

<b>Committees:</b>	<b>Dates:</b>
Corporate Projects Board Projects Sub IT Sub Committee	10 January 2017 31 January 2017 20 January 2017
<b>Subject:</b> Gateway 1 & 2 Project Proposal: Microsoft Licencing and Cloud productivity suite	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>

### Recommendations

<b>1. Next steps</b>	<ul style="list-style-type: none"> <li>• Determine high level user requirements</li> <li>• Produce options appraisal, business case and five year TCO model</li> <li>• Prepare gateway 3/4 report setting out recommended way forward.</li> </ul>												
<b>2. Approval track and next Gateway</b>	<p><b>Approval track:</b> 2. Regular</p> <p><b>Next Gateway:</b> Gateway 3/4 - Options Appraisal (Regular)</p>												
<b>3. Resource requirements to reach next Gateway</b>	<table border="1"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Funds/ Source of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>Business case and options appraisal</td> <td></td> <td>Existing resource</td> <td>No additional funds sought</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Item	Reason	Funds/ Source of Funding	Cost (£)	Business case and options appraisal		Existing resource	No additional funds sought				
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### Project Summary

<b>4. Context</b>	<p>Our current Microsoft Licencing agreement needs to be renewed by June 2017 to stay compliant and ensure the Corporation is appropriately licenced for the software it uses. This agreement covers a range of software including Office, Windows, Exchange, SharePoint and Servers. This is coupled with our current core solutions of Exchange and SharePoint now approaching EOL. We need to make some key decisions on how this key infrastructure and software will be provided in</p>
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	the future and what options provide the lowest total cost of ownership while delivering the business requirements.
<b>5. Brief description of project</b>	<p>This proposal recommends that a programme of work is mobilised to explore our licencing and future delivery options. The works will evaluate a number of key options including cloud (Office365 plus alternative providers) and optimal licence regimes (E3, E1 and other plans).</p> <p>The outcome of this project will be a recommendation for future licencing and core productivity software delivery based upon a 5 year Total Cost of Ownership against the options and business needs. This project will deliver recommendations early in 2017 to provide appropriate time to deliver an agreed future licencing model.</p>
<b>6. Consequences if project not approved</b>	<p>Inability to provide modern fit for purpose IT solutions to support the operation of the Corporation, and the collaboration with both public and private partner organisations.</p> <p>The need for a licencing agreement is essential to the effective operation of the corporation, and the delivery key IT transformation programmes ie Desktop Refresh/Managed Desktop.</p> <p>Our entitlement under agreement permit usage of current product set until the end of the current term in June 2017. We are required to maintain a compliant licensing regime.</p>
<b>7. Success criteria</b>	<p>Robust, secure and cost effective IT solutions that meet the needs of the business, our customers and support collaborative working.</p> <p>This will be achieved by;</p> <ul style="list-style-type: none"> <li>• Defining the end to end technology solution</li> <li>• A design meets the IT strategy</li> <li>• Technology solutions that are aligned to industry standards and best practice</li> <li>• Technology aligned to business needs and requirements</li> </ul> <p>The whole approach will be based upon a sound business case</p>
<b>8. Key Benefits</b>	<ul style="list-style-type: none"> <li>• Licensing model that better meets current and future demand.</li> <li>• Greater agility in supplier base.</li> <li>• Improved collaboration and flexible working.</li> <li>• Maintenance of latest software versions.</li> </ul>
<b>9. SMART Objectives</b>	<ul style="list-style-type: none"> <li>• Compliant licensing model in place by end of current agreement. - Director of IT Services</li> <li>• Licence model that better matches consumption and demonstrates value for money. – Director of IT Services</li> </ul>

<b>10. Notable exclusions</b>	The proposal excludes the institutional departments, and the City of London Police who have their own licensing arrangements with Microsoft.
<b>11. Governance arrangements</b>	<b>Spending Committee:</b> Finance Committee <b>Senior Responsible Officer:</b> Director of IT <b>Project Board:</b> Yes

### Prioritisation

<b>12. Link to Strategic Aims</b>	2. To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes
<b>13. Links to existing strategies, programmes and projects</b>	This work reflects the Corporation's IT Strategy and the National Local Government IT Category strategy. It supports and augments the currently approved Managed Desktop Transformation programme and End User Device Programme.
<b>14. Project category</b>	6. Improvements in productivity/efficiency
<b>15. Project priority</b>	A. Essential

### Options Appraisal

<b>16. Overview of options</b>	Renewal Microsoft Enterprise Agreement and transition away from on premise to cloud delivery. Renewal Microsoft Enterprise Agreement (Subscription model) Transition to alternative non-Microsoft product stack.
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### Project Planning

<b>17. Programme and key dates</b>	<b>Overall programme:</b> Phase 1 – Desktop evaluation of options described above, and determine optimal solution; Phase 2 -Assess the Corporation's technical readiness to adopt recommend solution; Phase 3 – Procure software and server licences to align licensing structure; Phase 4 – Remediate infrastructure and transition to new services; Phase 5 – Fully implement recommended solution.
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	<p><b>Key dates:</b></p> <p><b>Other works dates to coordinate:</b></p> <p>The roll-out of the new managed desktop will be co-ordinated with this work package. It is anticipated that this will commence from Q3 2017.</p>
<b>18. Risk implications</b>	<p><b>Overall project risk: Green</b></p> <ul style="list-style-type: none"> <li>• Failure to agree approach prior to expiry of current Microsoft enterprise agreement by June 2017, could lead to loss of ability to use current Microsoft suite.</li> <li>• Sufficient lead time will be required to transition to any other vendor.</li> <li>• Retaining services on premise will result in loss of functionality overtime, as this approach will be sub-optimal as vendors move to the cloud.</li> </ul>
<b>19. Stakeholders and consultees</b>	<p>Consultation and engagement is underway with IT Steering Group, Strategic Resources Group, Summit Group and Members, via the IT Sub Committee.</p> <p>Support will be required from City Procurement and Finance in relation to any funding requirement and procurement activity.</p> <p>Engagement is actively taking place with the current IT managed service provider and any resulting contractual will be enacted.</p>

### Resource Implications

<b>20. Total estimated cost</b>	<b>Likely cost range:</b>	
	2. £250k to £5m	
<b>21. Funding strategy</b>	<p>Choose 1:</p> <p>No funding confirmed</p>	<p>Choose 1:</p> <p>Internal - Funded wholly by City's own resource</p>
	<p>Not known at present will be identified through the business case development phase. It is expected to be less than the existing infrastructure in place.</p>	
<b>22. On-going revenue implications</b>	<p>The ongoing revenue implications will be resultant on the adopted solution. A range of revenue implications are expected to be determined through the development of the business case phase.</p> <p>A move to cloud-based provision has the potential to allow for a reduction in storage and usage costs associated with the managed service IaaS platform.</p>	

<b>23. Investment appraisal</b>	<p>As part of the business case a full five year total cost of ownership model will be developed.</p> <p>This will demonstrate any return on investment and any on-going reduction in terms of current revenue costs.</p>
<b>24. Procurement strategy/Route to Market</b>	<p>Software licenses and support are highly commoditised items where pricing is generally set at enterprise or government level via organisational agreements, government MoUs or CCS's frameworks.</p> <p>The value of the requirement is above the OJEU threshold and will be subject to the UK Public Contract Regulations.</p> <p>Software licensing agreements applicable to these requirements have been identified as; OJEU (restricted procedure notice), CCS frameworks, G-Cloud frameworks.</p>
<b>25. Legal implications</b>	<p>The Corporation needs to ensure that it remains compliant with all vendor contractual licencing requirements. Failure to do so represents a significant financial and reputation risk.</p>
<b>26. Corporate property implications</b>	<p>The move to cloud based applications removes the reliance on the Corporation to provide and maintain on premise IT infrastructure, ie servers.</p>
<b>27. Traffic implications</b>	<p>None</p>
<b>28. Sustainability and energy implications</b>	<p>Aggregating demand into purpose designed cloud environments should result in reduced local power usage through the adoption of model environmental standards.</p>
<b>29. IS implications</b>	<p>This proposal is in alignment with the IT Strategy.</p> <p>The business case can be developed through existing skills and resources deployed within the IS Division.</p> <p>Should it be possible to demonstrate a compelling business case, a specialist implementation partner will be sought through a compliant procurement route.</p>
<b>30. Equality Impact Assessment</b>	<p>An equality impact assessment will be undertaken</p>

### Contact

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