

 Brent	Decision of the Leader in lieu of the Cabinet Member for Finance and Resources 19 May 2026
	Report from the Corporate Director, Finance and Resources
AUTHORITY TO AWARD CONTRACT FOR THE SUPPLY AND SUPPORT OF MICROSOFT AZURE SERVICES FOR SHARED TECHNOLOGY SERVICE 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: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	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 (exempt) Appendix 2 – Evaluation Grid
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Name: Sharon Kissi-Mensah Job Title: Assistant Category Manager Email: Sharon.kissi-mensah@bent.gov.uk

1.0 Executive Summary

1.1 This report concerns the provision of Microsoft Azure services for Shared Technology Services, covering the London Boroughs of Brent, Lewisham and Southwark. This report requests authority to award a call-off contract in accordance with Contract Standing Order 88. The report summarises the process undertaken in procuring a contract and, following the completion of the evaluation of the bids, recommends to whom the contract should be awarded.

2.0 Recommendation(s)

That the Leader, in accordance with paragraph 7.1 of Part 3 of the Constitution:

2.1 Approves the award of a call-off contract for the supply and support of Microsoft Azure Services from the KCS Y23065 – Software Products and Associated Services Framework Agreement (the “Framework”) to Bytes Software Services Limited, for a period of three (3) years, with an estimated total contract value of

up to £4,500,000 (excluding VAT).

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The proposals in this report support the Council's overall priorities by ensuring the continued provision of secure, resilient and cost-effective cloud infrastructure required to deliver critical digital services across Shared Technology Services, which covers the London Boroughs of Brent, Lewisham and Southwark.

3.1.2 The award of the Microsoft Azure services contract supports the Borough Plan priorities relating to effective and efficient service delivery and digital transformation and financial sustainability, by enabling scalable technology solutions that improve operational resilience, support innovation and deliver value for money through a compliant procurement route.

3.2 Background

3.2.1 The Council is responsible for maintaining, supporting, and delivering core ICT infrastructure and digital services across the Shared Technology Services (STS) for the London Boroughs of Brent, Lewisham and Southwark.

3.2.2 As part of the services provided by STS, the Council requires the continued provision of Microsoft Azure (a cloud computing platform built by Microsoft) services. The existing contract for Microsoft Azure cloud services is due to expire on 31 May 2026.

3.2.3 Council officers have undertaken a compliant procurement exercise and identified a contractor providing the most advantageous tender (MAT).

3.2.4 Shared Technology Services currently provides ICT services to the London Boroughs of Brent, Lewisham and Southwark. It is noted that the London Borough of Southwark will exit Shared Technology Services with effect from 31 March 2028. The contract terms and conditions has been structured to accommodate this change by including a mechanism to enable a variation to partially novate Southwark's element of the contract to Southwark Council upon their departure. Southwark Council's consumption and associated charges under the main contract will cease at that point, without affecting service continuity for the remaining boroughs.

The Procurement Process

3.2.5 Officers identified the KCS Y23065 – Software Products and Associated Services Framework Agreement (the "Framework") for use. Officers reviewed a range of procurement options, including conducting a full open tender process. However, undertaking an open tender would significantly increase

timescales, resource requirements, and administrative burden. In contrast, the Framework, which runs until 29 February 2028, enables access to software and cloud-based services, offers a compliant, efficient, and cost-effective route to market. Use of the Framework allows the Council to carry out a further competition quickly and securely, thereby reducing procurement time, costs, and complexity.

- 3.2.6 A further competition exercise was carried out using the Framework in accordance with its rules.
- 3.2.7 In compliance with the Framework further competition guidance, the evaluation of bidders was on the basis of the evaluation criteria detailed in Appendix 2. As the Contract is consumption-based, no fixed pricing was requested or evaluated, and assessment was based on quality, added value and social value. The weightings applied were 90% quality/added value and 10% social value.

Evaluation process

- 3.2.8 Evaluation of bids was carried out by a panel of officers from Shared Technology Services and the London Boroughs of Brent, Lewisham and Southwark.
- 3.2.9 All bids were required to be submitted electronically no later than 7th May 2026. Bids were opened following the deadline and two (2) valid bids were received. Each member of the evaluation panel independently reviewed the bids and carried out an initial evaluation of how well they considered each of the award criteria was addressed in the bids.
- 3.2.10 The evaluation panel met on 13 May 2026 but was unable to reach a final agreed outcome at that stage. Clarification questions were therefore issued to both bidders in line with the Framework rules. Following receipt of the clarification responses, the panel reconvened on 14 May 2026 to moderate the scores and agree the final evaluation outcome.
- 3.2.11 The names of the bidders are set out in Appendix 1, and the scores awarded are included in Appendix 2. It will be noted that Contractor A was the highest scoring bidder. Officers therefore recommend the award of the contract for the supply and support of Microsoft Azure Services (the “Contract”) to Contractor A, namely Bytes Software Services Limited.
- 3.2.12 The Contract will be called off from the Framework, using the form of award and the standard call-off terms and conditions prescribed under the Framework with minor amendments. The Contract will commence on 1st June 2026, subject to the Council’s observation of a voluntary standstill period as referred to in paragraph 6.7 below.

4.0 Stakeholder and ward member consultation and engagement

4.1 Relevant stakeholders from Shared Technology Services and the participating borough councils (Brent, Lewisham and Southwark) were consulted throughout the procurement process to inform the development of the requirements and evaluation of bids. Due to the technical and operational nature of the Contract, and as it relates to the provision of internal ICT infrastructure services, ward member consultation was not considered necessary.

5.0 Financial Considerations

5.1 The estimated total value of the Contract is up to £4.5 million (excluding VAT) over a three-year period, based on forecast consumption.

5.2 The cost of the Contract will be funded from existing ICT revenue budgets across Shared Technology Services. Expenditure will be managed on a consumption basis and recharged to the participating borough councils (Brent, Lewisham and Southwark) in line with usage.

5.3 As the Contract is based on consumption of cloud services, there is no fixed annual commitment. Financial risks associated with variable usage will be managed through existing budget controls, monitoring arrangements and ongoing cost-management processes. The Contract does not give rise to any IFRS 16 lease implications.

6.0 Legal Considerations

6.1 Officers recommend using KCS Y23065 – Software Products and Associated Services Framework Agreement (“Framework”) to procure the Services. This Framework was procured prior to 24 February 2025 in accordance with the Public Contracts Regulations 2015 (“PCR 2015”). As a result, the PCR 2015 will govern a call off under the Framework.

6.2 The estimated value of the Contract over its lifetime is in excess of the PCR 2015 threshold for Services and the award of the Contract is therefore governed by the PCR 2015.

6.3 Officers recommend using the Framework to procure the Call-off Contract. 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 need to be carried out in accordance with the framework’s rules and include using the evaluation criteria specified in the Framework and utilising the terms and conditions set out in the framework agreement.

6.4 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 Law has advised that participation in the framework is legally permissible. The Director of Law has confirmed that participation in the Framework is legally permissible.

- 6.5 The award of the Contract is subject to the Council's own Standing Orders in respect of High Value Contracts. The proposed Contract has a start date of 1 June 2026 with an estimated Contract value of up to £4,500,000 (excluding VAT) see paragraph 5.1.
- 6.6 As the Contract is valued over £2 million but at less than £5 million, the Cabinet Member for Finance and Resources, having consulted with the Leader, has delegated power to award such High Value Contracts in accordance with paragraph 13 of Part 3 of the Council's Constitution. Given that there is currently no Cabinet Member for Finance & Resources in place due to the Local elections, the Leader may discharge this function pursuant to paragraph 7.1 of Part 3 of the Constitution to award the Contract.
- 6.7 The decision to award the contract will be subject to call-in as provided for in the Council's Constitution. As the procurement of the Contract is from a framework, there is no requirement for the Council to observe a 10 day standstill period under the PCR 2015. However, the Council has decided to observe a voluntary 10 day standstill period. Subject to no challenge preventing award, Officers will seek to implement the decision to award.
- 6.8 The proposed services will be provided by external contractors. As such, the proposed procurement process is unlikely to have a direct impact on Council staff. There are no anticipated TUPE implications, as due to the nature of the services there are no dedicated group of employees assigned to the contractors serving the Council, and therefore this is unlikely to constitute a service provision change as required for the TUPE regulations to be applicable.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

- 7.1 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,
- 7.2 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.

- 7.3 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.
- 7.4 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.
- 7.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications arising from the award of this Contract. The Contract relates to the provision of internal cloud infrastructure services and does not directly affect the delivery of frontline services to residents or service users.
- 7.6 There are no specific health inequalities implications identified. The Contract concerns ICT infrastructure services and has no direct impact on health outcomes.

8.0 Climate Change and Environmental Considerations

- 8.1 The award of the Microsoft Azure contract supports the Council's environmental objectives and climate emergency commitments by enabling the continued use of cloud-based infrastructure rather than on-premise data centre solutions. Cloud services can contribute to improved energy efficiency and reduced carbon emissions through more efficient use of shared infrastructure. The appointed supplier under the Framework is required to comply with relevant sustainability and environmental requirements, and to support the Council's wider climate change objectives through responsible service delivery.

9.0 Human Resources/Property Considerations (if appropriate)

- 9.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from the award of the Contract. There are unlikely to be TUPE implications as due to the nature of the services there are no dedicated group of employees assigned to the contractors serving the Council, and therefore this is unlikely to constitute a service provision change as required for the TUPE regulations to be applicable.
- 9.2 There are no property or accommodation implications arising from this decision. The Contract relates to the provision of cloud-based services and does not require the use of Council-owned or leased premises.

10.0 Communication Considerations

10.1 No specific communication strategy or campaign is required. Internal stakeholders will be informed of the Contract award and implementation through existing channels.

Related Documents:

Officer Recordable Decision - Authority to tender from a framework - Provision of MS Azure - 21.04.26

Report sign off:

Minesh Patel
Corporate Director, Finance and Resources