

**NORTH LINCOLNSHIRE COUNCIL**

**POLICY AND FINANCE CABINET MEMBER**

**CONTRACT AWARD: MICROSOFT ENTERPRISE AGREEMENT**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

This report sets out the findings from a recent procurement exercise to introduce a common core Microsoft licensing model across North Lincolnshire Council and North East Lincolnshire Council to meet the needs of the shared services programme.

1.1 Contract Procedure Rules (CPRs) detail that where projects exceed £1m in value the outcomes from the procurement should be notified to the relevant cabinet member.

1.2 The key points in this report are:

- Shared services deliver efficiencies through integrated working and joined up systems, resources and processes
- In order to join up systems and processes a compliant licensing model must be used
- External advice indicated that shared ICT infrastructure and systems must be licensed under an appropriate Enterprise Agreement

**2. BACKGROUND INFORMATION**

2.1 In October 2015 the Director of Policy and Resources and the Shared Services Board approved the procurement of a common core Microsoft licensing model for North Lincolnshire (NLC) and North East Lincolnshire (NELC) councils to meet the needs of the shared service programme.

2.2 A joint procurement as a further competition under the Crown Commercial Services, (CCS), Framework RM1054 Lot 2 was led by North East Lincolnshire Council. The purpose of this report is to detail the outcome of the procurement process as required under Contract Procedure Rules (CPRs) for contracts over £1m in value.

2.3. A Microsoft Enterprise Agreement is a crucial component to the success of Shared Services. There are a number of benefits to a core infrastructure Enterprise Agreement:

- Single Identity across both councils' physical estate but maintaining individual council identities
- Significant opportunities to rationalise back office application and introduce savings in procurement i.e. only use one back office system for each workstream (if applicable)
- Standard off-the-shelf technology which reduces the need for specialist skills

- Budget savings from a lower combined organisation structure, enabling savings target for 16/17 onwards to be achieved
- Standardise on technologies that are already deployed within the environment i.e. anti-virus, disk encryption, two factor authentication, and mobile device management.
- Have full control of ICT software spend across both councils with predictability and transparent view of costs
- Consolidate Data Centres and build on existing infrastructure
- Introduce the capability for users to self-serve wherever possible across both Councils
- ICT services can be managed centrally allowing ICT staff the time to provide service improvements and add business value
- Introduce Microsoft Cloud-based services to augment existing data centre capability
- Provide the capability to consume flexible IT services from the Microsoft cloud which can reduce further CapEx expenditure and provide opportunities for reducing day-to-day running costs
- Cloud-based services can provide pay-as-you-go with no requirement to invest in “spare” capacity
- Speed of deployment of IT services allows IT to react quickly to changing business needs

2.4 A mini-competition amongst all 16 approved and qualified vendors on Lot 2 of the CCS framework RM1054 was undertaken. The following suppliers submitted a response:

- Comparex UK Ltd
- Insight Direct (UK) Ltd
- Software Box Ltd
- Trustmarque Solutions Ltd
- Phoenix Software Ltd

2.5 The evaluation was undertaken on a Most Economically Advantageous Tender, (MEAT) basis. The evaluation criteria were weighted at 60% quality and 40% price as stipulated by the CCS instructions for compliance and as described in the published tender documentation.

2.6 Opening bids were invited from the suppliers through the council’s electronic tender portal. Best and final prices were secured via a mini-competition process. Trustmarque submitted the optimum MEAT offer as set out below:

Supplier	Supplier A	Supplier B	Supplier C	Supplier D	Trustmarque
Cost	38%	38%	Non compliant	38%	40%
Quality	50%	50%	Not scored	30%	60%
<b>Total</b>	<b>88%</b>	<b>88%</b>	<b>na</b>	<b>68%</b>	<b>100%</b>

2.7 Subject to the satisfactory conclusion of the standstill period, a contract will be awarded to Trustmarque starting 1 January 2016 (NELC) and 1 April 2016 (NLC) for a period of three years.

### 3. OPTIONS FOR CONSIDERATION

3.1 As this is an information report there are no options for consideration.

**4. ANALYSIS OF OPTIONS**

4.1 N/A

**5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 Financial

The NLC cost of c. £330k p.a. will initially be addressed through use of the Transformation Challenge Award funding and subsequently made cost neutral through further efficiency and other cost mitigation measures.

5.2 Staffing

No additional requirements.

5.3 Property & IT

As detailed.

**6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER, RISK AND OTHER)**

6.1 N/A

**7. OUTCOMES OF CONSULTATION**

7.1 The process and decision was subject to extensive consultation across NLC and NELC including the shared services board.

**8. RECOMMENDATIONS**

8.1 That the outcome of the procurement exercise is noted.

DIRECTOR OF POLICY AND RESOURCES

Civic Centre  
Ashby Road  
SCUNTHORPE  
North Lincolnshire  
DN16 1AB

Richard Bulmer/Jason R T Whaler

16 November 2015

**Background Papers used in the preparation of this report:**

Where appropriate the report has been seen and commented on:

Cabinet Member	Human Resources	Legal & Democratic	Finance	Property	IT
	✓		✓		✓

<b>Approved by Service Director</b>	✓
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