

**REPORT TO: POLICY AND RESOURCES COMMITTEE – 6 MARCH 2023**

**REPORT ON: RENEWAL OF MICROSOFT ENTERPRISE AGREEMENT**

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

**REPORT NO: 80-2023**

## **1.0 PURPOSE OF REPORT**

1.1 To consider the Council's requirement to renew its license entitlement to use Microsoft products and services. The existing agreement is due to expire and a replacement agreement is required to be put in place.

## **2.0 RECOMMENDATIONS**

It is recommended that the Committee -

- Agree to the Council entering a new three-year Enterprise Subscription Agreement with Microsoft and to purchase Microsoft Licenses.
- Remit the Head of Customer Services & IT to purchase Microsoft licenses under the new Enterprise Agreement, following a compliant procurement process using Crown Commercial Services Microsoft 365 Aggregated Procurement.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 Precise costs will be returned following a marketplace exercise. Estimated costs for Microsoft 365 cloud license subscription for a 3-year period is up to £2.1m. This will be funded from the Capital Plan 2023-28 budget for the Desktop Collaboration Programme.

3.2 The estimated license cost for other server, security and application licenses is £960k for 3 years. This will be funded from existing Customer Services and IT Revenue Budgets.

3.3 Staffing costs to support the deployment and support of the products to be met from existing Customer Services and IT staffing budgets.

## **4.0 BACKGROUND**

4.1 This report supports the Council's IT Strategy which was approved at Policy and Resources Committee on 18 February 2019 (Report 81-2019). The Council's IT strategy sets out to deliver digital services, mobile and flexibly accessible services through cost effective solutions.

4.2 Dundee City Council currently utilises Microsoft licenses across much of its IT infrastructure. These licenses cover Microsoft 365 Suite, Windows Server, SQL Server databases, Project and Visio as well as client access licenses.

4.3 These Microsoft products are fundamental to the day to day operation of the Council IT Service. This includes such functions as authentication on to the Council network, control of access to different services, desktop applications for word processing, spreadsheets, and presentations. Most core database applications are also hosted using Microsoft products.

- 4.4 In 2019 Council Committee approved the purchase of the cloud-based Microsoft 365 product suite. All staff currently accessing the corporate IT platform have access to this suite of products. It incorporates the Microsoft Office applications, Email, Instant Messaging, Teams workspaces Video and Chat, Sharepoint Document Storage and Collaboration and many other applications and security technologies. These applications have become ever more critical to the operation of the Council with the majority of meetings and communication now done in a hybrid or fully online way. The licenses for all of these applications will be included in the new Enterprise Agreement.
- 4.5 The use of Microsoft Office 365 applications, tools and security has become a key part of the Council corporate IT service. It has provided facilities to help enable hybrid and mobile working, helping to make applications and data available securely for home use and on mobile devices.
- 4.6 Microsoft Office 365 is a cloud-based application suite that has been adopted by many public sector organisations. The technology is now helping the Council to improve collaboration with partner organisations such as the NHS.
- 4.7 The Council has invested heavily in Microsoft products and technologies that underpin most Council IT systems. Any alternative approach to these Microsoft products would require a significant investment in time and money, training and represent a considerable risk to Council services. It is not feasible to make any changes to these licenses currently.
- 4.8 Current licensing expires on 31st May 2023 and a new licensing agreement is needed. Renewing the licenses with a new 3-year Enterprise Agreement will allow the Council to enhance future IT provision and plan for further cloud migration. The licenses include the latest releases of all the products that include new features and security benefits.
- 4.9 A procurement exercise will be carried out using Crown Commercial Services Microsoft 365 Aggregated Procurement. This framework has been facilitated through the Local Government Digital Office, Scotland Excel, and Crown Commercial Services collaborating on the procurement of Microsoft Licenses to support Scottish councils with current financial pressures. A third of Scottish Councils are renewing their Microsoft Enterprise Agreements in 2023. The aggregated procurement is delivering optimised pricing which will minimise the effect of confirmed Microsoft prices rises.

## **5.0 POLICY IMPLICATIONS**

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 CONSULTATIONS**

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

## **7.0 BACKGROUND PAPERS**

None.

**ROBERT EMMOTT**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**Date: 06 March 2023**