

	URGENT DECISION THE LEADER 3 JUNE 2009	
	Key Decision	YES
Corporate Priority Improving the Council	Cabinet Portfolio Holder	Cllr David Chambers
	Date of Decision/ Referral to O&S	3 JUNE 2009
	Deadline for call-in 5.00pm Implementation Date (if no call-in)	Not Applicable 3 JUNE 2009

REPORT OF: Head of Transformational Services – 09/344

WARDS AFFECTED: All

SUBJECT: Authorisation to enter Microsoft Enterprise Agreement

RECOMMENDATION (S):

That the Leader authorise:

1. Entry by the Council into a Microsoft Enterprise Agreement (EA) for the future provision of Microsoft Software using a framework agreement let by the Office of Government Commerce for a duration of three years at a cost of £198,900.

REASON FOR RECOMMENDATION (S):

A key part of delivering the Council's transformational agenda is to implement a solid foundation of integrated 'core technology' components. Their combination and integration will provide a sustainable base for service improvements delivered through our corporate projects.

A key component in delivering this 'core infrastructure' is for the Council to enter into a Microsoft Enterprise Agreement (EA). This will allow the Council to install the latest versions of Microsoft's core desktop software products and client access licences (CAL's) (See Appendix A), across the Council's PC

estate, for a fixed annual fee per year. The length of the agreement is three years.

HIGHLIGHTED RISKS:

There are no significant risks to proceeding with the Enterprise agreement as the Council already utilises many Microsoft products. However there is a risk if the Council does not enable itself to update the current products in the most cost effective manner, as its partners continue to use later version the sharing of information and documents becomes less efficient.

1. INTRODUCTION

- 1.1 To provide a business case for the Council to procure its Microsoft products through a three year Enterprise Agreement (EA).

2. CORPORATE OBJECTIVES AND THE COMMUNITY PLAN

- 2.1 The provision of core technology across the Council is a key enabler to Aim 5 of the Corporate Objectives, Improving the Council.

3. BACKGROUND AND ISSUES

- 3.1 The EA is a three year term contract that allows the Council to run and update to the very latest versions of the Microsoft software covered by the EA. The software covered by the EA is listed in Appendix A. The key advantages/benefits are listed below:
 - provide a consistent set of versions of the Microsoft software across all services, eliminating the traditional problems of having different versions spread across services, and their resultant incompatibilities.
 - the agreement will allow us to drive forward on standardisation throughout the authority, and facilitate the implementation of a 'standard operating environment'. This will allow us to gain the benefit of both savings in support costs, and improvements in service levels and reliability.
 - allows the Council to move to the latest versions of software during the EA agreement to fully exploit new functionality. The Council is also able to upgrade to any versions released during the contract period after the contract has ended, allowing greater flexibility in the implementation of the products.
 - reduces the legal risk exposure, related to license compliance

- there is a comprehensive package of on-line training included within the agreement.
 - the Council will receive training vouchers for courses from Microsoft Certified Technical Education Centres (CTECs), the key channel for delivering learning products and services on Microsoft technology. Microsoft CTECs are full-service technical training companies qualified by Microsoft to deliver high-quality training to IT professionals and developers.
- 3.2 Our Roadmap focuses on the provision of a solid foundation of integrated 'core infrastructure' technology components, whose combination provides a sustainable base for service improvements delivered through our Corporate Projects. We need to maintain these components at a consistent level and to continue to implement further key components that will deliver the business benefits through our Corporate Projects. The EA will assist us in achieving this.
- 3.3 As the desktop and supporting infrastructure is a crucial area in enabling us to deliver quality service improvements to our customers, we need to develop and upgrade our desktop environment. The EA is the first step in this process.
- 3.4 The Office of Government Commerce have recently entered into an agreement with Microsoft for a revised pricing scheme within a framework agreement tendered in accordance with EU Directives, more commonly known as the Public Sector Agreement 2009 (PSA09). Entry into this agreement is open to this Council. There are significant savings to be made if the agreement is entered into before 15th June 2009.
- 3.5 The cost comparison of the EA against the cost of purchasing single licences under a select agreement are shown in Appendix B. It shows a saving of £45,344 over the 3 year agreement for software we will need to purchase over this time period.
- 3.6 If the Council started using the Sharepoint product to manage data the potential saving over the three year period could increase to £73,710.
- 3.7 For an urgent decision to be made agreement is required from the Chair of the Service Performance Overview and Scrutiny Committee that the decision cannot reasonably be deferred and delay in implementation would seriously prejudice the interests of the Council.

From the 15th June the prices increase for all Enterprise Agreements. Under the pricing scheme thereafter the same 3 year agreement would cost £248,625 an increase of £50,625. Accordingly entry into the agreement cannot reasonably be delayed and an Urgent Decision is therefore sought.

4. IMPLICATIONS

4.1 Policy

The content of this report is within the Council's policy and budgetary framework.

4.2 Financial

The annual charge for each desktop is £102 a year. If approval to enter into this agreement is given the intention is to roll out the EA to all Desktops and laptops used in the office environment, these currently number 650.

Based on current volumes, the EA agreement will cost the authority £66,300 each year. The 3 year cost will be £198,900.

The cost of financing the EA agreement will be met from the Corporate IT Fund.

As a comparison the cost to upgrade all current copies of Microsoft Office to Office Professional 2007 or Office 2010 when released, would be £145,834.

4.3 Legal

The agreement will be provided through the Office of Government Commerce under the Public Sector Agreement 2009. This contract has been let by the Office of Government Commerce in accordance with EU Directives.

Agreement is required to be entered into by 15th June 2009 to avoid the price increase of £50,625 that comes into place on that date

To enable an urgent decision to be made agreement is required from the Chair of the Service Performance Overview and Scrutiny Committee that the decision cannot reasonably be deferred and delay in implementation would seriously prejudice the interests of the Council.

4.4 Other

I have considered whether the following implications arise from this report and am satisfied that there is no identified implication that will arise from this decision:

Planning Implications, Crime and Disorder Implications, Health and Safety Implications, Environmental implications.



Nicola Willis
Head of Transformational Services

Author: Jonathan Learoyd, ICT Services, Town Hall, Scarborough

Telephone No: 01723 232404

Fax No: 01723 506396

E-mail address: jonathan.learoyd@scarborough.gov.uk

Background Papers:

APPENDIX A

Software covered by the Enterprise Agreement

- **Microsoft Office Professional**

The current version consists of the following components:
Word, Excel, PowerPoint, Outlook and Access

- **Windows Professional desktop operating system upgrade**

- **Microsoft Core Client Access Licence**

The current version consists of the following Client Access Licences (CALs):
Windows server, Sharepoint server, Exchange server, Systems centre manager.

APPENDIX B

Product	Enterprise Agreement	Select Agreement
All Products we would purchase in next 3 years		
Microsoft Office Professional	Inc.	£224.36
Microsoft Desktop Operating System Upgrade	Inc	£87.52
Microsoft Exchange CAL	Inc	£31.27
Microsoft Windows 2008 CAL	Inc	£13.58
System Centre Configuration CAL	Inc	£19.03
Cost for 650 Devices	£66,300.00 per annum	£244,244.00
Total 1 - 3 Year Cost	£198,900.00	£244,244.00
In addition Office Sharepoint CAL's are included in the EA, which we may use.	Inc	£43.64
Cost for 650 Devices	Inc	£28,366.00
Total 2 – 3 Year Cost	£198,900.00	£272,610.00