

7.4 Microsoft Software Agreement - Contract 2022/98

Executive Summary

Purpose

This report seeks Council endorsement for the award of Contract No: 2022/98 Microsoft Software Agreement

Background

Microsoft software is integral to the management, support and day to day operation of almost all Council services. For example, Microsoft Exchange is used for e-mail which supports core Council communication, Microsoft Office products are used extensively and are integrated into back-office applications such as Objective (records and document management), CRM and Finance. The Microsoft Windows Operating System is used on laptops and desktop PCs, with Windows Server used to host Council's business applications, security and core systems. Microsoft's collaboration platforms such as M365 applications. MS Teams, SharePoint and OneDrive platforms are deployed across the entire organisation to enhance council's internal & external communication and collaboration channels whilst supporting hybrid working.

Key Issues

Council's current Microsoft Enterprise Agreement (EA) will expire on 30 September 2022. Microsoft EAs are valid for a three-year term with no option to extend, therefore, a new agreement with a new three-year term must be established for Council to retain the financial and support benefits associated with licensing Microsoft products.

The procurement process involved a request for quote (RFQ) issued to 5 vendors via the MAV Panel Contract Microsoft Arrangement (NPN 2.17-3). In response to the RFQ, Council received 2 submissions for the provision of Microsoft licences. Data#3 provided the better pricing option. Details of the pricing is contained in Confidential **Attachment 1**.

Next Steps

Following the evaluation process, this report recommends Council enter into a contract with Data#3 (ABN 31 010 545 267) for the provision of Microsoft licences for a period of 3 years at a cost of \$2,761,894.68 ex. GST.

Confidentiality

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 66(2)(a) and the definitions of 'confidential information' in section 3(1) of the *Local Government Act 2020*. The information relates to

- a) private commercial information, being information provided by a business, commercial or financial undertaking that—
 - i. relates to trade secrets; or
 - ii. if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage;

The item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2022/98, Microsoft Software Agreement, to Data#3 (ABN 31 010 545 267) at their tendered schedule of rates for a contract period of three (3) years. The estimated total contract cost is \$2,761,894.68 (excluding GST).
2. To authorise the Director Customer and Transformation to sign and execute the contracts on behalf of the Council and to authorise invoices to an amount not exceeding \$2,761,894.68 excluding GST.
3. To note that expenditure under this contract is in accordance with Council's 2022/23 adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: Mans Bassi, Director Customer and Transformation

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2022/98, Microsoft Software Agreement.

2. Policy implications and relevance to community plan and council plan

This procurement process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

This contract aligns with:

- Council Plan 2017-21
- Boroondara Community Plan 2017-27
Strategic Objective 7 'Ensure that ethical financial and socially responsible decision making reflects community needs and is based on principles of accountability, transparency, responsiveness and consultation'.
- Strategy 7.4 is particularly relevant to the delivery of the Transforming Boroondara Program - *'Provide enhanced online services to our community, placing the customer at the centre of everything we do, with a focus on making Council more efficient and effective'.*
- Council's Customer Experience Improvement Strategy (CEIS).

3. Background

Microsoft software is integral to the management, support and day to day operation of almost all Council services. For example, Microsoft Exchange is used for e-mail which supports core Council communication, Microsoft Office products are used extensively and are integrated into back-office applications such as Objective (records and document management), CRM and Finance. The Microsoft Windows Operating System is used on laptops and desktop PCs, with Windows Server used to host Council's business applications, security and core systems. Microsoft's collaboration platforms such as M365 applications. MS Teams, SharePoint and OneDrive platforms are deployed across the entire organisation to enhance council's internal & external communication and collaboration channels whilst supporting hybrid working.

Council's current Microsoft Enterprise Agreement (EA) will expire on 30 September 2022. Microsoft EAs are valid for a three-year term with no option to extend on the same terms or for a shorter duration. Therefore, a new agreement with a new three-year term must be established for Council to retain the financial and support benefits associated with licensing Microsoft products.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council sought quotes from 5 suitably qualified organisations for the delivery of the required Microsoft licences from the MAV Panel Contract Microsoft (Arrangement NPN 2.17-3), via VendorPanel, Council's eTendering portal. At the date and time of closing the following suppliers submitted a proposal:

- Data#3 Limited; and

- Crayon Australia.

4. Outline of key issues/options

The RFQ sought the provision of Microsoft Licences using current and proposed future anticipated licence requirements.

Tender Evaluation

The tender evaluation criteria for this contract was cost/value for money.

Following detailed evaluation of the tender responses in accordance with the tender evaluation plan, Data#3 Ltd was selected as the recommended vendor for the Microsoft Software Agreement as their response provided the lowest cost and best value for money.

Data#3 has been supporting the City of Boroondara for a number of years and is a premium Microsoft partner for licencing and support services. They are well regarded in the local government sector and have assisted us in several initiatives in the past including Microsoft Outlook and 365 upgrades, Enterprise Collaboration, Data & Analytics and other transformation initiatives.

The Tender Evaluation Report for the Microsoft Software Agreement is included as **Confidential Attachment 1**.

5. Collaborative Procurement Opportunities

Council pursued procurement of the Microsoft Licenses using the MAV vendor panel.

6. Consultation/communication

The specification for the Microsoft Software Agreement has been informed by an understanding of current and future anticipated Microsoft licencing requirements. The evaluation team comprised a mix of business and technical experience.

7. Financial and resource implications

The tendered cost of the Microsoft Software Agreement is consistent with the costs reflected in Council's adopted 2022/23 budget and foreshadowed budget amounts in the Long-Term Financial Plan.

8. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no general or material interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

9. Social and environmental issues

Awarding this contract allows Council to continue to operate its day-to-day services, which has a positive impact on community/social well-being and the environment.

10. Evaluation and review

The evaluation report is provided as **Confidential Attachment 1**.

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2022/98, Microsoft Software Agreement, to Data#3 Limited.

Manager: Joanne Truman, CTTO