

**KEY DECISION: YES/NO**

**REPORT NO. IT2501**

## **MICROSOFT ENTERPRISE LICENSING CONTRACT**

### **SUMMARY AND RECOMMENDATIONS:**

The purpose of this report is to inform Cabinet of action taken to commence a contract with Phoenix Software Ltd for a 3-year Microsoft Enterprise Licensing Agreement. This was an urgent key decision taken by the Corporate Manager – IT Service Delivery and arrangements for the decision have been followed under the Access to Information Procedure Rules.

A new contract to continue to use Microsoft licenses was required to be in place by 30<sup>th</sup> November 2024 when the previous three-year agreement expired. This deadline needed to be met so that the Council would not incur additional costs, and risk not having the right of use of Microsoft products and services.

The Cabinet is recommended to NOTE the decision taken as set out in the record of decision attached at Appendix 1.

## **1. INTRODUCTION**

- 1.1 Our three-year licensing agreement for the use of Microsoft products and services ended on 30<sup>th</sup> November 2024. A new agreement needed to be in place by 30<sup>th</sup> November 2024 to enable continued use of Microsoft products and services.

## **2. BACKGROUND**

- 2.1 We currently procure all our Microsoft licenses under a three-year Enterprise Agreement via a Microsoft Gold Partner: Phoenix Software Ltd. The Council has had this arrangement in place since 2006.
- 2.2 Pricing for the licensing was only recently released, under the Strategic Partnership Arrangement 2024 (SPA24). This is a new agreement for Microsoft licensing which was negotiated by Crown Commercial Services on behalf of local authorities to obtain best prices.

## **3. DETAILS OF THE PROPOSAL**

- 3.1 Products and services we use via this agreement include:

- Microsoft base licensing that provisions user logins
- Microsoft 365 products including Email, Teams, SharePoint, One Drive, Excel, PowerPoint, Word, Forms, PowerBI, Project, Visio, etc
- Full Teams telephony
- Server Licensing
- Website hosting

3.2 Procuring of Microsoft licensing is done through a Microsoft Gold Partner. All partners are governed by the pricing laid out in the Strategic Partnership Arrangement 2024 (SPA24).

3.3 It is beneficial for Rushmoor to continue to work with Phoenix Software Ltd as they are a trusted, strategic partner whom the Council work with on many IT projects and services with an in-depth understanding of the Council's IT infrastructure.

3.4 In coming to this decision, consultation has been carried out with the Council's Executive Leadership Team and the Chairman of the Overview and Scrutiny Committee was informed in accordance with the Council's Access to Information Procedure Rules, Arrangements for Urgency and Exceptions, and making the decision following Contract Standing Orders.

#### **4. LEGAL IMPLICATIONS**

4.1 A contractual agreement was signed by both parties on 26<sup>th</sup> November 2024, the content of which has been approved by the Council's legal advisor.

#### **5. FINANCIAL AND RESOURCE IMPLICATIONS**

5.1 The annual cost for the renewal of our Microsoft licenses is £150,205.82 based on license numbers required. License numbers have been reviewed and rationalised where appropriate. The total contract value for the three-year agreement is £450,617.46.

5.2 Annual costs for 2023/24 were £144,210 therefore there is an annual increment of £5995.82, 4.2%, for the duration of the agreement.

5.3 The forecast increased costs for the new Microsoft Enterprise Licensing were estimated at a 20% increase and the budget was adjusted to reflect this in Quarter 1 24/25 budget monitoring. This budget can now be reduced to reflect the actual increase which is 4.2% annually over the three-year agreement.

5.4 It should be noted that if additional licenses for chargeable products and services are required, additional budget to cover this expenditure will need to be approved.

## **6. RISKS**

- 6.1 The Council must have a current Microsoft Enterprise Licensing Agreement otherwise the Council cannot continue to use the suite of Microsoft products and services that are fundamental to support the delivery of Council services.
- 6.2 As the new Microsoft pricing was only recently released and the Council's renewal was due on 30<sup>th</sup> November 2024, 28 days' notice for this key decision could not be advertised, therefore a Regulation 10 – General Exception Notice had been raised, with the consent of the Chairman of the Overview and Scrutiny Committee.
- 6.3 If the Council did not contract for a new Microsoft Enterprise Licensing Agreement by 30<sup>th</sup> November 2024, then a 3% increase in costs will be applied by Microsoft, increasing annual costs to £156,409.50. The total contract value would therefore be £469,228.50.

## **7 EQUALITIES IMPACT CONSIDERATIONS**

- 7.1 There are no equalities impact implications because of this decision.

## **8. CONCLUSION**

- 8.1 The agreement to commence a new contract for the provision of Microsoft Licenses enables the Council to continue to deliver critical Council services support by Microsoft products and services without incurring further price penalties. Cabinet is requested to note the decision made.

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### **CONTACT DETAILS:**

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### **APPENDICES**

APPENDIX 1: Record of Executive Decision



ROED - Microsoft  
Enterprise Licensing

# RUSHMOOR BOROUGH COUNCIL RECORD OF EXECUTIVE DECISION



## Decision taken by individual Officer in consultation with ELT

### DECISION MAKER *(Name and designation)*

Debbie Langley, Corporate Manager – IT Service Delivery

### DECISION AND THE REASON(S) FOR IT

**For the Council to engage into a three-year Microsoft Enterprise Agreement with Phoenix Software Ltd for the provision of Microsoft licensing for Microsoft products and services used across the Council to support the delivery of council services, commencing on 1<sup>st</sup> December 2024.**

Rushmoor Borough Council operates key services to the public, that are supported by Microsoft products and services to conduct the day-to-day business of the Council.

The Council has had a Microsoft Licensing Agreement in place since 2006 that has to be renewed every three years. The previous agreement of Microsoft licensing provision ended on 30<sup>th</sup> November 2024.

#### **Officer decision –**

To proceed with the call-off contract under Crown Commercial Services Framework Contract with the reference number Y23065 – Procurement Services Software Products and Associated Services.

### DATE DECISION TAKEN

26<sup>th</sup> November 2024

### ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

The Council must be licensed for the use of Microsoft products and services; therefore, it is not an option not to have a current three-year Microsoft Enterprise Licensing Agreement.

### ANY CONFLICTS OF INTERESTS DECLARED

*(Conflict of interests of any executive member who is consulted by the officer which relates to the decision. A note of dispensation should be attached).*

N/A

A handwritten signature in black ink, appearing to read "D Langley".

Signed

Debbie Langley, Corporate Manager – IT Service Delivery  
10<sup>th</sup> December 2024