

LONDON BOROUGH OF CROYDON

REPORT:	MEMBER DECISION	
DATE OF DECISION	29 NOVEMBER 2024	
REPORT TITLE:	Microsoft Enterprise Licensing Agreement including Azure Strategy	
CORPORATE DIRECTOR / DIRECTOR:	Marie Snelling, Interim Assistant Chief Executive And Paul Golland, Chief Digital Officer & Director of Resident Access	
LEAD OFFICER:	Fahid Ahmad, Commercial Contracts Manager Email: fahid.ahmad@croydon.gov.uk	
LEAD MEMBER:	Cllr Cummings Cabinet Member for Finance	
DECISION TAKER:	Cllr Cummings Cabinet Member for Finance	
AUTHORITY TO TAKE DECISION:	Delegation pursuant to the Tenders and Contracts Regulations	
KEY DECISION?	Yes	REASON: Key Decision – Decision incurs expenditure, of more than £1,000,000 Key Decision Reference: 0624ACE
CONTAINS EXEMPT INFORMATION? <i>(* See guidance)</i>	NO	N/A
WARDS AFFECTED:	N/A	

1 SUMMARY OF REPORT

- 1.1** This report recommends approving the procurement strategy for the procurement of the Council's Microsoft Enterprise Licencing Agreement, Microsoft Azure Cloud Services and Microsoft Unified Support contract.

2 RECOMMENDATIONS

FOR CCB

- 2.1** For the reasons set out in the report, the Chair of Contracts & Commissioning Board (CCB) is requested to approve the recommendations in this report to the Cabinet Member for Finance:
- 2.2** The Chair of CCB is recommended to approve a waiver, under Regulation 19 of the Council's Tenders and Contracts Regulations, of Regulation 23, which requires the Council's standard contract terms and conditions to be used with a supplier, so that framework terms and conditions can be used instead.

FOR CABINET MEMBER

For the reasons set out in the report, the Cabinet Member for Finance is recommended by the Chair of CCB to:

- 2.3** Approve the procurement strategy which will lead to 3 related contracts as follows:
- a) Microsoft Enterprise Licencing Agreement for a duration of 3-years from 1 July 2025 until 30 June 2028 with an estimated total value of £3,300,000.
 - b) Microsoft Azure Cloud Services for a duration of 3-years from 1 July 2025 until 30 June 2028 with an estimated total value of £2,772,000.
 - c) Microsoft Unified Support contract for a duration of 3-years from 1 June 2026 until 31 May 2029 with an estimated total value of £200,000.

3 REASONS FOR RECOMMENDATIONS

- 3.1** The Council has 3 Microsoft related agreements for the provision of Microsoft Software Licencing, Microsoft Azure Cloud Service, expiring on 30 June 2025, and Microsoft Unified Support (direct with Microsoft) expiring on 31 May 2026.
- 3.2** The existing contracts do not allow for any further extensions. Croydon Digital Service (CDS) started a review of our Microsoft Enterprise Licencing estate and Microsoft Azure Cloud Services, including meetings with Microsoft and the incumbent reseller supplier and internal stakeholders to establish future demand. This allowed CDS to fully understand the Council's requirements going forward and agree the scope.

- 3.3** The provision of a Microsoft Enterprise Subscription will allow the Council to obtain licences for the use of Microsoft software which will enable it to continue to benefit from the Office 365 suite of productivity, collaboration and communication tools such as Outlook, Teams, Word, Excel, PowerPoint, etc. It is also vital to the council as it enables the Council to administer back-office functions and the licences are required to transform the ICT estate enabling efficiencies from the application of new technology. This also will provide a stable base technology for any integration with planned use of artificial intelligence (AI) in the future as transformation plans are implemented. Note however, use of AI will require additional Microsoft licences which are not the subject of this procurement.
- 3.4** The provision of Microsoft Azure Cloud Services will provide continuity for cloud computing. Majority of the council systems sit on and rely on Microsoft Azure therefore, if there is a risk of the subscription being terminated or paused preventing access to council IT systems, this will result in an inability for the council to function effectively if this is not retendered. As with the licences the Azure platform provides a background platform should the Council deploy AI as part of transformation plans but additional products may be required which are not part of this procurement.
- 3.5** The provision of Microsoft Unified Support will provide the Council with an end-to-end, proactive specialist support service that will help strengthen the Council's resiliency of our systems and technology, ultimately empowering digital transformation. Microsoft's Unified Support aims to deliver a reliable support service to the Council 24/7/365 days a year. In the last financial year, the Council raised 43 support requests with Microsoft directly, ranging from Azure backup tickets to Windows Server issues. These were all resolved in a timely manner, with Microsoft working with CDS colleagues. Alongside technical 24/7 support, the Council are also offered IT health checks, an assigned Microsoft Customer Success Account Manager, technical training, and much more.
- 3.6** Failure to renew these agreements will result in critical software and systems becoming inoperable. With the current climate of working from home, this could result in more support requirements from our outsourced IT support provider, involving additional costs.

4 BACKGROUND AND DETAILS

4.1 CURRENT ARRANGEMENTS

The Council currently licences Microsoft software under an Enterprise Agreement with a specialist software reseller, Bytes Software Services. This contract was let in 2022 (CCB ref: CCB1741/22-23, Decision Ref: 2522EM). The Council also has a separate contract for Microsoft Azure Cloud Services with Bytes Software Services, with this contract let in 2023 (CCB ref: PB-2324-000003-S-A, Decision Ref: 5423F). Our Microsoft Unified support is under a separate contract with Microsoft Limited directly and single year support agreements have been procured annually under Directors Delegated Authority.

- 4.2** There is a continuing requirement to use Microsoft software products, requiring a new Enterprise Agreement. These solutions and systems are critical to delivering key

services across the Council for our residents. The cloud-based software has been vital in supporting Council activities enabling efficiencies, improving ways of working and delivering good sustainable services, which are key to supporting the Mayor's Business Plan.

- 4.3** Failure to have entered into a new agreement before the current agreement ends will result in the Council being unable to access Office 365, which includes Outlook email and Teams, Word, Excel, files in OneDrive and online Azure hosted back-office systems, such as Office 365, Microsoft InTune, SQL server, Enterprise Mobility Suite, etc.

4.4 OUTCOMES AND IDENTIFIED NEEDS

The Council currently uses Microsoft Azure for a range of cloud services, including computing (hosting of virtual servers running most council back-office IT systems), analytics, authentication, storage and infrastructure networking. Without this, the Council's computing will not work.

- 4.5** The Council migrated away from physical data centres back in 2021. The majority of Council data is now stored on Microsoft Azure cloud storage. For example, this is data stored from SharePoint, OneDrive, Documents, and Teams.

- 4.6** The procurement strategy proposed is to reprocure our Microsoft Licencing Enterprise Agreement, Microsoft Azure Cloud Services and Microsoft Unified Support in order to provide continuity for cloud computing. This can be acquired from multiple resellers rather than just Microsoft directly, ensuring there is competition.

- 4.7** The Council will go out to tender for our Enterprise Licencing Agreement and Azure Cloud Services contracts, but the Microsoft Unified Support service will be procured directly from Microsoft as it cannot be provided by any other vendor or reseller.

4.8 PROPOSED CONTRACT LENGTH AND RATIONALE

The proposed duration of the above three contracts is 3 years, which is the maximum allowable under both Microsoft licence terms and the proposed framework. This timeframe will enable the Council to continue to fully utilise the benefits of a subscription model and review our products over time. Should usage numbers decrease, there is flexibility annually to reduce licence numbers and costs. The 3-year term is fixed and there are no options to extend. The expected start date for the new contract for both Microsoft Licencing Enterprise Agreement and Microsoft Azure Cloud Services is 1 July 2025. The Microsoft Unified Support contract expires slightly later on 31 May 2026, and so the new contract will commence on 1 June 2026.

Strategic Context

- 4.9** The Council is facing serious financial challenge. An important and key outcome in the Mayoral Business Plan (Outcome 1) for 2022 – 26 is:
- The Council balances its books, listens to residents, and delivers good sustainable services.

4.10 The Microsoft Licencing Enterprise Agreement and Azure Cloud Services are part of the backbone of the Council’s IT infrastructure, which every service relies on, hosting the IT systems required to deliver services across the borough and action savings targets. As mentioned above, these Microsoft agreements will provide a stable base technology for any integration with planned use of artificial intelligence (AI) in the future as transformation plans are implemented. However, please note, use of AI will require additional Microsoft licences which are not the subject of this procurement or report.

5 OPTIONS CONSIDERED

5.1 Alternative options were considered when reviewing this re-procurement.

5.2 Options Analysis:

Option	For	Against	Comment/appraisal
Do nothing	There are no benefits	<p>Current contracts would expire and the Council would be without access to Microsoft licences and Azure services.</p> <p>The Council would lose access to Office 365 (which includes Outlook, Teams, Word, Excel, etc), our Council IT systems and the data stored in the cloud.</p> <p>The Council run the risk of facing legal action or compliance audits from Microsoft.</p> <p>Use of cloud services not possible.</p>	<p>Not recommended</p> <p>There are no benefits with this option and the Council would be unable to function.</p>
Let contract end, cease use of Microsoft and migrate to free software	Could reduce some (but not all) licence costs.	<p>Impossible to move away from Microsoft as most major back-office systems are hosted on Microsoft Azure and use supplier dictated underlying Microsoft databases.</p> <p>Would be a major and expensive migration requiring extensive data migration, other licences</p>	<p>Not recommended</p>

		to be procured and staff re training. Free software does not always have the functionality offered by the paid for products.	
Run a Further Competition using a PCR compliant framework	PCR and TCR compliant Access to preselected resellers Reduced timeframe to complete before current contract end date		Recommended
Run an Open competition	PCR and TCR compliant Access to greater number of resellers More potential for competition	Likely to attract a larger number of bidders which adds to complexity of administering the tender. Minimum timescales to be followed for PCR process may go beyond contract end dates.	Not recommended

6 CONSULTATION

- 6.1** Consultation was not carried out with Croydon residents and community groups as the services and agreements being sourced will be used internally by the Council users, which will not directly impact the residents.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1** The new contract will enable CDS to deliver the following corporate priorities from the Mayors Business Plan 2022-2026:

1. The council balances its books, listens to residents and delivers good sustainable services

- 7.2** The Microsoft Licencing Enterprise Agreement and Azure Cloud Services are part of the backbone of the Council's IT infrastructure, which every service relies on, hosting the IT systems required to deliver services across the borough and action savings targets.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 Finance have been consulted and can confirm that all financial implications are included in this report and will be met within existing budgets.

8.1.2 Revenue consequences of report recommendation

Current Contracts		New Contracts			
		2024-25 £'000s	2025-26 £'000s	2026-27 £'000s	2027-28 £'000s
Budget	(Various cost codes)	2,000	2,000	2,000	2,000
Existing Contracts	MS Licences (Actual)	1,037	265		
	MS Azure (Actual)	924	231		
	MS Unified Support (Actual)	68	68		
New Contract 1	MS Licences (Forecast)		825	1,100	1,100
	MS Azure (Forecast)		693	924	924
New Contract 2	MS Unified Support (Forecast)			75	75
Total Expenditure		2,029	2,082	2,099	2,099
Over/(Under) Budget		29	82	99	99

8.1.3 As the contracts start mid-financial year, the above figures show the existing contracts and new contracts separately.

8.1.4 The current contracts for Microsoft Licences and Azure expire in June 2025, and the Microsoft Unified Support expires in May 2026. Therefore, the forecast for Unified Support's new contract is in year 2026-27 and 2027-28.

8.1.5 There is a direct relationship between the staff numbers and the cost of Microsoft Licences. Therefore, if there is a change in staff numbers, this will impact our Microsoft Licences cost and contract.

8.1.6 As mentioned in the report, the Council may potentially use AI in the future, which will require additional Microsoft licences. These are not the subject of this procurement or report and therefore, if there is an investment in AI, then a separate report will be submitted for the extra costs of those licences.

8.1.7 CDS are continuously reviewing and challenging licence numbers, utilising all spare licences before purchasing additional licences, and regularly reviewing our leavers data to ensure licences are removed from old and unused accounts.

- 8.1.8** It is important to note that the budget does not include a provision for inflation, whereas the contract forecast includes inflation. Any inflationary impact will be offset in part by the potential savings that can be achieved by combining and consolidating 2 contracts (Microsoft Licences and Microsoft Azure Cloud Subscription) into 1 re-procurement and contract. Any inflation that cannot be met from contract savings will lead to a bid against the corporate contract inflation provision in the year it occurs.
- 8.1.9** Due to the higher actual spend on Microsoft Azure, and higher spend on support compared to last year, we are forecasting an overspend of £0.029m for the current financial year 2024-25. This is currently being managed by CDS as a pressure and is included in current budget monitoring reports as such.
- 8.1.10** CDS have completed cost-optimisation projects to tackle the higher spend on Microsoft Azure, and this has reduced the Azure spend. It is also important to note that many systems have migrated from on-premises to Azure cloud, resulting in significant cost savings and efficiency improvements, but did increase Azure spend due to the migration. Rigorous budget monitoring of Microsoft spend on a monthly basis is in place.
- 8.1.11** This spend is considered essential as expenditure is required to deliver the council's provision of statutory services at a minimum possible level. The majority of Council IT systems run on Microsoft products and Azure. If the licences and subscription are not procured or maintained, there is a high risk that they may be terminated or paused which would prevent access to council IT systems, emails, MS Teams, documents, etc resulting in an inability for the council to function effectively.
- 8.1.12** The contract will be funded from an existing revenue budget held within Croydon Digital Services. There are no capital implications.
- 8.1.13** Comments approved by Lesley Shields, Interim Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance – 08/10/2024

8.2 LEGAL IMPLICATIONS

- 8.2.1** The Council has the power to enter into contracts with third parties pursuant to its functions as provided for under section 1 of the Local Government (Contracts) Act 1997. The Council also have the power to do anything that individuals generally may do pursuant to section 1 of the Localism Act 2011.
- 8.2.2** The Council is required to comply with its Tenders and Contracts Regulations within the Council's Constitution. This route to market decision is delegated by the Executive Mayor to the relevant Cabinet Member, pursuant to the delegations set out in the Tenders and Contracts Regulations.

- 8.2.3** The Council is under a duty to comply with the Public Contracts Regulations 2015 (PCR). The proposals set out in this report indicate that the Council will comply with the requirements of the PCR if the recommendation is approved. Regulation 33 of the PCR permits contracts to be awarded via compliantly established frameworks.
- 8.2.4** The Council can confirm that the proposal set out in this report is in accordance with the Council's Tenders and Contracts Regulations (TCR), provided that the waiver requested in this report is approved.
- 8.2.5** Comments approved by Kiri Bailey, Head of Commercial, Housing and Litigation & Deputy Monitoring Officer, on behalf of the Director of Legal Services and Monitoring Officer – 14/11/2024

8.3 EQUALITIES IMPLICATIONS

- 8.3.1** An Equalities Analysis has been completed, which concluded that there is a positive impact on individuals with a disability, subscription based licencing and online cloud services create opportunities for people living with disabilities. Microsoft Azure Cloud Services has a made it easier to store data, run systems and enhance services.
- 8.3.2** Microsoft Licencing Enterprise Agreement, Microsoft Azure Cloud Services and Microsoft Unified Support are all currently in place, and this will continue, with no significant changes from the current service we are receiving. Staff are already using Microsoft Azure cloud services by saving in the cloud, and this would continue. This would also make a positive impact for individuals with a disability due to the ease of remote access to services.
- 8.3.3** The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

OTHER IMPLICATIONS

8.4 PROCUREMENT IMPLICATIONS

8.4.1 Proposed Procurement Route to Market

The recommendation is to run a further competition using Crown Commercial Services Framework Technology Products & Associated Services 2 – Agreement RM6098 – Lot 3 Software (Expires: 09/10/2027) for:

- (a) Microsoft Enterprise Licencing Agreement
- (b) Microsoft Azure Cloud Services Subscription

A direct award with Microsoft will be completed for:

- (c) Microsoft Unified Support

Framework for Microsoft Enterprise Licencing Agreement and Azure Cloud Services call off:

Crown Commercial Services Framework Technology Products & Associated Services 2 – Agreement RM6098 – Lot 3 Software
Framework End Date: 09/10/2027

The CCS framework RM6098 is PCR compliant route to market. The framework offers public sector buyers a compliant route to market for technology product needs (hardware and software) and all associated services.

The Council will get access to large value add resellers, there are 43 suppliers containing many of the main Microsoft accredited software resellers for Microsoft products. Microsoft sell through resellers for Enterprise Licencing Agreements and Azure Cloud Services.

The Council will also get access to government pricing via CCS memorandum of understanding (MOU) – we will get the benefit of discounts compared to running an independent procurement against pricing not subject to the MOU.

The Council can buy under this agreement by running one of the following further competitions:

- Option 1: Run a further competition (inclusive of price and quality weightings)
- Option 2: Run a simplified further competition (price only weightings)

Option 1 is recommended in order to allow for social value to be included and the option to join the Council's Premier Supplier Programme.

Framework for Microsoft Unified Support:

Microsoft Unified Support is only available from Microsoft. It is worth noting that third party Microsoft support can be procured where IT resellers would sell their Microsoft support services. The Council would not be able to raise a ticket directly with Microsoft, and instead would need to work with the chosen third party to resolve the issue. The resolution response target for Microsoft, via Unified Support is 15 mins for Azure and 1 hour for all other products, along with an assigned Incident Manager, unlimited IT Health checks, technical training and 300 credits to use on workshops

and other training materials. This year Microsoft provided a discount of £211K, allowing the Council to utilise Microsoft Unified Support for only £67.7K per annum.

There are 2 possible routes to procure Microsoft Unified Support:

1. Direct award
2. Call off from Crown Commercial Services G Cloud framework
The recommended route is to call off from G Cloud framework Lot 3 Cloud Support.

Using G Cloud, a search and filter are undertaken on the framework portal. This search will only result in the Microsoft service. Standard service descriptions are accessed and assessed against the council requirements.

Alternate Routes to Market

Alternate routes to market were considered but rejected in favour of the CCS framework:

- An open tender will be PCR compliant and may attract more potential bidders however that does require more resources to manage the expressions of interest and tender clarifications, evaluation of bids and administration of the procurement.
- A restricted tender process was also considered. Limiting the tender to the participation of a selected few suppliers may lead to a higher risk of challenge to the procurement process by suppliers not invited to tender for the service.
- Other frameworks were examined such as YPO, KCS, NEPO and ESPO were rejected as not providing as great a choice of providers, as well as not providing the Council with government pricing via the CCS memorandum of understanding (MOU).
- There are alternate suppliers stating they offer “the equivalent” of Microsoft Unified Support available on the Cloud framework. These service offerings have been reviewed against council requirements and do not offer the Council the same level of support or service. For example, two of the offerings are a per ticket request basis, where the Council would need to pay for a ticket to be investigated and resolved. Another offering is quoted at £96,000, which is much higher than what we are currently paying Microsoft directly. Please also note, these third-party support offerings do not include unlimited IT Health checks, technical training and credits, which the Council and CDS find extremely useful and utilise every year.

8.4.2 Interdependencies – If any: Incl. assessments of any arrangements

No interdependencies have been identified, apart from the agreements listed in this report.

8.4.3 Compliance with Tenders and Contracts Regulations (TCR) & Public Contracts Regulations (PCR)

The Framework is PCR and TCR compliant and is available for use by all public bodies, public sector bodies and all other local authorities. Further competitions conducted in accordance with the framework guidelines comply with the regulations.

There is no charge to purchasing authorities for using the Frameworks.

The Framework runs from 10 October 2023 to 9 October 2027. Call off contracts can run beyond the framework end date.

Note this report is associated with the Annual Procurement Plan (APP) 23-24 delegation for “Microsoft Enterprise Licensing Agreement including Azure”. The APP entry is for an estimated contract length of 36 months. The APP value of £6m was a projection based on consumption at the time.

A waiver under regulation 19 of the TCR’s is requested to use the frameworks terms and conditions which is a condition of using the frameworks. The framework terms are mostly in line with Council terms.

8.4.4 Quality and VFM

In order to ensure that the best possible price is obtained, it is proposed to conduct a further competition exercise.

Evaluation Criteria and Methodology

Weighting criteria will be measured as follows which is allowable within the framework:

- 70% Cost,
- 20% Quality
- 10% Social Value

Quality of bids will be ensured by the use of mandatory criteria.

Framework tender documents will be used and questions from the SQ template will be included to form part of the tender documentation to ensure the following criteria are met: Exclusion grounds, suitability thresholds, economic and financial standing, technical and professional ability, Modern Slavery Act compliance, equality and diversity, Living wage, Insurance and whether guarantees are required.

Method statements will be required from potential providers to evidence their ability to meet the requirements. References will be taken up and there may be clarification meetings and demonstrations carried out as part of the process to inform scoring.

A target quality score will be set for evaluation below which the Council may reserve the right to decide not to award a contract to a bidder although this will not be a mandatory score threshold as there will be mandatory requirements which will be marked on a pass/fail basis. Consideration will be given to whether pass/fail criteria in single or multiple items will constitute a failure and exclude a bidder from the tender process. The use of pass/fail requirements will ensure a proposed solution is fit for purpose while allowing the evaluation to assign a higher ratio to price.

Social Value

10% of the total evaluation criteria is assigned to Social Value in the tender.

None of the potential contractors are thought to be based in Croydon but all will be required to provide a social value offer for Croydon as part of the tender requirements.

Bidders will be invited to explain how they can support digital inclusion.

Living Wage

Bidders will be required to confirm payment of the Living Wage to their employees.

Early Payment Scheme (Premier Supplier Programme)

A commitment to join the early payment scheme forms part of the tender requirements and evaluation criteria.

Scoring Method

A weighting will be applied to each Method Statement/requirement. Each Method Statement/requirement which is not pass/fail will be scored by the evaluation.

Scoring will be as set out in the table below:

Mark	Score	Description
Rejected	0	The response is unacceptable as there is a fundamental failure to address all or most of the areas within the Method Statement; OR There are non-compliant or partially compliant responses to the requirements within the Method Statement which are critical to the technical solution resulting in a high likelihood that the technical solution will not work at all
Poor	1	The response is inadequate as it fails to address many areas within the Method Statement and/or the response is poorly structured, inconsistent or includes little or no supporting evidence ; OR There are non-compliant or partially compliant responses to the requirements within the Method Statement with significant deficiencies resulting in a

		technical solution that is likely to be unfit for purpose, and requiring workarounds
Adequate	4	The response is acceptable and addresses the majority of the requirements within the Method Statement to an acceptable level of detail , however the response could have displayed more expertise, know how, consistency and substantiation ; BUT There are non-compliant or partially compliant responses to the requirements that will require some compromise from the Customer in relation to the technical solution.
Good	9	The response is acceptable and fully addresses all of the requirements within the Method Statement to a good level of detail . The response is detailed, clear, consistent, evidenced and the Supplier displays expertise and know how ; AND Where requirements within the Method Statement are not fully met, the deficiencies are immaterial , and will require minimal compromise on the part of the Customer in relation to the technical solution.
Excellent	16	The response fully addresses all requirements within the Method Statement to an excellent level of detail and meets/exceeds all of the requirements . The response is detailed, clear, consistent, well-evidenced and the Supplier displayed expertise and know how ; AND The response includes innovative approaches to meet the requirements within the Method Statement resulting in added value for the Customer, for example through efficiency or simplicity ; AND The response includes advanced solutions to one or more requirements making an impactful difference to the Customer's Solution.

Although not fully determined, quality sub criteria will include:

- Service Management & Account Administration (20%)
- Enterprise Agreement Administration and Support (20%)
- Technical Merit (20%)
- Cloud Services Assistance and Support including Service Levels (20%)
- Value add Services (20%)

Pricing method

The Premier Supplier Programme rebate offered is subtracted from the Gross Total Price to calculate the net total price.

The bidder with the lowest (net total) price for the relevant item will achieve the maximum score for that item.

Other bidders will be allocated a score on a pro/rata basis based on percentage variation to the lowest price e.g.

Lowest (net total) Price Bid Submitted for criterion

x Price weighting

Bidder (net total) Price Submitted for criterion

Overall

The Bidder who satisfies all requirements and which is awarded the highest combined score shall be identified as the preferred Bidder. Note however that abnormally low priced tenders will be challenged.

Evaluation Panel

Evaluation will be conducted by subject matter experts from CDS:

- Technical Lead(s)
- Contract Lead(s)
- Finance Lead(s)

Pricing evaluation and tender governance will be conducted by a representative from Strategic Procurement and Governance.

Legal support will be required for legal clarifications or other contractual/procurement issues.

All personnel involved will be required to sign a declaration of interest and a non-disclosure agreement.

8.4.5 Procurement Timetable:

A contract needs to be entered into before 30 June 2025:

Activity	Target Months
Procurement Board Strategy Report	October 2024

Advance notice of Key Decision	October 2024
Strategy approved by Cabinet Member for Finance under delegation in APP	October 2024
Finalise Tender Documentation	October 2024
Call-in period for key decision ends	October 2024
Issue tenders under framework	November 2024
Tender close	Mid December 2024
Tender evaluation	To Mid-January 2025
Advance notice of Key Decision	February 2025
Procurement Board for Award Report	February 2025
Cabinet Member briefing	March 2025
Delegated Decision by ACE	March/April 2025
Scrutiny call in period	April 2025
Contract award letters	April 2025
Nb no standstill period required for framework procurements	
Contract commencement	1 July 2025

Proposed Contract Management Approach:

- 8.4.6** Contract Management will be managed by the Commercial Contracts Manager and the Technology and Architecture Manager, within Croydon Digital Services. They will ensure on-going compliance and value for money. A contract management plan will be implemented.
- 8.4.7** There will be regular contract performance meetings set out in the contract terms plus escalation routes defined in the contract.
- 8.4.8** Some of the Microsoft Unified Support KPI's that will be actively managed are:
- Severity A Incident Resolution – Less than 15 mins for Azure and less than 1 hour with all other products
 - Severity B Incident Resolution – Less than 2 hours for Azure and Enterprise and less than 4 hours with all other products
 - Severity C Incident Resolution – Less than 4 hours for Azure and Enterprise and less than 8 hours with all other products

8.4.9 Comments approved by Gerard Gough, Strategic Procurement Manager –
26/09/2024

8.5 ICT IMPLICATIONS

- 8.5.1** The use of Microsoft software and services facilitates and supports every statutory service across the Council, is key to supporting the Council's ICT priorities and will allow the Council to continue to deliver a reliable digital service for users, residents and businesses. This will in turn offer an improved performance to all within the borough. Council staff and members rely on the availability of and access to the Council technical infrastructure and software products.
- 8.5.2** Microsoft Azure is a cloud computing platform and infrastructure created by Microsoft for building, deploying, and managing applications and services. Azure offers various compute services for hosting applications and services, including Virtual Machines, App Services, Functions, and Batch.
- 8.5.3** There are many advantages and benefits of Microsoft Azure Cloud Services, such as Data Security, Scalability, Analytics Solution, Disaster Recovery, High Storage availability and redundancy in a cost-effective manner.
- 8.5.4** Delivering Information and Communication Technology (ICT) in local government is critical as it underpins the running of most services the council provides. ICT also has a key enabler role underpinning digital delivery to add value to service provision and customer experience.
- 8.5.5** Comments approved by Paul Golland, Chief Digital Officer and Director of Digital & Resident Access – 04/09/2024

8.6 GDPR IMPLICATIONS

- 8.6.1** Due to no sharing of personal data in this re-procurement exercise, the Information Management team have confirmed that there is no requirement for a DPIA to be completed.

8.7 HUMAN RESOURCES IMPLICATIONS

- 8.7.1** There are no additional considerations in relation to staffing levels, restructuring/ regrading, recruitment, employee relations or the Council's HR policies and procedures, or other human resources matters.

8.8 CRIME AND DISORDER IMPLICATIONS

8.8.1 There are no direct crime and disorder implications arising from this procurement.

8.9 PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

8.9.1 There are no property and asset management implications.

8.10 CORPORATE RESOURCES IMPLICATIONS

8.10.1 There are no corporate resources implications as the contract will ensure continued support of existing Microsoft licences and services.

8.11 ENVIRONMENTAL IMPLICATIONS

8.11.1 There are no direct climate change or environmental implications arising from this procurement.

8.12 HEALTH IMPLICATIONS

8.12.1 There are no direct health and wellbeing implications arising from this procurement.

8.13 RISK IMPLICATIONS

8.13.1 Croydon faces a significant number of risks and it is, therefore, important that the Council recognises its responsibility to recognise and mitigate risk associated with the proposals and decision.

Key Risks:

8.13.2 The key risks in connection with this procurement and their mitigations are outlined in the table below:

Ref	RISK SCENARIO		RISK RATING			RISK MITIGATION
	RISK	Impact	Impact {1-5}	Likelihood {1-5}	Total	Mitigation
1	Not meeting the procurement	Non-compliant and out of licence and support.	5	4	20	This is a high risk and is very likely to occur given reduced staffing levels and competing priorities.

	timescales before current agreement ends	<p>Not able to use Azure Cloud services</p> <p>Failure to have entered into a new agreement before the current agreement ends will result in the Council being unable to access Office 365 which includes Outlook email and Teams, Word, and Excel, files in OneDrive and online Azure hosted back-office systems.</p> <p>System becoming inoperable, access to Azure will be blocked, and additional re-connection fees will be liable to re-start the service.</p>				<p>The timetable for procurement needs to be adhered to and project actively managed.</p> <p>A project group has been established and tasks and responsibilities are being finalised.</p> <p>Capacity is an issue.</p> <p>There will be regular reporting to the project sponsor.</p>
2	Increased new contract value	Budget pressures	2	2	4	Liaise with Corporate Finance as soon as new contract value has been determined
3	Challenge from potential other suppliers.	Halt to procurement process so unable to meet timescales as above	2	2	4	<p>Risk is low as compliant procurement to take place</p> <p>Project will be managed in line with the Council's tenders & contract regulations.</p>
4	Declining standard of service from incumbent supplier.	Poor performance from incumbent supplier once they are aware that this service will be open to competition.	2	2	4	The current contract management arrangements will continue to monitor supplier performance to ensure that service levels are maintained. To date there has been no decline in performance from the incumbent supplier.
5	CDS Resources	The procurement will be delivered primarily by CDS. Impact: This will have implications on existing workloads and may cause delays in the project.	4	2	8	We have started well in advance to ensure slight delays do not hinder the project.

6	No bids	Will lead to absence of license agreement and azure cloud services & consequent risks	5	1	5	Unlikely as market has been approached and feedback suggests there is interest.
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8.13.3 Comments approved by Paul Golland, Chief Digital Officer and Director of Digital & Resident Access – 04/09/2024

9. APPENDICES

9.1

10. BACKGROUND DOCUMENTS

10.1 Not Applicable

11. URGENCY

11.1 Not applicable