

North East Derbyshire District Council

Cabinet

14 December 2016

Microsoft Office Licence Procurement

Report of Councillor J Austen, Portfolio Holder with Responsibility for Information Technology, E-Information and Asset Management

This report is public

Purpose of the Report

- To review the requirement for Office productivity software at the Council
- To seek approval for the procurement of Microsoft Office licenses

1 Report Details

- 1.1 Microsoft Office 2007 is currently deployed for staff at the Council. The suite of office productivity tools include word processing (Word), spreadsheets (Excel), presentational tools (Powerpoint), Email (Outlook) and databases (Access).
- 1.2 Security support for Office 2007 ends in October 2017 and to maintain Public service Network(PSN) compliance and ensure we are protected against the latest malware it is critical that we remain on a supported version of the software.
- 1.3 Plans had been put in place for the procurement and deployment of a later version of Microsoft Office in the spring of 2017 and funds had been earmarked as part of the ICT 5 year Capital investment plan. However on 30th November Microsoft announced a 13% price increase from 1st January due to the fluctuations in exchange rates.
- 1.4 To mitigate the cost of this price increase a number of options were considered and quotes were sought from Microsoft resellers as part of the Government framework pricing agreement.
- 1.5 Microsoft pricing has a standard discount rate applied across the public sector. Resellers have small margins which influence the price, usually by only fractions of a percentage. Three quotes were sourced from Microsoft resellers for the options considered for this procurement.
- 1.6 The required upgrade was identified in the ICT 5 year Capital Investment plan and approved as part of the Councils MTFP. Costs have been reduced significantly from those identified. Rykneld Homes have confirmed that they will be pursuing an alternative Microsoft licensing agreement for their requirements in 2017. 35 licenses have been transferred from Bolsover District Council to reflect the transfer of staff within Environmental Health. Derbyshire Dales District Council have agreed to

transfer 50 unused Office licenses to North East Derbyshire on the proviso they will be returned if required in future by Derbyshire Dales.

2 Conclusions and Reasons for Recommendation

- 2.1 The most cost effective procurement for North East Derbyshire would be to procure perpetual Microsoft Office 2016 Professional Plus licenses for North East Derbyshire staff only.
- 2.2 By procuring before the 16th December, which is the deadline Microsoft resellers have been given for orders, this would save the Council £7,783.

3 Consultation and Equality Impact

- 3.1 Consultation has been undertaken with the joint Executive Directors of Operations and Transformation.
- 3.2 An Equalities Impact Assessment is not required as this is an upgrade to an existing software package.

4 Alternative Options and Reasons for Rejection

- 4.1 Remaining on our current version of Microsoft Office. This was rejected as this would be both a major non-compliance for our PSN certification and would expose the Council from significant risks of malware.
- 4.2 Move to free 'Open Source' office productivity tools. This was rejected as compatibility with our existing documents would be poor leading to significant effort in redesigning spreadsheets, documents and databases. In addition our major application providers such as Capita, IDOX, Northgate, Civica only support Microsoft office document templates.
- 4.3 Procure Office through an Enterprise Agreement(EA). This was rejected as the overall cost was higher. The key benefit of an EA is the upgrade rights for any new versions released during the three years duration of the agreement. Given Office 2016 has just been released this will be adequate for our needs for at least 8 years.
- 4.4 Move to a subscription based purchase. This was rejected as this would add a significant revenue cost burden on the budgets and over an anticipated 8 year product life cycle would be considerably more expensive.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 The cost of the investment would be £60,635. A total of £120,000 had been designated in the ICT 5 year Capital investment plan spread over three years from 2017-18 and this has been previously approved as part of the MTFP
- 5.1.2 Rykneld Homes Ltd have advised they will be procuring separately.

5.2 Legal Implications including Data Protection

5.2.1 Due to the timescales required to ensure the current price points are met this decision will be exempt from call in. This will ensure the £7,783 saving can be obtained.

5.2.2 There are no known data protection implications.

5.3 Human Resources Implications

5.3.1 None.

6 Recommendations

6.1 That Cabinet approve funds identified for Office upgrades in the 5 year ICT Capital Investment Plan for 2017-18, 18-19 and 19-20 are brought forward to the current financial year.

6.2 That Cabinet approve the purchase of new Microsoft Office licenses.

6.3 That Cabinet approve Bytes as the preferred provider with the best price based on Microsoft government pricing.

7 Decision Information

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| Is the decision a Key Decision? (A Key Decision is an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | Yes |
| Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In) | No – Call-In waived by the Chair of the Organisation Scrutiny Committee |
| District Wards Affected | None |
| Links to Corporate Plan priorities or Policy Framework | No |

8 **Document Information**

| Appendix No | Title |
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| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
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