

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

<b>Reference Number:</b>	<b>2062</b>
<b>Author:</b>	<b>Jez Bailey</b>
<b>Department:</b>	<b>Resources</b>
<b>Contact:</b>	<b>Jez Bailey</b> <b>(Job Title: Service Support Manager, Email: jez.bailey@nottinghamcity.gov.uk, Phone: 01158763229)</b>
<b>Subject:</b>	<b>Additional Microsoft Licensing</b>
<b>Total Value:</b>	<b>£310,400 (Type: Capital and Revenue)</b>
<b>Decision Being Taken:</b>	<p><b>Exemption from Financial Regulations 3.29 to dispense with the requirements of the Contract Procedure Rule 5.1.2 and agree to the purchase of the additional licences from our contracted supplier at a cost of £310,400</b></p> <p><b>To delegate the decision to purchase additional licensing under the Microsoft Enterprise Agreement up to a maximum value of £310,400 to the Head of IT.</b></p> <p><b>The funds are sourced from the IT Efficiency Fund (£163,885 capital) and money recharged from departments and accrued for this purpose in the IT revenue budget (£146,515 revenue).</b></p> <p><b>Ammend the Capital Programme to include the additional expenditure from IT Efficiency Fund.</b></p>
<b>Reasons for the Decision(s)</b>	<p><b>Since February 2014 two major IT Programmes - Windows 7 and FIT - have been rolling out new and replacing existing desktop computer devices. To date 3,245 new devices have been installed. This has increased the number of Microsoft windows and other associated licences above the licensing limits in the Microsoft Enterprise Agreement. To maintain support and correctly license these devices a "true up" exercise has identified that additional licenses with a value of £310,400 is required. The "true up" has been completed using internal records in conjunction with our contracted supplier and Microsoft.</b></p>
<b>Other Options Considered:</b>	<p><b>The additional PC's have been identified over the past year as essential to provide and support Council business. PCs cannot operate without these additional devices, nor can the computer estate be reduced so as not to incur these additional costs.</b></p> <p><b>In order to retain technical support and comply with legal requirements it is essential to purchase these additional Microsoft Licences.</b></p>

<b>Background Papers:</b>	<b>Execuctive Board Report and Minutes of the Board 21 May 2013 detailing the background, options available and decision to procure Microsoft Software.</b>
<b>Unpublished background papers:</b>	<b>Exec Board Minutes.pdf, Nottingham City Council - True Up.xls, Exec Board Report 21 May.pdf</b>
<b>Published Works:</b>	<b>Please see attached quote from contracted supplier SBL</b>
<b>Affected Wards:</b>	<b>Citywide</b>
<b>Colleague / Councillor Interests:</b>	
<b>Consultations:</b>	<b>Those not consulted are not directly affected by the decision.</b>
<b>Crime and Disorder Implications:</b>	<b>There are no Crime and Disorder Implications</b>
<b>Equality:</b>	<b>EIA not required. Reasons: This purchase does not have any EIA implications</b>
<b>Decision Type:</b>	<b>Portfolio Holder</b>
<b>Subject to Call In:</b>	<b>Yes</b>
<b>Call In Expiry date:</b>	<b>20/07/2015</b>
<b>Advice Sought:</b>	<b>Legal, Finance, Procurement, IT</b>
<b>Legal Advice:</b>	<p><b>It is considered that there are no significant legal concerns with this procurement the increase in licensing costs being within the terms exsiting contract and the Microsoft licensing regime.</b></p> <p><b>Legal are avaiable to assist with the contractual documentation and advice. Advice provided by Brian Lewis Stewart (Solicitor) on 01/07/2015.</b></p>

**Finance Advice:**

The value of the decision (£310,400) is the amount quoted by the Council's supplier (SBL) to maintain and correctly license the City's computer estate.

IT infrastructure and devices (including PC's and mobile phones) are procured and maintained by the Resources Department's ICT Division. Most of that procurement and maintenance is funded by revenue budget provisions and reserves controlled centrally by ICT. Individual Services that identify a need for additional devices, over and above like for like replacement or planned upgrades, are expected to fund these exceptional requirements from their own budgets. During 2014/15, when it was recognised that additional licensing costs would arise but before the 'true-up' exercise had been completed, Services meeting the cost of their own devices were recharged for licensing costs and the accumulated amount accrued by ICT pending confirmation of the additional liability.

The cost of additional licenses must be met from ICT revenue up to the value of service contributions accrued (£146,515). The remaining £163,885 will be met from balances available within the IT Efficiency Fund as approved by Resources Leadership Team on 24 June 2015 and will be treated as capital expenditure as per the original Executive Board approval. The Capital Programme should be amended to include this element of the additional cost.

Exemption from Contract Procedure Rule 5.1.2. is being sought in accordance with Financial Regulation 3.29 on the grounds that SBL is the City's contracted supplier and that the 'true-up' arrangements form part of the contract.

Value for money will be promoted via the service benefits derived from extending and maintaining the computer estate. Failure to agree the 'true-up' assessment carries the risk of more detailed audit of our computer estate by the supplier and / or legal action under the terms of our existing contract.

Advice provided by C I Sharpe (Finance Analyst) on 03/07/2015.

**Procurement Advice:**

The approval for this purchase was agreed at Executive Board in May 2013 and the chosen supplier was subject to a fully compliant EU tendering process and the Procurement Team support the recommendations of this report.

Advice provided by Paul Ritchie (Procurement Category Manager) on 28/05/2015.

**IT Advice:**

The IT Service supports this proposal.

Additional licensing is required to enable the Council to operate a standard set of software across its desk-top estate. A standard environment makes support easier and reduces the risks associated with file conversions between different operating systems and applications providing the same functionality.

Advice provided by Paul J. Burrows (Strategy Manager) on 18/05/2015.

**Signatures**

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 08/07/2015
Glen O'Connell (Acting Corporate Director of Resources)
SIGNED and Dated: 07/07/2015