



Decision of Cabinet Member for Finance, Resources and Reform

Report from the Corporate Director, Finance and Resources

AUTHORITY TO AWARD A CONTRACT FOR MICROSOFT AZURE FOR THE SHARED TECHNOLOGY SERVICES BOROUGHES IN ACCORDANCE WITH PARAGRAPH 13 OF PART 3 OF THE CONSTITUTION

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:	Appendix 1 – Names of tenderers Appendix 2 - Scores
Background Papers¹:	None
Contact Officer(s): (Name, Title, Contact Details)	Name: Amin Jan Job Title: Assistant Category Manager, Shared Technology Services Email: amin.jan@brent.gov.uk

1.0 Purpose of the Report

1.1 This report concerns the procurement of Microsoft Azure for the Shared Technology Services boroughs. This report requests authority to award a contract as required by Contract Standing Order 88. This report summarises the process undertaken in procuring this contract and, following the completion of the evaluation of tenders, recommends to whom the contract should be awarded in accordance with paragraph 13 of Part 3 of the Constitution.

2.0 Recommendation(s)

That the Cabinet Member for Finance, Resources and Reform having consulted with the Leader and in accordance with paragraph 13 of Part 3 of the Constitution:

- 2.1 Approves the award of the contract for the provision of the Microsoft Azure for the Shared Technology Services Boroughs to Bytes Software Services Limited for a term of three years in the estimated sum of £4,844,130.

3.0 Detail

- 3.1 Under the Shared Technology Services' Inter Authority Agreement, Brent is the contracting authority for contracts procured for the delivery of services to the Shared Technology Services' partners, namely the London Boroughs of Brent, Lewisham and Southwark.
- 3.2 The initial term of the current Microsoft Azure agreement has expired, and it is therefore necessary to procure a new contract. The award of the contract to Bytes Software Services Limited enables the provision of Microsoft Azure for the Shared Technology Services boroughs. The current contract is used by Brent, Lewisham and Southwark in order to use Microsoft Azure for a range of cloud services, including compute, analytics, storage and networking.

The Tender Process

- 3.3 The Contract will be called off from the Y20011 KCS Professional Services Software Products and Associated Services 2 framework (the "Framework"), using the form of award and standard call off terms and conditions prescribed under the Framework. The Framework was established by Kent County Council.
- 3.4 A further competition exercise was carried out using the Framework in accordance with its rules.
- 3.5 In accordance with the requirements of the Framework, 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 tender, and that in evaluating tenders, the Council would have regard to the following:

- Quality (100%)

This approach was selected by STS as the price element is fixed by Microsoft, and therefore the quality that the supplier can offer is the significant element.

Evaluation process

- 3.6 The tender evaluation was carried out by a panel of officers from Shared

Technology Services.

- 3.7 All tenders had to be submitted electronically no later than 2 pm on 28 February 2023. Three tenders were submitted. Each member of the evaluation panel read the tenders and met on 2 March 2023 and each submission was marked by the panel against the award criteria.
- 3.8 The names of the contractors are contained in Appendix 1. The scores received by the contractors are included in Appendix 2. It will be noted that Contractor A was the highest scoring contractor, and it is therefore recommended that the contract is awarded to Contractor A namely Bytes Software Services Limited.
- 3.9 The contract will commence in March 2023. 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 Paragraph 13 of Part 3 of the Council's Constitution states that the Cabinet Member for Finance, Resources and Reform having consulted with the Leader has delegated authority to approve the award of contracts for services valued over £2 million but less than £5 million. The estimated total value of the contract is £4,844,130.
- 4.2 The cost of the contract will be funded from the ICT budgets of all three councils.
- 4.3 The estimated contract costs are broken down in the table below.

	Brent	Lewisham	Southwark	Total
Year 1	£264,419	£180,559	£1,169,732	£1,614,710
Year 2	£264,419	£180,559	£1,169,732	£1,614,710
Year 3	£264,419	£180,559	£1,169,732	£1,614,710
Total	£793,257	£541,677	£3,509,196	£4,844,130

5.0 Legal Implications

- 5.1 The value of the Contract over its lifetime is in excess of the Public Contracts Regulations 2015 (the "PCR 2015") threshold for services/supplies and the award of the Contract is therefore governed by the PCR 2015.
- 5.2 Officers recommend the use of a framework to procure the Microsoft Azure for the Shared Technology Services' boroughs. The PCR 2015 allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without

the need for them to be separately advertised and procured through a full procurement process. Call offs under the framework agreement need to be carried out in accordance with the framework rules, to include using evaluation criteria specified in the framework agreement and utilising the terms and conditions set out in the framework agreement.

- 5.3 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 Cabinet Member and provided that the Corporate Director, Governance has advised that participation in the framework is legally permissible. The Corporate Director, Governance has confirmed that participation in the Framework is legally permissible.
- 5.4 The award of the Contract is subject to the Council's own Standing Orders in respect of High Value Contracts. Subject to consultation with the Leader, the Cabinet Member for Finance, Resources and Reform has delegated power to award High Value Contracts in accordance with paragraph 13 of Part 3 of the Council's Constitution.
- 5.5 As the procurement of Microsoft Azure is from a framework, there is no requirement for the Council to observe a 10 day standstill period under the PCR 2015.

6.0 Equality Implications

- 6.1 Pursuant to s149 Equality Act 2010 (the "Public Sector Equality Duty"), the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,
- 6.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising

disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

6.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

6.5 The proposals in this report have been subject to screening and Officers believe that there are no adverse equality implications.

7.0 Consultation with Ward Members and Stakeholders

7.1 The relevant Shared Service Borough stakeholders have been consulted in relation to this procurement.

7.2 A recommendation to approve Brent's entering into the Contract once procured was agreed by the London Borough of Lewisham's Mayor and Cabinet on 1 February 2023.

8.0 Human Resources/Property Implications (if appropriate)

8.1 This service is currently provided by external contractors and there are no implications for Council staff arising from the re-procurement of the contract.

9.0 Public Services (Social Value) Act 2012

9.1 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 and Social Value is one of the evaluation criteria with a 50% weighting attributable to it.

Report sign off:

MINESH PATEL

Corporate Director, Finance and Resources.