

### 7.3.1 SUPPLY OF MICROSOFT LICENSES AND AZURE CREDITS

<b>Responsible Manager:</b>	Adil Khan, Chief Information Officer - Digital and Technology
<b>Responsible Director:</b>	Simone Wickes, Director Corporate Services

#### RECOMMENDATION

That Council

1. Approves access to the Victorian Government Department of Government Services, State Purchasing Contract (SPC), DPC-ICT-04-2020 Microsoft Enterprise Agreement (EA) for the Supply of Microsoft Licensing and Azure Credits, under Council Contract 2026028, with services delivered through the appointed reseller, as a schedule of rates-based contract with an estimated contract value of \$3,501,000 (inclusive of a \$319,000 contingency);
2. Authorises the Chief Executive Officer or their delegate to execute the contract agreement;
3. Notes that the contract is for a term of two years, which will commence on 1 April 2026 and conclude on 31 March 2028, and the contract has no extension options; and
4. Notes that the estimated schedule of rates-based contract values outlined above are based on historical expenditure and anticipated future spend, incorporating allowances for inflation and projected growth (please refer to the financial section for more information).

(Please note that all dollar figures are exclusive of GST unless stated otherwise).

#### INTRODUCTION

Council Officers propose to continue accessing the SPC Microsoft EA (DPC-ICT-04-2020), for the Supply of Microsoft Licensing and Azure Credits under the proposed Council Contract 2026028.

#### BACKGROUND

The proposed Council Contract 2026028 Supply of Microsoft Licensing and Azure Credits ensures continued access to critical Microsoft technologies that are foundational to Council's digital operations. These technologies include enterprise solutions such as Windows 11, SQL Server, Windows Server, Project, Visio, Azure, Intune, Teams, PowerApps, Azure Update Manager, Azure Virtual Desktop, Copilot, as well as Office 365 E5 licensing with advanced security features.

Council's current Microsoft arrangement is delivered under Council Contract 2023177 Supply of Microsoft Software and Azure Credits, awarded to Data#3 Ltd as the sole reseller under the SPC contract. The SPC agreement was for a fixed term ending 31 March 2026.

#### NOTIFICATION

A Public Notice was not required because the proposal is to continue accessing the SPC, Microsoft EA Contract (DPC-ICT-04-2020) as allowed under Council's Procurement Policy.



## **TENDER EVALUATION**

In August 2025, the SPC released a two-year extension option to their Microsoft EA contract, which was not previously available. This is an optional extension to the contract agreement currently accessed by Council under Contract 2023177 for its current Microsoft arrangement.

This proposal recommends that Council continues to access the SPC contract (DPC-ICT-04-2020), under a new Council Contract 2026028, to maintain its Microsoft Licensing and Azure Credits arrangement.

## **FINANCIAL IMPLICATIONS**

Contract 2026028 Supply of Microsoft Licensing and Azure Credits has an estimated contract value of \$3,182,000 for the two-year term and an estimated total contract value of \$3,501,000, inclusive of a contingency amount of \$319,000.

## **CONCLUSION**

That Council approves the recommendations contained within this report.

## **ATTACHMENT LIST**

Nil