

Committee(s)	Dated:
IT Sub Committee – For Information	14 November 2016
Subject: IT Division – IT Contracts Update	Public
Report of: The Chamberlain	For Information
Report author: Rajiv Rathod, IT Contracts & Supplier Manager	

Summary

The IT Division have been reviewing two existing large contracts: the Managed Print Service and our Microsoft Volume Reseller.

Managed Print Service

- The Managed Print Service contract that provides all of our multi-function printing devices is currently provided by Konica Minolta and expires on the 31st August 2017.
- Significant effort has been undertaken to collate the requirements the Corporation, City Police and institutional departments have for printing devices.
- Working closely with City Procurement, the IT Division will be going out to market to award a new Managed Print Service contract in April 2017.

Microsoft Volume Reseller

- In 2014 the City of London Police and the City of London Corporation signed agreements for similar but separate contracts for a Microsoft reseller. Both contracts were signed with Phoenix Software following a procurement process completed in partnership with City Procurement.
- The contracts expire in 2017 and the IT Division therefore issued one tender for both agreements this September.
- The services that will eventually be procured through the volume license reseller are desktop products such as Office, Visio, and Project, and licences to access server based systems such as email and databases.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Managed Print Service

1. The current arrangement we have for the provision of printing devices across the Corporation, Police and institutional departments comes to an end (after a six month extension) on 31st August 2017.
2. The Procurement Steering Group were written to in June to nominate stakeholders to participate in a working group so that representatives from across the organisation could be involved. The aim of the working group is to capture the print requirements from the diverse groups we have across the Corporation, Police and institutional departments.
3. As well as participating in meetings of the working group , the IT Division has met separately with key departments, and increased engagement with the Procurement Steering Group. This has improved the quality and completeness of the requirements that will be taken forward.
4. The approach taken for the new contract has been developed by the working group and was ratified by City Procurement and other stakeholders at the IT Category Board on the 7th November.
5. The approach includes the change from paying rental and usage in arrears to a model focused on consumption so that the Corporation only pays for its actual usage. This is expected to provide a significant saving against the current arrangement and further details of the savings will be provided to Members at a future meeting..
6. The contract initially be a like for like replacement, with the capability to rationalise printers and therefore further reduce costs. A requirement has been set for the supplier to help develop a print strategy with the Corporation, which would require internal approval before any change. For example, a reduction in the total number of devices.
7. A central government Crown Commercial Service framework will be used for the procurement. When this framework is live, a customer pack including terms and conditions will be provided by the end of November, from which the financial clauses will be reviewed by the Finance Team.
8. On approval of the Crown Commercial framework, the IT Division will go out to market for a 5+1+1 year contract in December with a contract award expected in April 2017 following appropriate committee approvals.

Microsoft Volume Reseller

9. In January 2014 the City of London Police signed agreements for the supply and support of Microsoft licences. In June 2014 the City of London Corporation signed agreements for a similar contract. Both contracts were signed with

Phoenix Software.

10. The contracts expire January 2017 and June 2017 respectively, and the IT Division issued one tender for both agreements this September. As Microsoft only sell through 3rd parties, the tender was for a certified Microsoft Volume reseller, similar to the current arrangement.
11. The services included are desktop products such as Office, Visio, and Project, licences to access server based systems such as Exchange (our email service), and licences and support for server operating systems such as Windows Server.
12. After a competitive bidding process, Phoenix Software scored the highest and won the tender, meaning they will continue to provide Microsoft licences to the organisation for a further three years and support us through the adoption of more cloud services.
13. Microsoft has announced that pricing may increase by up to 22% from the start of 2017. Although IT division will attempt to take advantage of any preferential price we are unlikely to know the full licensing requirement before the increase takes effect. The IT Division will continue to work with Phoenix to identify new licences that may be required during the contract term so that the price of these potential requirements are fixed before the end of the calendar year

Appendices

- None

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