

PFCC Decision Report

Report reference number: 053/2021

Classification: OFFICIAL

Title of report: Microsoft Licence Renewal 2021-2024

Area of county / stakeholders affected: Essex Police – all officers and staff

Report by: Jules Donald (Chief Information Officer)

Date of report: 24/03/2021

Enquiries to: Jules Donald (Chief Information Officer)

1. Purpose of the report

The purpose of this report is to seek the PFCC's approval to enter into the Microsoft Enterprise Agreement for 2021-2024.

2. Recommendations

That the PFCC enters into the Microsoft Enterprise agreement for 2021-2024, attached at Appendix 1 as "Request for contract signing and / or sealing".

3. Benefits of the proposal

Appropriately licencing our MS estate is not optional but a compliance requirement - we are required to have MS licensing for a wide range of technology usage in both forces, including:

- computer operating system (Windows 10) for all desktops and laptops
- MS Office applications including Exchange Online Email, Word and Excel (and web-based versions for smart phones)
- O365 platform functionality including Teams for video conferencing and messaging, and the full product range including other products such as Sharepoint Online, Yammer, Stream, Flow etc.
- servers that use the MS SQL database software (for a significant proportion of our applications)
- equipment in conference rooms that uses MS Teams
- a wide range of integral cyber security and monitoring functionality within the O365 suite

- further optional packages such as Power BI Pro analytics licences, softphone telephony etc.
- The national NEP computer design requires us to have a license set of M365 E3 with M365 Security uplift as a minimum.

An options paper was taken to the O365 Programme Board on 23rd November 2020, jointly chaired by DCC Mills and ACC Faulconbridge.

A Microsoft licencing contract recommendations paper was presented to and approved by the Essex Chief Officer Group on 30th December 2020.

Failure to sign the contract for the 2021-2024 Microsoft Enterprise Agreement will result in our entire IT user and server environment being non-compliant with many services ceasing to function. Without an active E3 user licence no individual will be able to access an IT device or application.

4. Background and proposal

The current Essex Police and Kent Police Microsoft Enterprise Agreement expires on 31st March 2021 and we were required to go out to tender for a new three-year agreement.

The current agreement and the products included are based on the National Enabling Programme [NEP] build for Microsoft 365 [O365] and were priced as part of an agreed national Memorandum of Understanding [MOU] back in 2018 – this version was a standard product set for all UK police forces.

The MOU was set to expire in December 2020, therefore making this discounted pricing agreement invalid for our next contract. The Police ICT Company is working with the NEP, Crown Commercial Services [CCS] and Microsoft to establish a new DTA agreement. These products and pricing will not be available until June 2021 however, due to the timescales of this renewal, we have been given special permission by Microsoft to use the new DTA21 products and pricing.

The 7F Strategic Procurement Team submitted a regional tender, allowing for co-termining of the existing three force cluster Enterprise Agreements whilst keeping three separate tenancies. A comprehensive Strategic 7F Procurement gateway paper outlines the key strategy for the 7 Forces. This strategy was approved at the 7F Strategic Procurement Board on 11th November 2020.

Our user licence numbers are based on head count, plus additional service accounts (including police officers, police staff, PCSOs, Specials, contractors and volunteers who need access). The current licence numbers do not include any future officer uplift for 2021/22 onwards. Uplift in user numbers will be managed via the forces' Change Teams in liaison with IT Services to ensure the provision of funds is transferred to the appropriate IT budget to allow the purchase of licences to keep the forces compliant. Much work has been undertaken by the IT Service Management team on an ongoing basis to ensure we are fully compliant, especially regarding the complexities of part-time staff (who still need a full licence), short-term volunteers, and managing dormant accounts (e.g. due to long-term sickness).

In order to maximise the best cost-effective balance of essential functionality versus future potential, it was agreed that we proceed with a bill of materials based on our current functionality of M365 E3 and M365 E5 Security. To future proof our capability to procure additional elements within the next three years, we have included one licence for each additional E5 functionality and call plan items (to secure the current MOU discount for any future ad hoc purchasing).

The proposal is to authorise and sign the Microsoft Enterprise Agreement 2021-2024, procured via Phoenix Software Limited after a competitive tender process.

5. Alternative options considered and rejected

While we have no other option than to enter into a new Microsoft Enterprise Agreement (see Risks section), we did have the option of additional products and services, including changing our licence levels to provide extra functionality. We presented three options originally:

1. Maintain the status quo and renew with our current level of licence
2. Upgrade all our licences to M365 E5, benefitting for force wide Teams phone system and Power BI, plus additional compliance functionality (+£1.3m for Essex per year)
3. Option 2 plus MS Call plan to allow external dialling from Teams (+£1.9m for Essex per year)

Options 2 and 3 were rejected due to the increased cost versus functionality, after an external validation review with a Microsoft licensing specialist (The Livingstone Group).

6. Police and Crime Plan

Providing officers and staff with the most efficient and effective IT supports all of the priorities of the Police and Crime Plan. The Microsoft suite of products allows our staff to remain active and out with the public by providing their computer-based application requirements to mobile devices. Officers can be more active and focused on the Plan priorities without having to spend time returning to police premises to access static devices for their Office products. Communication via email and Teams to all colleagues is available on mobile devices due to the O365 licencing terms, and information is consistent across all devices due to the nature of the M365 E3 cloud provision.

7. Police operational implications

The Microsoft Enterprise Agreement provides all operational police officers and staff access to all the IT required for their role. It provides Office applications on their desktop, laptop and mobile devices allowing seamless transfer of emails and Teams across devices. DCC Mills has been engaged in all stages of the procurement process as chair of the O365 Programme Board and is fully aware of the functionality it offers operational policing.

8. Financial implications

This Microsoft Enterprise Agreement is jointly funded with Kent Police. Essex's 50% funding requirements were covered as part of the IT base budget and included in the

2021/22 budget-setting process. Finalised contract costs from 2021/22 to 2023/24 are shown below:

	Year 1	Year 2	Year 3	3 Year Total
Microsoft M365 E3 with E5 Security	£1,780,745.40	£1,780,745.40	£1,780,745.40	£5,342,236.20
Additional Items	£50,027.51	£50,027.51	£50,027.51	£150,082.53
Microsoft Server Licences (SCE)	£209,748.22	£210,848.22	£210,848.22	£631,444.66
TOTAL	£2,040,521.13	£2,041,621.13	£2,041,621.13	£6,123,763.39

During the budget setting process in summer 2020, an indicative budget (pre-procurement) of **£2,503,184** was put in place for the MS Enterprise Agreement contract in the 2021/22 financial year – and the final result (after the Livingstone Group review validation process) represents significant cost avoidance against the original budgetary figure.

9. Legal implications

For Essex Police to continue to access IT devices and utilise the Office 365 suite of products we must remain legally compliant with our licence contract. A three-year Microsoft Enterprise Agreement is the most efficient way of achieving this compliance.

10. Staffing implications

Staff must adhere to several policies and employment legislation that can only be completed or evidenced using IT devices. Fundamentally, if we do not adequately licence our IT estate, we will not be able to provide access to the critical policing IT functions like Storm, ICCS, Athena, SAP etc.

11. Equality and Diversity implications

The Microsoft Office 365 suite of products offers a vast array of IT reasonable adjustment functionality available to all staff. This includes assisting with dyslexia, vision and hearing issues. Other reasonable adjustment software that supports many of our staff is only available via an IT device (like Dragon Naturally Speaking, and Text Help) which will not be available if we do not sufficiently licence our Windows devices.

12. Risks

Failure to enter a new Microsoft Enterprise Agreement will result in the following:

- A breach of Microsoft Windows and Server licence compliance will expose the force to a compliance audit and subsequent fines, only mitigated by ensuring we purchase the correct licences.
- Access to the full suite of Office 365 applications (email, calendar, Teams) will cease on 1st April, mitigated by ensuring we renew our current user licences appropriately.

13. Governance Boards

- The initial options paper was taken to the 0365 Programme Board, chaired jointly chaired by DCC Mills and ACC Faulconbridge, on 23rd November 2020.
- The Microsoft licencing contract recommendations paper was presented to and approved by the Essex Chief Officer Group on 30th December 2020, prior to the 7F procurement process.
- The gateway 2 paper summarising the outcome of the 7F MS EA procurement process was approved by the 7F Procurement Governance Board on 10 February 2021. Since that date, further clarification has taken place with the successful re-seller, further reducing the three-year cost for Essex Police.

14. Background papers

Appendix 1 – Request for Contract Signing and / or Sealing (7F – 2020 – 0156)

Background papers:

Joint Chief Officer Briefing - MS Licensin Essex Chief Officer Group Paper

Essex and Kent M365 Enterprise Agreement Options paper

Report Approval

The report will be signed off by the PFCC Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.


Chief Executive / M.O.

Sign: 

Print: P. Brent-Isherwood

Date: 25 March 2021

Chief Finance Officer / Treasurer

Sign: .....

Print: Julia Berry.....

Date: 25 March 2021.....

Publication

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

Though Appendix 1 (Request for Contract Signing and / or Sealing) is not for publication, as embedded documents are protectively marked "Official- Sensitive – Commercial"

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet?

YES

2. Of Appendix?

YES

NO

NO

If 'YES', please provide details of required redaction:

As set out above, Appendix 1 (Request for Contract Signing and / or Sealing) is not for publication, as embedded documents are protectively marked "Official- Sensitive – Commercial"

Date redaction carried out: 31 March 2021

Treasurer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

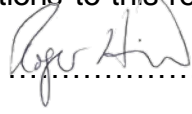
Sign: 

Print: Julia Berry

Chief Executive/Treasurer

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: 

Print: Roger Hirst

PFCC

Date signed: 31 March 2021

I do not agree the recommendations to this report because:

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.....

Sign:

Print:

PFCC/Deputy PFCC

Date signed: