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**Report To: Policy & Resources Committee**

**Date: 19th June 2012**

**Report By: Corporate Director Environment,  
Regeneration and Resources**

**Report No:  
FIN/42/12/AP/BH**

**Contact Officer: Brendan Hurrell**

**Contact No: 2654**

**Subject: Permission to procure Microsoft Licences at a cost in excess of  
£250,000 from the relevant Government Procurement Service  
Framework**

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## **1.0 PURPOSE**

1.1 The purpose of this report is to obtain Committee approval as required in terms of Inverclyde Council's Financial Regulations to procure Microsoft Licences at a cost in excess of £250,000, from the relevant Government Procurement Service Framework.

## **2.0 SUMMARY**

2.1 The Office of Government Commerce (OGC) changed their name to the Government Procurement Service (GPS) in late 2011. The OGC had a number of procurement frameworks which were made available to public bodies in the UK. These Frameworks have now migrated to the GPS. These frameworks cover many goods and services requirements such as manpower and software including Microsoft licences.

2.2 ICT have a current requirement to purchase Microsoft licences for the Council for the next 3 years. These could be purchased via an open tender but it is quicker and easier to procure via an existing framework agreement. The estimated cost of the purchase of licences is £170,000 in year one of the agreement and up to approximately £200,000 in years 2 and 3. The total contract value is approximately £600,000.

2.3 A mini competition will be carried out under the relevant GPS Framework to secure Best Value.

2.4 The Contract Standing Orders permit the use of OGC Frameworks. However, the Financial Regulations state that before tender documents are issued, Committee approval is required for all contracts with a value greater than £250,000.

2.5 Tenders will be advertised on the basis of 60% cost and 40% quality. Costs are almost standard within the framework and there is little variation. Any benefit realised will be as a result of additional offers such as, training or the offer of additional licences for employees' use at home.

## **3.0 RECOMMENDATIONS**

3.1 That approval be given to procure Microsoft Licences with a total contract value of approximately £600,000 from the relevant GPS Framework.

**Aubrey Fawcett  
Corporate Director Environment, Regeneration and Resources**

## 4.0 BACKGROUND

- 4.1 The Office of Government Commerce (OGC) changed their name to the Government Procurement Service (GPS) in late 2011. The OGC had a number of procurement frameworks which were made available to public bodies in the UK. These Frameworks have now migrated to the GPS. These frameworks cover many goods and services requirements such as manpower and software.
- 4.2 ICT have a current requirement to purchase Microsoft licences for the Council for the next 3 years. These could be purchased via an open tender but are available at a reduced rate on a GPS framework. The estimated cost of the purchase of licences is £170,000 in year one of the agreement and up to £200,000 in years 2 and 3. The total contract value is approximately £600,000.
- 4.3 The Financial Regulations state that committee approval is required for all contracts with a value greater than £250,000. The contract Standing Orders state that Procurement Scotland and Scotland Excel contracts are exempt from this under contract standing order 3.4.1. However, GPS Frameworks over £250,000 are not exempt from these rules.
- 4.4 Committee approval is sought to use the GPS framework for the purchase of Microsoft Licences.
- 4.5 As GPS frameworks are commonly used across the UK and by Inverclyde Council, committee approval is also sought to use GPS contracts on an ongoing basis without a further requirement to request approval on each occasion the frameworks. These agreements have been put together by specialist procurement staff on behalf of all UK public bodies and as such should be deemed as carrying a low risk when being used by Inverclyde Council.
- 4.6 It is possible that Government Cloud-based services may be a more appropriate licensing mechanism in future, although at this date these do not comply with the relevant security standards for the Council. These frameworks are within the Government e-Marketplace and Government Cloud Store within GPS. If approval is granted to use GPS on an ongoing basis, the Council will be well positioned to use these Frameworks should security measures change.
- 4.7 Tenders will be advertised on the basis of 60% cost and 40% quality. Costs are almost standard within the framework and there is little variation. Any benefit realised will be as a result of additional offers such as, training or the offer of additional licences for employees' use at home.

## 5.0 FINANCIAL IMPLICATIONS

5.1	Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
	00954 000 30152	Computer Software Maintenance	June 2012	£200,000	N/A	

## 6.0 CONSULTATION

- 6.1 The Head of Legal & Democratic Services has been consulted in the preparation of this report.