROJECT INFORMATION</b>	A mini-competition exercise will be completed via the Crown Commercial Services Framework Agreement RM6098 lot 3 relating to the supply of software licenses
<b>PROPOSED CONTRACT DURATION</b>	2025/26 to 2028/29
<b>RECOMMENDATION</b>	(a) It is recommended that the Committee: approves the commencement of a procurement exercise in respect of the purchase described, and delegates to the Head of Digital and Customer Services to make the purchase based on the sourcing strategy detailed in Appendix 1.
<b>FINANCIAL IMPLICATIONS</b>	The total cost of the purchase is £245,000 per annum and the agreements will be for a three year period from 1 April; 2025 to 31 March 2028. This cost will be met from provision with the Children & Families Revenue Budget over the period 2025/26 to 2028/29, this is based on the current number of licence users. If the volume of licences were to increase this may result in a slight increase to the overall cost that would require to be contained within the above budget.
<b>POLICY IMPLICATIONS</b>	There are no issues
<b>BACKGROUND PAPERS</b>	IT Strategy as approved by the City Governance committee on 4 March 2024 (Article VIII of the meeting of the committee refers).

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