



THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

Request: For Police and Crime Commissioner (PCC) approval.

Title: Provision of a Microsoft Enterprise Agreement - CPC-0001821

Executive Summary:

In September 2022 under the Yorkshire and The Humber (YATH) ICT Framework Cleveland Police entered into a direct award contract with Phoenix Software Ltd for the procurement of Microsoft Enterprise Licences. The Microsoft Enterprise Licence Agreement encompasses desktop / laptop operating systems, office software, and M365 applications and licences in the Azure tenant. Licencing of Endpoints for Windows and Office 365, including security, management of mobile devices and access to M365 services including Teams.

Cleveland Police benefitted from Microsoft E5 ramped discounts applied for the term of the contract of 45% in year 2022-2023, 39% in year 2023-2024 and 32% in year 2024-2025. However, this was a one-time offer.

The current contract is due for renewal on 1st October 2025 and Microsoft have replaced the ramped discount with the standard 32% discount on the E5 licenses for the full 3-year EA period.

The YATH Framework has now expired and in its place is West Yorkshire Combined Authority (WYCA) Framework for the supply of IT Hardware, Networking & Security Equipment and Commercial off the Shelf Software (COTS) Ref.2821-2022.

Prior to the renewal of the contract, Digital Services and ICT looked at the current estate and have agreed the correct number of licences to be renewed. Under the direct award West Yorkshire Combined Authority ICT Framework, Cleveland Police approached Phoenix Software Ltd to provide a quote to purchase Microsoft Enterprise licences

Decision: Following a compliant route to market via the West Yorkshire Combined Authority (WYCA) Framework for the supply of IT Hardware, Networking & Security Equipment and Commercial off the Shelf Software (COTS) Ref.2821-2022, the quote was evaluated by ICT, digital Services and Procurement and established that this was the most economic route.

The PCC is asked to approve the award of the contract to Pheonix Software Ltd.

OPCC Lead Officer:

Michael Porter

Contractor Details (if applicable): Phoenix Software Ltd, Blenheim House, York Road, Pocklington, York YO42 1NS

Implications:

Has consideration been taken of the following:

Yes

No

Financial	☒	☐	
Legal	☒	☐	
Equality & Diversity	☒	☐	
Human Rights	☒	☐	
Sustainability	☒	☐	
Risk	☒	☐	
(If yes please provide further details below)			

Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's Chief Finance Officer where the decision has financial implications)

The previous contract value over the 3-year term was £2,756,600.72 and this included all applied discounts and extra licences bought year on year (Year 1 = £758,141.97, Year 2 = £932,780.33 and Year 3 = £1,065,738.42)

Over the course of the last 3 years agreement, there have been a number of price increases which equate to approximately 10% which affect the underlying price file which the Crown commercial Service negotiated discounts have been applied, meaning that the overall value of the contract has increased in value.

The new contract price of £3,555,871.20 based on current requirements below with the applied 32% standard discount are:

Qty	Description	Year 1	Year 2	Year 3	Total
2833	M365 E5 Unified Existing Customer Sub Per User	£1,084,812.36	£1,084,812.36	£1,084,812.36	£3,254,437.08
290	M365 E3 Unified Existing Customer Sub Per User	£66,537.60	£66,537.60	£66,537.60	£199,612.80
290	EMS E5 SU EMS E3 Per User	£21,958.80	£21,958.80	£21,958.80	£65,876.40
5	O365 E1 Existing Customer Sub Per User	£325.20	£325.20	£325.20	£975.60
5	Visual Studio Pro MSDN ALng LSA	£1,407.60	£1,407.60	£1,407.60	£4,222.80
6	Planner & Project P3 Sub Per User	£1,242.72	£1,242.72	£1,242.72	£3,728.16
4	Planner & Project P5 Sub Per User	£1,518.72	£1,518.72	£1,518.72	£4,556.16
1	Power BI Pro Sub Per User	£96.60	£96.60	£96.60	£289.80
40	Visio P2 Sub Per User	£4,142.40	£4,142.40	£4,142.40	£12,427.20
50	Phone Resource Account Sub Phone System Virtual User	£0.00	£0.00	£0.00	£0.00
10	Teams Rooms Pro Sub Per Device	£3,248.40	£3,248.40	£3,248.40	£9,745.20
		£1,185,290.40	£1,185,290.40	£1,185,290.40	£3,555,871.20

However, without the discounts applied by Microsoft the costs would have been £5,221,083.96. Applying the discounts there is a cost avoidance saving of £1,664,959.31.

The costs of this contract will need to be contained within the budget for 2025/26 and then factored into the inflationary costs that are built into the financial plans for 2026/27 and beyond.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

There are no legal implications arising, the procurement process has been completed in line with the Procurement Act 2022, utilising the West Yorkshire Combined Authority Framework.

Equality and Diversity Implications:

There are no diversity & equal opportunities implications associated with the award of this contract

Human Rights Implications:

There are no Human Rights implications associated with the award of this contract

Sustainability Implications:

There is no sustainability implications associated with the award of this contract

Risk Management Implications:

There could be a financial risk should Cleveland Police choose an E3 licence with Security and then must upgrade to an E5 licence due to potential loss of any future additional development. Investigations to date are inconclusive as to whether using E3 with Security add-ins is an appropriate route to take. Cleveland Police are therefore only purchasing E3 licences to enable external forces to connect, who are currently running with this licensing arrangement.

Currently Cleveland Police falls under Commercial level D of Microsoft pricing structure and receives the highest-level discount negotiated between Microsoft and Crown Commercial Service. In the coming year Microsoft is doing away with this pricing structure and all businesses will fall under Commercial level A which is the highest level of underlying price before discount.

Microsoft have negotiated a price increase which comes into effect on the 1st November 2026 which will not effect this 3-year renewal but will affect the price after expiration. As Microsoft do not allow a contract term for more than 3 years Cleveland Police ICT and Finance have requested to be kept abreast of any Microsoft price increase going forward so that they can have an indication of what the cost will be in 2028 to assist in forward planning.

OFFICER APPROVAL

Monitoring Officer:

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed



Date 01.09.25

Police and Crime Commissioner:

The above request HAS my approval.



Signed

Date 02.09.25