



**13.3** **MICROSOFT LICENSING AND SERVICES CONTRACT 2021 - 2024**

**EXECUTIVE MEMBER:** **CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE**

**PREPARED BY:** **JULIA KOGAN, IT BUSINESS PARTNER**  
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**1. PURPOSE**

- 1.1 To award the Microsoft Enterprise Agreement (MS EA) for a period of 3 years to SoftwareONE Australia Pty Limited as presented by the Tender Evaluation Panel for tender RFQ0002791.

**2. EXECUTIVE SUMMARY**

- 2.1 Microsoft provide the software used by Council to operate the technology infrastructure and the business productivity suite of applications. Microsoft products are central to the effective ongoing operation of the Information Technology function within Council.
- 2.2 The current Enterprise Agreement is due to expire on 30 September 2021. There is no option to extend.
- 2.3 Microsoft require Local Government customers to purchase products and services through a Licencing Partner. Microsoft will not engage directly with Council. Suppliers of Microsoft Licencing were selected from of the Municipal Association of Victoria (MAV) Panel contract number NPN2.17- 3. Four organisations were approached based their capacity to manage complex licencing in Local Government. Four conforming responses were received and given equitable scrutiny as per the Council's requirements.
- 2.4 Two tender responses were shortlisted as most appropriate to Council's requirements and were further interviewed, then provided with the opportunity to put forward a Best and Final offer (BAFO). Responses were evaluated to understand the service offering and the BAFO evaluated to provide a final score.
- 2.5 The panel unanimously agreed that the SoftwareONE evaluation score determined the best outcome for Microsoft Licencing under this tender.

**3. RECOMMENDATION**

That Council:

- 3.1 Awards SoftwareONE Australia Pty Limited the contract to provide Microsoft Licencing to Council for a period of 3 years commencing 1 October 2021 to 30 September 2024.
- 3.2 Notes that the total contract value be \$2,480,000 excluding GST over 3 years.
- 3.3 Authorises the CEO, or his delegate, to execute the necessary contract documents.

**4. KEY POINTS/ISSUES**

- 4.1 The Municipal Association of Victoria (MAV) has established procurement panel contracts to leverage the combined purchasing power of Victorian councils to achieve better value on products and services.





- 4.8 For the qualitative value evaluation, MAV panel suppliers were asked to provide recommended licencing options based on the supplied licence profile and their respective services to assist in managing the licence portfolio for Council.
- 4.9 The panel identified two panel suppliers that demonstrated high conformance with the requirements of the tender specification. These members were invited to present their value proposition and submit a Best and Final Offer (BAFO). The same evaluation methodology was followed as the initial finance and value assessment.
- 4.10 The panel is unanimous in its recommendation that SoftwareONE be Council's preferred Microsoft Enterprise Agreement partner for the following reasons:
  - 4.10.1 Their overall proposal to deliver on the specified requirements was outstanding with demonstrable understanding of Council's needs.
  - 4.10.2 They exhibited strong technical and process capability in line with managing Microsoft licensing for complex environments.
  - 4.10.3 A depth of understanding of the Local Government domain and how licensing agreement constructs are formed and managed in this sector.
- 4.11 Reference checks were conducted with similar organisations including two other metro Council. All referees for SoftwareONE provided confirmation of their responsiveness as a service provider, spoke highly of the quality of advice provided and excellence in managing the contract and advice provided to their businesses.

## **5. CONSULTATION AND STAKEHOLDERS**

- 5.1 Not applicable

## **6. LEGAL AND RISK IMPLICATIONS**

- 6.1 Council is obliged to correctly licence software applications used by the organisation to meet the terms of use for Microsoft products. SoftwareONE is well resourced with experienced personnel, and this should ensure that Council avoids risk that may lead to financial loss or have a negative impact on Council's reputation

## **7. FINANCIAL IMPACT**

- 7.1 The expected gross cost of using the preferred supplier over the next 3 years is \$2,480,000 excluding GST. This is within budget for this cost category.
- 7.2 The response from SoftwareONE provides the best value proposition for Council.  
  
A standard financial evaluation was conducted of the preferred supplier. A report obtained by Council's Business Lead Procurement and Contracts highlighted the capacity of the preferred supplier to provide the service in accordance with Council's requirements, with an extremely low risk of failure.

## **8. ENVIRONMENTAL IMPACT**

- 8.1 Not applicable

## **9. COMMUNITY IMPACT**

- 9.1 The Microsoft licences are acquired to provide essential technology operations into Council. The effect of not having these services adequately licenced or managed will be impactful on Council in providing the array of services reliant on technology to the community



**10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

10.1 The provision of Microsoft software is necessary for a well governed Port Phillip.

**11. IMPLEMENTATION STRATEGY**

**11.1 TIMELINE**

11.1.1 The contract between Council and the successful supplier to be executed as soon as practicable following the Council meeting on 15 September 2021.

11.1.2 Council staff will work with the successful supplier to ensure all relevant documentation required by Microsoft is completed and submitted in time for processing by both the tenderer and Microsoft.

11.1.3 The new Microsoft contract will officially begin on 1 October 2021 for a term of 3 years.

**11.2 COMMUNICATION**

11.2.1 Contract documentation will be executed with the successful tenderer as required by Microsoft.

11.2.2 Unsuccessful respondents will be notified and offered a debrief.

**12. OFFICER DIRECT OR INDIRECT INTEREST**

12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

**ATTACHMENTS** Nil