

Tender - T-2025-1570 - Microsoft Enterprise Services

File No: X130978

Tender No: T-2026-1570

Summary

This report provides details of the tenders received for the City's Microsoft Enterprise services.

Every 3 years, the City enters into an Enterprise Agreement with Microsoft under which the City is entitled to use and deploy Microsoft software such as Windows 11 (laptop and desktop operating system), Microsoft 365 (Outlook, Word, Excel, PowerPoint, Teams) and server-based products such as Exchange and SQL Server, Dynamics 365 and Azure cloud resources.

The current agreement was procured via Request for Tender (RFT) directly with Microsoft licensing partners. While the Enterprise Agreement will be with Microsoft, payments and fulfilment services are supplied through Microsoft Licensing Solution Providers, who act as agents for Microsoft.

This report recommends that Council accept the tender offer of Tenderer B for Microsoft Enterprise services.

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer B for the provision of Microsoft Enterprise services for the schedule of rates outlined in Confidential Attachment B to the subject report, for a period of 3 years;
- (B) Council note that the total contract sum and contingency for Microsoft Enterprise services is outlined in Confidential Attachment A to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Attachment B. Schedule of Rates (Confidential)

Background

1. Since 2014, the City has entered into periodic Enterprise Licensing Agreements to secure Microsoft products for the organisation. The terms of these agreements are for 3 years, with the current agreement ending on 31 July 2026.
2. The licensing agreement covers the City's use of all Microsoft products, including Windows 11 (laptop and desktop operating system), Microsoft 365 (Outlook, Word, Excel, PowerPoint, Teams) and on-premise server-based products that underpin all the application infrastructure within the City's IT environment.
3. The City signs a contract with a Microsoft licensing partner who acts as an agent for Microsoft.

Invitation to Tender

4. A Request for Tender was advertised on 17 March 2026 via the City's e-tendering portal, Tenderlink. The tender was open for 3 weeks and closed on 7 April 2026.
5. The Request for Tender was available on the Supply Nation and NSW Indigenous Chamber of Commerce websites via their member opportunity boards.

Tender Submissions

6. 3 submissions were received from the following organisations:
 - Data#3 Limited. (ABN 31 010 545 267)
 - Datacom Systems (AU) Pty Ltd (ABN 39 135 427 075)
 - SoftwareOne Australia Pty Limited (ABN 18 151 340 608)
7. No late submissions were received.

Tender Evaluation

8. All members of the Tender Evaluation Panel have signed conflict of interest declarations. No conflicts of interest were noted.
9. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

10. All submissions were assessed in accordance with the approved evaluation criteria being:

Evaluation Criteria	Evaluation Weightings %
Schedule of Rates	90
Differentiated value-add items	5
Alignment with the City's Values	5
Financial and commercial trading integrity, including insurances	Mandatory
Acceptable reseller terms	Mandatory
Tenderer is a Microsoft Licensing Solution Provider (LSP)	Mandatory

Risks

11. Procurement of these licences and ongoing use of Microsoft products closely align with maintaining operations and continuity of services and systems.
12. Relevant Risk Appetite Statements:
- (a) Infrastructure, Technology, Assets and Property
 - (i) We place a high priority on ensuring the continuity of essential services delivered through infrastructure assets. Our risk appetite emphasises the need to protect and maintain critical infrastructure to minimise disruption to services, meet community expectations and to ensure public safety.
 - (ii) We have minimal appetite for data loss and/or privacy breaches resulting from cyber incidents.
 - (b) Service Delivery
 - (i) We have minimal appetite for more than temporary disruption to our critical service functions, such as waste services and childcare services.
 - (ii) We have minimal appetite for disruption to our regulatory functions, especially those that affect public safety, front line service and our core corporate functions and business systems.

Financial Implications

13. There are not sufficient funds allocated for in the City's Long Term Financial Plan (LTFP), however funds have been included in the 2026/27 draft LTFP.
14. The total contract sum and contingency for Microsoft Enterprise services is detailed in Confidential Attachment A.

Relevant Legislation

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021.
16. Local Government Act 1993 - Sections 10A and 10B provide that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business if it is in the public interest to do so.
17. Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
18. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest. The reasons supporting this are that disclosure of the confidential information would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers. In addition, disclosure of the information provided in the course of the procurement process and the assessment of that information would prejudice the commercial position of the participants in the procurement process.

Critical Dates / Time Frames

19. 31 July 2026 - Expiry of the current Microsoft Enterprise Agreement.
20. 19 June 2026 - Deadline for delivery of a fully executed, pre-validated Microsoft contract package.

Options

21. No other alternative viable options have been identified during the tender process.

Public Consultation

22. No public consultation was undertaken.

PAULETTE SUTHERLAND

Executive Director People Performance and Technology

Adam Major, Manager IT Technical Services