

# **MINUTES OF CABINET MEMBER SIGNING MEETING HELD ON FRIDAY 12 APRIL 2024, 11:00AM - 11:20AM.**

**PRESENT:** Councillor Dana Carlin, Cabinet Member for Finance and Local Investment

**In attendance:** Matthew Middup, Licence and Procurement, Glenn Mason, Head of Technology and Nazyer Choudhury, Principal Committee Co-Ordinator

## **1. FILMING AT MEETINGS**

The Chair referred to the notice of filming at meetings and this information was noted.

## **2. APOLOGIES FOR ABSENCE**

There were none.

## **3. DECLARATIONS OF INTEREST**

There were none.

## **4. DEPUTATIONS/PETITIONS/QUESTIONS**

There were none.

## **5. MICROSOFT SERVER AND CLOUD ENROLMENT FOR THE SUPPLY OF MICROSOFT CLOUD SERVER LICENCE SUBSCRIPTIONS**

Award of contracts under Contract Standing Order (CSO) 3.01(b) stated that contracts valued at £500,000.00 (five hundred thousand pounds) or more must be awarded by the Cabinet or delegated Lead Member.

To direct award a new contract for the supply of the Council's Microsoft (MS) cloud server licence subscriptions, under Crown Commercial Services Framework RM6098, Lot 3, through a new MS Server and Cloud Enrolment (SCE) agreement. The new SCE would be awarded to Bytes Software Solution Ltd (Bytes), an MS Licencing Solution Partner (LSP) and is eligible for the new Memorandum of Understanding (MoU) pricing structure and discounts.

There was currently a new Public Sector (PS) MoU, referred to as Digital Transformation Agreement 2024 (DTA24), being negotiated by Crown Commercial Services (CCS) and MS. DTA24 provided baseline pricing and significant discounts on the range of MS cloud server subscriptions required by the Council. The MoU DTA24 pricing and discounts were available through established procurement frameworks and by contracting with a MS LSP.

The Cabinet Member queried the scope of the contract and was assured that this was to service the number of licences that the Council required at this point in time but that an annual review would be taken in advance each year to see if the Council needed to continue the arrangement. The Cabinet Member was assured that any additional spend would need to be agreed by the Director of Culture Strategy and Engagement in consultation with the Cabinet Member for Finance and Local Investment.

### **The Cabinet Member RESOLVED**

That subject to contract standing order 7.01.(b) and 16.02

1. A new contract is awarded for the supply of the Council's MS cloud server licence subscriptions to MS LSP Bytes Software Solution Ltd, through a new MS SCE agreement and Memorandum of Understanding (MoU) over a 3-year term, commencing 1 May 2024 and until 30 April 2027.
2. To approve a contract value of up to £720,000.00, over the 3-year term.

### **Reasons for decision**

The London Borough of Haringey's current MS SCE agreement, for the provision of MS cloud server licence subscriptions, expired on 30 April 2024, with no option to extend. A new contract was required for the supply of MS cloud server licence subscriptions to support the continuation of digital operations within the Council.

If the Council did not take any action before the SCE expired, Microsoft (MS) have confirmed server licencing will be impacted as detailed below:

- Licences would no longer be supported via an active SCE agreement.
- Unlicensed products would not receive updates, security patches nor support.
- The Council would be in breach of MS Licence 'Product Terms'.
- Licences would cease to operate after approximately 30 days from the expiry date of the SCE and approximately 259 physical & virtual IT servers may cease to function effectively,

The MS licence subscriptions supplied through the MS SCE agreement support a total of approximately 259 physical and virtual servers. The servers enabled the Council to deliver critical services.

MS software was in strategic alignment to the Council's Digital Roadmap and was a key enabler in delivering essential services to residents. Operating without a MS SCE in place would be unmanageable as the council required active subscriptions to use all applications and services, as well as ensuring all MS server products were licenced in a compliant and legal way.

## **Alternative options considered**

Take No Action – Do not award a contract and allow the existing service to end (do not re-commission). This was not an option as the cloud subscription licences would cease and the Council would no longer be able to deliver essential services to our residents and become non-compliant in terms of software licence agreements. Critical systems would be impacted as a direct consequence and we would be unsupported by MS with cessation of regular security updates, leaving the council vulnerable to attempted cyber-crime.

Tender for a New Service Through a Further Competition - The Council's cloud server licence subscription requirement was not a bespoke solution. Direct award offered a quick and compliant route to market which incorporated DTA24 pricing and discounts, demonstrating optimal value for money if compared to the general marketplace.

Add Server Licence Requirement to MS Enterprise Subscription Agreement (ESA) contract – The Council was able to call-off from the current ESA contract for the supply of server licences but this approach was not commercially viable. Costs for the server licence subscriptions required by the Council were approximately £50,000.00 more per annum on the ESA compared to a new SCE agreement, and server licence benefits would be lost if the Council moved from SCE to the ESA.

Use of Non-MS software - The Council had a major investment in MS technologies which aligned to the Council's Digital Roadmap, moving to another platform, e.g., Google or Open Source, would require major rework of not only IT systems, but also business operational processes, and would be a major disruptor for the Council. Delivering a new operating platform would take over a year and had significant risks associated with the implementation. While non-MS software is technically an option, the reality was that moving away from MS was not being adopted by other councils.

Tender for a new service without the new MoU discount – The option to undertake an open tender was rejected. This route offers no advantage over procurement via the CCS framework and would not allow the Council to access the new MoU discounts, resulting in a higher cost per licence and extending the timeframe of the procurement.

## **6. EXCLUSION OF THE PRESS AND PUBLIC**

Item 8 was subject to a motion to exclude the press and public be from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

## **7. EXEMPT - MICROSOFT SERVER AND CLOUD ENROLMENT FOR THE SUPPLY OF MICROSOFT CLOUD SERVER LICENCE SUBSCRIPTIONS**

The Cabinet Member considered the exempt information.

**8. NEW ITEMS OF EXEMPT URGENT BUSINESS**

There were none.

CABINET MEMBER: Cllr Dana Carlin

Signed by Cabinet Member .....

Date .....12 April 2024.....