

REQUEST FOR DMPC DECISION – PCD 199**Title: Procurement of Microsoft Custom Support Agreement****Executive Summary:**

This paper seeks approval for the purchase of further Custom Support Agreement from Microsoft for Windows 2003 and SQL Server 2005 for one year at a cost of £1,680,000.

Recommendation:

The DMPC is asked to

1. Approve the renewal of Custom Support Agreement (CSA) from Microsoft in relation to Windows 2003 and SQL Server 2005 for a 12 month period from April 28th 2017 to April 27th 2018 at a cost of £1,680,000.
2. Delegate authority to the Commercial Director (Procurement) to award the contract renewal directly to Microsoft.

Deputy Mayor for Policing And Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature**Date**

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. Windows 2003 and SQL Server 2005 products that are used in MPS operational services. The MPS has retained these older products to ensure compatibility with its legacy business application estate. For products that are out of support, it is Microsoft's usual practice to offer customers a CSA.
- 1.2. To support the MPS to move away from legacy technologies, Microsoft is allowing 75% of the cost of the CSA to be reinvestment in consultancy and project work. The reinvestment will be based around the Windows 2003 and SQL Server 2005 technologies, however Microsoft has confirmed the reinvestment will not be limited to these areas and could include related areas such as the possible migration to cloud services.
- 1.3. The extension of these CSA by a further 12 months aligns with the ongoing transformation projects that will support the One Met Model and the Police and Crime Plan.

2. Issues for consideration

- 2.1. The renewal of the CSA is necessary to ensure any system failures are addressed and to minimise the risk of data loss and service outage.
- 2.2. See the Part 2 for details.

3. Financial Comments

- 3.1. The funding of £1,680,000 is provided for in the MPS's revenue budget.
- 3.2. Further details are discussed in the Part 2.

4. Legal Comments

- 4.1. The procurement route will be direct with Microsoft, as it is the only available route. Section 32 of the 2015 Public Contract Regulations allow for a direct route when there is an absence of competition for technical reasons or when Intellectual Property Rights are involved. The services required are only provided by Microsoft.

5. Equality Comments

- 5.1. There are no direct equality or diversity implications arising from this report

6. Background/supporting papers

- 6.1. Report.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred ? NO

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rational for non-publication.

Is there a **part 2** form – Yes

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

ORIGINATING OFFICER DECLARATION:

Head of Unit: The Chief Financial Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Chief Financial Officer has been consulted on this proposal.	✓
Equalities Advice: No Equality and Diversity issues identified.	✓

OFFICER APPROVAL**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature *R. Lawrence*

Date *7/6/17*

INVESTMENT ADVISORY BOARD

25th May 2017

Microsoft Custom Support Agreement Renewal

Summary

The Metropolitan Police Service is seeking approval to renew an extension of support from Microsoft for Mission Critical IT services via a Custom Support Agreement.

A. RECOMMENDATIONS - That the Deputy Mayor for Policing and Crime:

1. Approves the renewal of support from Microsoft in relation to Windows 2003 and SQL Server 2005 for a 12 month period from 28th April 2017 to 27th April 2018.
2. Delegates authority to the Commercial Director (Procurement) to award the renewal directly to Microsoft.

B. SUPPORTING INFORMATION

1. The cost of the renewal is £1,680,000 for the period 28th April 2017 to 27th April 2018. Microsoft do not offer multi-year deals on CSA's.
2. Microsoft Windows 2003 and SQL Server 2005 products underpin core operational services.
3. As is industry practice, the MPS has retained these older products to ensure compatibility with our legacy business application estate. This means that these products are out of normal support from Microsoft but, as is its usual practice, Microsoft has offered on-going Custom Support Agreements (CSAs) for each.
4. Extension for one further year aligns with ongoing transformation projects that will support the One Met Model and MOPAC Police and Crime Plan.
5. Purchase will be direct with Microsoft.
6. Microsoft are allowing 75% of the cost of the CSA as reinvestment in consultancy and project work, to assist the MPS in moving away from legacy technologies wherever possible. The reinvestment will be based around the Windows 2003 and SQL 2005 technologies, but Microsoft have stated that it will not be limited to these areas, therefore, the MPS can use it in other related areas, such as the possible migration to cloud services.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. Diversity and Citizen Focus Directorate have been engaged as part of the internal MPS review process and have confirmed they are no implications to Equality and Diversity.

Financial Implications / Value for Money

1. The cost will be met from the overall 2017/18 MPS revenue budget. Further detail is provided in Part 2, Appendix A.
2. To ensure value for money, negotiations have been led by the Crown Commercial Service (CCS) on behalf of MOPAC. This is a joint deal with the Ministry of Justice (MoJ), Ministry of Defence (MoD), and Foreign and Commonwealth Office (FCO). All participating entities must agree to the new arrangements in order to take advantage of a 28% discount being offered.

Legal Implications

1. Directorate of Legal Services have been engaged as part of the internal MPS review process and have confirmed we are compliant by undertaking the procurement in accordance with section 32 of the 2015 Public Contract Regulations – Use of the Negotiated Procedure without Prior Publication. The section states this route can be used when there is an absence of competition for technical reasons or when IPR issues are involved. The required services are only provided by Microsoft.

Consultation undertaken

1. The subject has been widely circulated as part of the internal MPS review process. Further detail on the reviewing groups is provided in Part 2, Appendix B.

Risk (including Health and Safety) Implications

1. Not renewing this extension would result in unacceptable risk to the MPS as indirect financial requirements may be unbounded to resolve failed systems and could leave the MPS at risk of data loss and service outage.
2. The MPS has taken the decision to not proceed with custom support of legacy desktop Operating Systems (OS) on the basis that; support is withdrawn in October 2017, that desktop legacy OS are being eliminated by the Mobility Programme and that the MPS has multiple internal layers of security already in place to combat such threats. However, to further mitigate this decision, any future Custom Support patches (which Microsoft has previously released free-of-charge) will be proactively monitored by the MPS to assess our own risks. The MPS can then utilise the Premier Support Agreement we have in place to work with Microsoft, to determine a response to any threat and at this point, if required, the MPS would retrospectively enroll in Custom support until it is withdrawn in October. Nationally, the recent virus threat has highlighted some areas of concerns for Policing partners and organisations like the NHS. This is not the case for the MPS which is currently at 95% + levels (and rising) in terms of up-to-date patches for legacy desktop OS.

Real Estate and Environmental Implications

1. This renewal will support transformation projects which will see MPS ICT systems migrate from legacy Data Centre's to the strategic Data Centre's. Part of the transformation will see a reduced ICT footprint within the new strategic sites onto a consolidated platform.

Background papers:

EXEMPTIONS

1. The Business Justification Paper is included in Part 2 (separate attachment) and is exempt from publication for the following reasons:

- Part 2 is exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information Order 2011).
- The FOIA that would exempt this information disclosure is:

Section 1 - Decisions required - page 3 - bullets 3 to 8. (Section 43 – Commercial and Law enforcement - Section 31)

Section 2 - Strategic Case - pages 3 - 4 - Entire pages (Law enforcement - Section 31)
page 5 - 6 all tables (Section 43 – Commercial and Law enforcement - Section 31)

Section 3 - economic Case - page 6 – bullets 1 to 5 and all tables (Section 43 – Commercial and Law enforcement - Section 31)

Section 4 - Commercial Case - page 7 – bullet point 4 (Section 43 – Commercial)

Section 5 - Financial Case – page 8 – Financial Table (Section 43 – Commercial)

Section 6 - Management Case – page 8 – bottom para of page 8 – all bullets page 8- 9 and last para – page 9 (Law enforcement - Section 31)

2. Part 2 will cease to remain confidential until 7 years from the end date of the renewal:
27/05/2018

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