

	Officer Key Decision
	Report to the Strategic Director of Customer and Digital Services
Authority to award contract for Microsoft Licences for the London Borough of Brent	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
No. of Appendices:	2 Appendix 1 – exempt Appendix 2 -
Background Papers¹:	None
Contact Officer(s): (Name, Title, Contact Details)	Philippa Brewin Service Account and Procurement Manager, Shared ICT Service philippa.brewin@brent.gov.uk 020 8937 1733

1.0 Purpose of the Report

- 1.1 This report concerns the award of a contract for Microsoft Licences for the London Borough of Brent. This report requests authority to award a contract as required by Contract Standing Order 88. The report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendation(s)

That the Strategic Director of Customer and Digital Services:

- 2.1 Approves the award of the contract for Microsoft Licences to Bytes Software Services Limited for a period of three years from 1 June 2020.

3.0 Detail

Background

- 3.1 The London Borough of Brent uses a number of Microsoft software products for the provision of desktop services to staff. These include the Windows Operating System, Office, Exchange, SharePoint, Project and Visio.
- 3.2 The current licences for these products come to an end on 31 May 2020. The licensing is on a subscription basis, and without the subscription the Council will not have use of the products. Therefore a new licensing arrangement needs to be in place from 1 June 2020.

Requirements

- 3.3 The requirements to be included in the contract are:

Microsoft 365 E3 Licences, including Microsoft Office, for Microsoft Cloud Technology from the Enterprise Platform for 3 years.

Outline of Tender Process

- 3.4 Tenders for the contract were invited from the KCS Professional Services Software Products and Associated Services framework, Lot 3 (Commercial Off the Shelf Software). The framework was established by Kent County Council.
- 3.5 The opportunity was published through the London Tenders Portal on 21 April 2020.
- 3.6 In accordance with the requirements of the Framework Agreement, the Invitation to Tender stated that the selection of Suppliers to be awarded the contract would be made on the basis of the most economically advantageous combination, and that in evaluating tenders, the Council would have regard to the following:
 - Added Value (20%)
 - Price (80%)

Evaluation Process

- 3.7 The tender evaluation was carried out by Digital Services.
- 3.8 All tenders had to be submitted electronically no later than 11am on 27 April 2020. 5 tenders were submitted.
- 3.9 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers are included in Appendix 2. It will be noted that Tenderer A was the highest scoring tenderer, and it is therefore recommended that the contract is awarded to Bytes Software Services Limited.
- 3.10 The contract will commence on 1 June 2020. As the proposed contract represents a call-off under a framework agreement, a mandatory standstill period is not required.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that the award of contracts for supplies, services or works below the value of £2m can be awarded by Chief Officers. The value of this contract is below this threshold, and therefore the Strategic Director of Customer and Digital Services has authority to award.
- 4.2 The total value of the contract is estimated to be £1.6m.
- 4.3 The cost of the licences will be met from the Shared ICT Service budget.
- 4.4 The current annual cost to Brent of the Microsoft Licensing is £386,000. It is expected that this will increase by approximately £147,000 largely due to increases in Microsoft list pricing, and partially due to increase in licence user numbers. This increase will be kept to a minimum through review and restructuring of the licence products to be purchased.

5.0 Legal Implications

- 5.1 This report is seeking approval to award the contract to Bytes Software Services Limited, for the provision of Microsoft Licences for Brent Council for a period of three years. Officers confirmed that the potential value of the proposed contract is £1.6m.
- 5.2 The estimated value of this contract is in excess of the EU threshold for services or supplies contracts which currently is £189,330. The award of this contract is therefore governed by the Public Contracts Regulations 2015 (the

“EU Regulations”). The award is subject to the Council’s own Standing Orders in respect of Medium Value Contracts and Financial Regulations.

- 5.3 Officers have explained in paragraph 3.3, that in order to procure this contract they used KCS Professional Services Software Products and Associated Services framework, Lot 3 (Commercial Off the Shelf Software). Paragraph 86 (e)(ii) of the Council’s Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where call off under the framework agreement is approved by the relevant Chief Officer and provided that the Director of Legal, HR, Audit and Investigations has advised that participation in the framework is legally permissible. Legal Services reviewed the Framework Agreement used and in April 2020 confirmed that participation under this framework was legally permissible.
- 5.4 As indicated in paragraph 5.3, the award of the contract is subject to the Council’s own Standing Orders in respect of Medium Value Contracts. Chief Officers have delegated to them power to award Medium Value Contracts in accordance with paragraph 9.5 of Part 3 of the Constitution.

6.0 Equality Implications

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no equality implications.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 The Strategic Director of Customer and Digital Services was consulted in relation to the tender process, and officers from Customer and Digital Services and the Shared ICT Service will be consulted on the detail of the licensing to be purchased under the new contract.

8.0 Public Services (Social Value) Act 2012

- 8.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 (“the Social Value Act”) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake

consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.

Report sign off:

SALLY CHIN

Head of ICT and Applications Support